

meeting, and a notice of the percentage of voting rights that will be required for that resolution to be adopted; and

11.4.2.4 a reasonably prominent statement that:

11.4.2.4.1 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;

11.4.2.4.2 a proxy need not also be a member of the Company; and

11.4.2.4.3 participants will be required to provide satisfactory identification to verify their right to participate at the meeting, as contemplated in paragraph 10.7.

11.4.3 If the Company fails to give the required notice of a members' meeting, or if there was a material defect in the giving of the notice, the meeting may proceed if every member who is entitled to exercise voting rights in respect of each item on the agenda of the meeting:

11.4.3.1 acknowledges actual receipt of the notice;

11.4.3.2 is present at the meeting; and

11.4.3.3 waives notice of the meeting, or in the case of a material defect in the manner and form of giving notice, ratifies the defective notice.

11.4.4 For the purposes of 11.4.1, notices may be delivered to members as set out in Regulation 7.

11.4.5 As required by the Policy, the Company must give written notice to all property owners within the SRA of its intention to hold an AGM on the date stated in the notice by advertising in 1 (one) English and 1 (one) Afrikaans daily newspaper and 1 (one) community (local) newspaper which is circulated in the SRA.

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11.5 electronic participation in members' meetings

11.5.1 A members' meeting may not be conducted by way of electronic communication.

11.5.2 No member or his proxy may participate in a members' meeting by way of electronic communication.

11.6 quorum for members' meetings

11.6.1 The quorum for members' meetings shall be 20% (twenty percent) of the members, who must be present in person or by proxy and entitled to vote.

11.6.2 After a quorum has been established for a meeting, the meeting may continue so long as at least 1 (one) member with voting rights entitled to be exercised at the meeting or on that matter is present at the meeting.

11.7 members acting other than at a members' meeting

11.7.1 A resolution in writing signed by all the persons for the time being entitled to receive notice of and to attend and vote at a members' meeting or by duly authorised representatives on their behalf shall be as valid and effectual as if it had been passed at a meeting of the Company duly convened and held. Any such resolution may consist of several documents, each of which may be signed by one or more members and shall be deemed to have been passed on the date on which it was signed by the last member.

11.7.2 All business that must be conducted at an AGM in terms of 11.1.7 may not be voted on in the manner contemplated in 11.7.1.

11.8 postponement and adjournment of members' meetings

11.8.1 If within 1 (one) hour of the appointed time for a meeting to begin, a quorum is not present, the meeting will automatically (without any further action or formalities being required, unless the location of the meeting is different):

11.8.1.1 if convened on the requisition of members, be dissolved;
or

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- 11.8.1.2 in any case other than contemplated in paragraph 11.8.1.1, be postponed to a date determined by the chairperson, but no earlier than 1 (one) week from the date of the non-quorate meeting (or if that is not a business day, to the next succeeding business day) at the same time and place, or to such other time and place as the chairperson of the meeting may appoint.
- 11.8.2 If a quorum is not present when a matter is called on the agenda, consideration of that matter may be postponed to a later time in the meeting (without further action or formalities being required) if there is other business on the agenda. However, if there is no further business on the agenda, the meeting is automatically (without any further action or formalities being required, unless the location of the meeting is different) adjourned to a date determined by the chairperson but no earlier than 1 (one) week from the date of the meeting (or if that is not a business day, to the next succeeding business day) to be continued at the same time and place, or to such other time and place as the chairperson of the meeting may appoint.
- 11.8.3 The 1 (one) hour time limit specified in paragraph 11.8.1 may be extended by the chairperson presiding at the members' meeting as contemplated in section 64(5) of the Act on the grounds that:
- 11.8.3.1 exceptional circumstances affecting weather, transportation or electronic communications have generally impeded or are generally impeding the ability of members to be present at the meeting; or
- 11.8.3.2 one or more particular members, having been delayed, have communicated an intention to attend the meeting, and those members, together with others in attendance, would satisfy the quorum requirements contemplated in 11.6.1.



