

SCHEDULE 1 – INCORPORATION AND NATURE OF THE COMPANY

PART A (Insert any provisions limiting the purposes or powers of *the Company*, as contemplated in section 19(1)(b) of the 2008-Companies Act)

1.A1. Powers

There are no powers of *the Company*, which are excluded from the plenary powers in terms of section 19(1)(b)(ii), but the following powers of *the Company* are modified as agreed and recorded below to ensure that *the Company* qualifies as a non-profit company in terms of the Income Tax Act, 1962, and the Non-Profit Organisations Act, 1997:

- 1.A1.1 To only form and / or to have an interest in any company or companies having the same or similar objects to *the Company* for the purpose of acquiring the undertaking or all, or any of the assets or liabilities of that company or companies or for any other purpose which may seem, directly or indirectly, calculated to benefit *the Company*, and to take transfer of such company or companies their undertaking or all or any assets or liabilities of such companies.
- 1.A1.2 To only amalgamate with other companies having the same or similar objects as *the Company*.
- 1.A1.3 To only take part in the management, supervision and control of the business or operations of any other company or business having the same or similar objects as *the Company* and to enter into partnerships having the same or similar objects as *the Company*.
- 1.A1.4 To remunerate any person or persons in cash for services rendered in its formation or in the development of its activities.
- 1.A1.5 To make donations provided that no donations may be made to *members* or *directors*.
- 1.A1.6 To pay gratuities and pensions and establish pension schemes and incentive schemes in respect of its employees.

PART B (Insert any 'Ring fencing' provisions as contemplated in section 15(2) of the 2008-Companies Act)

1.B1. Ring Fencing

The provisions contained in PART B of this Schedule shall not be amended, added to, substituted or removed, save and unless such amendment, addition, substitution, or removal have been approved by all voting *members*.

1.B2. **Continuing Responsibility**

The developer, during *the development period*, and thereafter *the Negester HOA (RF)* has a continuing and permanent right and concomitant obligation to ensure the success of the development of *the township*.

1.B3. **Non-distribution of Income and Assets**

1.B3.1 The income and property of *the Company* whensoever derived shall be applied solely towards the promotion of its main object 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 Company* or its controlling or controlled company; provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer, employee, independent contractor, or professional advisors of *the Company* or to any *member* thereof in return for any services actually rendered to *the Company*.

1.B3.2 No dividends shall be paid to *members of the Negester HOA (RF)*.

1.B3.3 In the event of *the Negester HOA (RF)* ceasing to exist for any unforeseen reason, or be liquidated or deregistered, *the members of the Negester HOA (RF)* at the time of such liquidation or deregistration, shall be responsible and liable themselves for the obligations of the former *the Negester HOA (RF)* up to a maximum of the amount of their arrear levies, interest, penalties for non-compliance and legal costs to recover same.

1.B4. **Guarantee**

The liability of *members* is limited to the amount to be paid in terms of clause 5.3 of *the Mol*.

1.B5. **Restriction on alienation of private property**

1.B5.1 No *member* may subdivide his / her / its *private property*.

1.B5.2 A *member* shall not without the prior written consent of *the Negester HOA (RF)*, *alienate a private property*; provided that *the Negester HOA (RF)* is obliged to give its consent to such *alienation* if:

1.B5.2.1 the proposed transferee consents to, and agrees, in such manner as *the Negester HOA (RF)* may require, to become and remain a *member of the Negester HOA (RF)* for the duration of his / her / its ownership of *the private property*;

- 1.B5.2.2 a levy clearance certificate has been issued by *the Negester HOA (RF)* to the effect that all monies due to *the Negester HOA (RF)* by *the member* have been paid, or that provision has been made to the satisfaction of *the Negester HOA (RF)* for the payment thereof; and
- 1.B5.2.3 *the Negester HOA (RF)* has certified that *the member* is not in breach of any of the provisions of *this MOI* or *the Rules*.
- 1.B5.3 The following conditions shall consequently be included in the conditions of title in every deed of transfer of a *private property* to be registered in the Deeds Office:
- 1.B5.3.1 "The abovementioned property, or a portion or any undivided share therein, may not be alienated or transferred without the prior written consent of the Negester Klein-Kariba Retirement Estate Limited (RF).
- 1.B5.3.2 Notwithstanding any law or town planning scheme authorising subdivision of the abovementioned property, no further subdivision in respect of the property shall be allowed.
- 1.B5.3.3 The development, use and enjoyment of the abovementioned property is subject to the Memorandum of Incorporation, the management-, and conduct rules, the architectural design guidelines as well as the conduct rules for builders of the Negester Klein-Kariba Retirement Estate Limited (RF) in force, from time to time."
- 1.B5.4 The provisions of clauses 1.B5.1 to 1.B5.3 shall apply *mutatis mutandis* to any undivided share in a *private property*, or a transfer of shares in a company, or members' interest in a close corporation, or a change of the trustees and / or beneficiaries of a business- or family trust, that owns a *private property*, and *the member* shall ensure and permit the document evidencing his / her / its title to such beneficial interest against such title in terms of the generally accepted lawful manner to serve as notice of such limitation to any prospective purchaser.
- 1.B5.5 In order to enable *the Negester HOA (RF)* to fulfil its functions and discharge its contractual obligations in terms of *the Constitution of the Negester HOA (RF)*, all owners shall pay an amount equal to 1 % (one percent) of the sale price of a *private property* to *the Negester HOA (RF)* upon the sale or other alienation of their *private property*, or beneficial interest to a third party, as a contribution to *the Negester HOA (RF)* maintenance fund, and instruct the transferring attorney of their *private property*, or beneficial interest therein, to pay such amount from the net proceeds of such sale or alienation to *the Negester HOA (RF)*.
- 1.B5.6 In the event of any *member* deciding to sell his, her or its *private property*, *the Negester HOA (RF)*, or its *managing agent*, shall as long as *the member* is intent on selling his, her or its *private property* have a sole mandate of 90 (ninety) days to sell *the private property*

of such *member*, on similar terms and conditions as those privately advertised or required by such *member*.

1.B5.7 The aforesaid *member* shall inform *the Negester HOA (RF)* of his, her or its intention to sell his / her / its *private property* and provide *the managing agent* with the written particulars of the terms on which he / she / it is prepared to sell his / her / its *private property*, which particulars shall then be considered as a written mandate to *the Negester HOA (RF)* and its *managing agent* to sell *the private property* on behalf of *the member*, on the said terms.

1.B6. **Restricted use of land within *the township***

1.B6.1 Ownership of a *private property* does not confer any right to access or use any land or *private property* owned by *the developer*, or other *members* not forming part of *the common property*, save for the right to access and travel on and use the approved internal roads and *the common property* on the approved sub-divisional plan of *the township*, according to *the Rules*.

1.B6.2 *The members* acknowledge and agree that *the developer*, its successor/s in title and its employees have certain rights, including rights of access across *the common property*, and *private properties* to install *the internal services* during the development phase of *the township*.

1.B7. **Restriction on employment of third party contractors**

1.B7.1 All building contractors must be approved by *the developer*, and after *the development period*, by *the Negester HOA (RF)* or its *managing agent* before construction of any building or dwelling on a *private property* commences.

1.B7.2 All estate agents marketing and / or selling *private property* in *the township* must be approved by *the developer*, and after *the development period*, by *the Negester HOA (RF)*, or its *managing agent*, before such estate agent commences any marketing or sales initiatives in respect of *private property* in *the township*.

1.B8. **Internal Services**

1.B8.1 *The developer* and *the Negester HOA (RF)* are entitled:

1.B8.1.1 to register, where necessary, services servitudes to provide the necessary services to *the township* and individual *private properties*, in favour of the local municipality, or any adjacent or property development property or independent provider of *internal services*, over any *private property* in *the township*, or over *the common property*;

1.B8.1.2 to incorporate adjacent immovable property into **the township**, or under the management of **the Negester HOA (RF)**, and to develop such **private property** as it may deem fit, in which event all persons who become owners of erven or units in such development(s) shall be entitled and subject, as the case may be, to the benefits, rights or obligations of **members of the Negester HOA (RF)**;

1.B8.1.3 to further subdivide any part of **the land** and develop it; provided that such subdivision and / or development thereof is not inconsistent with the development plan approved by the relevant authorities for **the township**, and **the members**, by becoming **members of the Negester HOA (RF)** waive their right to object to such subdivision and further development;

1.B8.1.4 to draw electricity from **private properties** adjacent to sprinkler heads in road reserves, for purposes of powering the irrigation system on the verges of such road reserves; provided that the cost thereof shall be borne by **the Negester HOA (RF)**, recoverable as part of the levies upon all **members**.

1.B8.2 Portable Water Supply

1.B8.2.1 Water will be supplied and metered in bulk at the boundary of **the township** by **the Negester HOA (RF)**. **The Negester HOA (RF)** will be responsible for paying **the ATKV** for the bulk supply and metered consumption to **the township**. **The Negester HOA (RF)** will supply water to **the township**.

1.B8.2.2 **The ATKV** will be responsible for the maintenance of the potable water supply system up to the bulk supply point at the boundary of **the township**, in terms of a service level agreement with **the developer** and **the Negester HOA (RF)** as its successor in title.

1.B8.2.3 **The developer** shall install the infrastructure for the water supply to the boundary of each **private property** in **the township**.

1.B8.2.4 The management and maintenance of the complete internal water supply system will be the responsibility of **the Negester HOA (RF)** and all supplies of water will be managed and administered in the entire discretion of **the Negester HOA (RF)**.