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- 11.8.4 A members' meeting (or consideration of a particular matter on the agenda) may be adjourned without further notice to a fixed time and place (but will require a notice if it is adjourned "until further notice") by a vote in favour thereof by holders of a majority of those voting rights present or represented by proxy at the meeting and entitled to be exercised on at least one matter remaining on the agenda of the meeting or, where the adjournment is in respect of a particular matter, by a vote in favour thereof by holders of a majority of those voting rights present or represented by proxy and entitled to be exercised in respect of the matter in question.
- 11.8.5 No business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting which was adjourned.
- 11.8.6 A meeting may not be adjourned to a date that is later than 60 (sixty) days after the original meeting was adjourned or 120 (one hundred and twenty) days after the record date determined in accordance with section 59 of the Act, whichever is earlier.
- 11.8.7 Pursuant to section 64(8) of the Act, if within 30 (thirty) minutes of the appointed time for a postponed meeting to begin or an adjourned meeting to resume, the quorum requirements are not met, those members who are entitled to exercise voting rights at the meeting, present or represented at the meeting, will be deemed to constitute a quorum.
- 11.9 **voting**
- 11.9.1 Every member shall have 1 (one) vote for every R5 000 000(five million) of municipal valuation or portion thereof, but subject to a maximum of 10 (ten) votes.
- 11.9.2 No member who is in arrears with payment of the additional rate for more than 60 (sixty) days, shall be entitled to vote at a members' meeting for so long as he is so in arrears except if the member can prove that he is in a dispute or has entered into an appropriate payment arrangement with the City.

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- 11.9.3 The City will furnish the Company with an arrears statement prior to every members' meeting reflecting which of the Company's members are in arrears with payment of the additional rate for more than 60 (sixty) days.
- 11.9.4 Save as is otherwise expressly provided by the Act or by this MOI, all questions, matters and resolutions arising at or submitted to any members' meeting shall be decided by a majority of votes cast (i.e. more than 50% (fifty percent)).
- 11.9.5 At a meeting of members, voting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the chairperson of the meeting, or by at least 5 (five) persons having the right to vote on that matter as a member or proxy or persons who together are entitled to exercise at least 10% (ten percent) of the voting rights entitled to be exercised on that matter. Subject to the provisions of the Act, unless a poll is demanded, a declaration by the chairperson that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, shall be final and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 11.9.6 If a poll is demanded as aforesaid, it shall be taken in such manner and at such place and time as the chairperson of the meeting directs and either immediately or after an interval or adjournment. The demand for a poll may be withdrawn. Scrutineers shall be appointed by the chairperson to count the votes and to declare the result of the poll, and their declaration, which shall be announced by the chairperson, shall be deemed to be the resolution of the meeting at which the poll was demanded. Where it is impractical for the result of the poll to be announced at the meeting, the Company will announce the result to the members within 3 (three) business days from the date of the meeting. In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting shall determine the dispute and the determination of the chairperson made in good faith shall be final and conclusive.

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11.9.7 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.9.8 In the case of an equality of votes, the chairperson of the meeting shall not be entitled to a second or casting vote in addition to his deliberative vote as a member (if any).

11.10 members' resolutions

11.10.1 For an ordinary resolution to be adopted at a members' meeting, it must be supported by more than 50% (fifty percent) of the members who voted on the resolution, as provided in section 65(7) of the Act.

11.10.2 For a special resolution to be adopted at a members' meeting, it must be supported by at least 75 % (seventy-five percent) of the members who voted on the resolution, as provided in section 65(7) of the Act.

11.10.3 A special resolution adopted at a members' meeting is not required for a matter to be determined by the Company except those matters set out in section 65(11) of the Act.

12. Directors

The business of the Company shall be managed by the Board in accordance with the stated object/s of the Company and as envisaged in terms of section 66(1) of the Act. The Board may exercise all powers of the Company which are not excluded by law or this MOI. The Board must act solely in the interests of the Company at all times in the management of the Company and in the exercising of all powers of the Company.

12.1 appointment

12.1.1 The Company shall have a minimum of 3 (three) directors.

12.1.2 Directors shall be elected and appointed at a duly convened AGM of the Company.



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12.1.3 Notwithstanding 12.1.2, the City, whether it is a member of the Company or not, shall be entitled to appoint) councillor/s to serve on the Board and to remove and replace such councillor, all by notice in writing to the Company. The councillor/s so appointed shall be entitled to attend and participate in, but not vote at, Board meetings.

12.1.4 No official of the City may be elected to serve as a director on the Board.

12.1.5 Every director must satisfy the qualification and eligibility requirements set out in section 69 of the Act to become or remain a director. In addition, directors may not be related persons (as defined in terms of section 2(1)) or be connected persons in relation to each other as contemplated in section 1 of the Income Tax Act.

12.1.6 Subject to 12.1.7, directors shall serve a term of 3 (three) years, commencing from the date of the AGM at which they are appointed.

12.1.7 As required by item 5(1)(b) of Schedule 1 to the Act, at least 1/3 (one third) of the directors shall resign every year at the AGM, but shall be eligible for re-election.

12.1.8 The Board shall have the power to co-opt additional directors and to remove and replace such directors by a resolution of the Board. An additional director shall only remain in office until the end of the AGM following his appointment, whereafter such additional director may be co-opted for a further period ending at the next AGM.

12.1.9 The chairperson and vice-chairperson shall be elected by the Board annually from amongst the directors at the first meeting of the directors following the AGM of the Company.

12.1.10 The chairperson and vice-chairperson shall preside at meetings of the Board. If neither of the chairperson or the vice-chairperson is present or willing to act within 5 (five) minutes of the time appointed for the commencement of such meeting, the directors then present shall choose any other of their number to be chairperson of such meeting.

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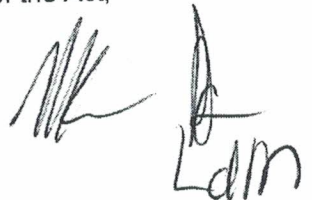
12.2 **alternate directors**

- 12.2.1 Each director shall be entitled to appoint another person to act as his alternate or substitute at meetings of the Board during his absence therefrom, and may in his discretion remove such alternate director. If such appointment is made, the alternate director shall, in all respects, be subject to the terms, qualifications and conditions existing with reference to the other directors and shall vacate his office, if the director for whom he is an alternate, ceases to be a director.
- 12.2.2 Any alternate director shall only be entitled to attend Board meetings at which the director for whom he is an alternate is unable to attend.
- 12.2.3 Any alternate director, whilst acting in the stead of the director who appointed him, shall exercise and discharge all the powers, duties and functions of the director he represents.
- 12.2.4 A person may be nominated as alternate to more than one director, and in such event shall have the voting rights relating to each director which he or she is representing.

12.3 **vacation of office**

The office of a director shall *ipso facto* be vacated if such director:

- 12.3.1 dies;
- 12.3.2 resigns, by giving no less than 1 (one) month's written notice;
- 12.3.3 becomes incapacitated to the extent that the person is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time;
- 12.3.4 is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a director of the Company;
- 12.3.5 becomes ineligible or disqualified in terms of section 69 of the Act;

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12.3.6 is absent from 3 (three) consecutive meetings of the Board without the consent of the chairperson; or

12.3.7 is removed in terms of 12.4.

12.4 **removal from office**

12.4.1 The Company may in accordance with section 71 of the Act remove any director before expiration of his period of office, and may by ordinary resolution appoint another member in his stead.

12.4.2 A director may further be removed from office by order of the court as contemplated in section 71(5) or (6) of the Act.

12.5 **vacancies**

The directors may act notwithstanding any vacancy on the Board, provided that for so long as their number is reduced below the number fixed in 12.1.1 as the minimum number of directors, the remaining directors may act for the purpose of increasing the number of directors to that number, but for no other purpose.

12.6 **meetings**

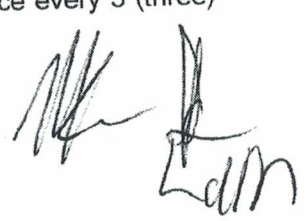
12.6.1 The conduct of meetings shall generally be governed in terms of section 73 of the Act. Notwithstanding the aforementioned, the Board may regulate their meetings as they think fit, subject to any limitations or restrictions set out in this MOI.

12.6.2 The chairperson of the Board:

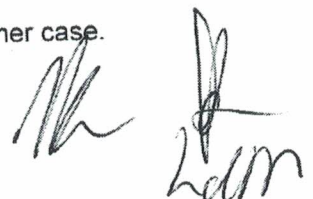
12.6.2.1 may call a Board meeting at any time; and

12.6.2.2 must call a Board meeting if requested to do so by at least 25% (twenty-five percent) of the directors, in the case of a Board that has at least 12 (twelve) members, or 2 (two) directors in any other case.

12.6.3 Notwithstanding 12.6.2, the Board shall meet at least once every 3 (three) months.

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- 12.6.4 Notice of a Board meeting must be given to each director in writing, whether by post, fax or email, not less than 14 (fourteen) days prior to the meeting.
- 12.6.5 Where the chairperson has failed to give the required notice of the Board meeting, or there was a defect in the giving of the notice, such meeting may proceed, provided that all of the directors:
- 12.6.5.1 acknowledge actual receipt of the notice;
 - 12.6.5.2 are present at the meeting; or
 - 12.6.5.3 waive notice of the meeting.
- 12.6.6 A Board meeting may not be conducted by means of electronic communication and no director may participate in a meeting by means of electronic communication.
- 12.6.7 A majority of the directors (i.e. more than 50% (fifty percent)) in office must be present in order to constitute a quorum for a Board meeting.
- 12.6.8 Each director shall be entitled to 1 (one) vote in regard to all business brought before the Board.
- 12.6.9 A director who is in arrears with payment of the additional rate or a *pro rata* share thereof, as the case may be, for more than 60 (sixty) days, or his proxy may not vote at a Board meeting for so long as he is so in arrears except if the member can prove that he is in a dispute or has entered into an appropriate payment arrangement with the City.
- 12.6.10 No director may vote on a matter in respect of which he has a personal interest, the provisions of section 75 of the Act being applicable.
- 12.6.11 In the event of a tied vote:
- 12.6.11.1 the chairperson of the meeting may cast a deciding vote if he did not initially have or cast a vote;
 - 12.6.11.2 the matter being voted on fails in any other case.

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- 12.6.12 Unless otherwise provided in this MOI, a majority (i.e. more than 50% (fifty percent)) of the votes cast on a resolution is sufficient to approve that resolution.
- 12.6.13 A decision that could be voted on at a Board meeting may instead be adopted by written consent of the majority of the directors (i.e. more than 50% (fifty percent)), provided that all directors have received notice of the matter to be decided. A decision made in this manner is of the same effect as if it had been approved by voting at a meeting.
- 12.6.14 Resolutions adopted by the Board:
- 12.6.14.1 must be dated and sequentially numbered; and
 - 12.6.14.2 are effective as of the date of the resolution, unless the resolution states otherwise.
- 12.6.15 The Company shall keep minutes of all Board meetings, and any of its committees, and include in the minutes:
- 12.6.15.1 any declaration of personal financial interest given by notice or made by a director as required by section 75 of the Act; and
 - 12.6.15.2 every resolution adopted by the Board.
- 12.6.16 Any minutes of a Board meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next Board meeting, is evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be.
- 12.7 **indemnification**
- 12.7.1 Subject to a resolution of the directors, the Board may:
- 12.7.1.1 advance expenses to a director to defend litigation in any proceedings arising out of that director's service to the Company; and