1.B8.2.5 **The Negester HOA (RF)** will be responsible for the cost of maintenance and servicing of pipelines, pumps, meters, equipment and materials in respect of the internal potable water supply system up to the boundary of each **private property**.

1.B8.2.6 **The members of the Negester HOA (RF)** shall be liable for and shall pay to **the Negester HOA (RF)** on demand all charges arising from water supplied to or

consumed in or on *private properties* and the buildings thereon, and on *the common property* as part of the levies.

1.B8.2.7 The liability of *members* of *the Negester HOA (RF)* for such charges shall be in accordance with separate sub-meters serving the individual *private properties*, which *the Negester HOA (RF)* shall be entitled to install at the cost of the relevant *member*, to recover it from such *member*.

1.B8.2.8 Where water charges are calculated and payable in terms of this article, any Value Added Tax levied in respect of the supply of such water shall be paid by the *member* in question pro-rata to the amount due in terms of the levy.

1.B8.2.9 *The Negester HOA (RF)* will be entitled to charge interest at the prescribed statutory default interest rate on any charges payable by a *member* in terms of this clause which interest will be calculated from the due date on the balance of the charges owing from time to time until it has been paid in full.

1.B8.3 Electricity

1.B8.3.1 Eskom will supply electricity in bulk at the boundary of *the township*. This will be known as the Point of Supply ("*POS*").

1.B8.3.2 *The POS* will contain an intake substation with the necessary switchgear and a bulk supply meter to *the township*. Ownership of this equipment (together with the responsibility to operate, maintain and repair) will vest in *the Negester HOA (RF)*.

1.B8.3.3 *The developer* shall install the internal infrastructure from *the POS* for the electricity supply to a distribution kiosk in the vicinity of each *private property* in *the township*.

1.B8.3.4 *The Negester HOA (RF)* will be responsible for the operation and maintenance of the internal reticulation of electricity and shall further be responsible to appoint a responsible person as defined in terms of the Occupation Health and Safety Act No. 85 of 1993 to exercise this function on its behalf.

1.B8.3.5 The liability of *members* for such charges shall be in accordance with separate sub-meters serving the individual *private properties* of *members*.

1.B8.3.6 Where electricity charges are calculated and payable in terms of this clause, and Value Added Tax is levied in respect of the supply of such electricity, the Value Added Tax shall be paid by *the member* in question as part of the monthly levies.

1.B8.3.7

Lighting on *the common property* shall be supplied through separate electricity supply meters and the cost incurred by *the Negester HOA (RF)* in respect thereof shall be recovered from *members* as part of the levies imposed by *the Negester HOA (RF)*.

1.B8.4

Sewerage

1.B8.4.1

The developer will contract *ATKV* for the use of their sewerage treatment plant and internal sewer reticulation in *the township*.

1.B8.4.2

The Negester HOA (RF) will be responsible for the maintenance of the internal sewer reticulation serving *the township* as well as for the maintenance of the sewerage treatment plant, if it is their responsibility.

1.B8.4.3

The maintenance costs of the internal sewer reticulation and the sewerage treatment plant, as well as sewerage services costs will be recovered by means of levies imposed by *the Negester HOA (RF)* on *members*.

1.B8.5

Storm Water

1.B8.5.1

The developer will install the internal storm water system serving *the township*.

1.B8.5.2

The Negester HOA (RF) will be responsible for the maintenance of the internal storm water system serving *the township* as well as for the maintenance of the storm water attachment dams, if any.

1.B8.5.3

The maintenance costs will be recovered by means of levies imposed by *the Negester HOA (RF)* on *members*.

1.B9. Refuse Removal

The members are liable to effect refuse removal as directed from time to time by *the board of directors of the Negester HOA (RF)* and to make payment to *the ATKV* or any service provider or local authority or its nominee who provides such service.

1.B10. General

1.B10.1

The developer will provide the necessary connections to *the internal services* to the boundary of each *private property* in *the township*, by means of sub-meters or otherwise.

1.B10.2

Each *member of the Negester HOA (RF)* shall from date of transfer be responsible for any connection charges to *the internal services of the township*, including the costs of any metering device and the maintenance and replacement of any such device.

1.B10.3 **The Negester HOA (RF)** shall be entitled to call for deposits in respect of any connection to be undertaken by it, the interest on which deposits shall be for the credit of **the Negester HOA (RF)**.

1.B10.4 **The developer**, during **the development period**, and thereafter **the Negester HOA (RF)** or **the managing agent** where applicable, shall have the right to convey water, electricity, sewerage, telephone information technology, telecommunication, security communication, and any other services over any **private property** or building on **the private property** or any other portion of **the township**, and shall have the right of access to such **private property** and improvements for the purposes of installing, replacing and / or repairing such services.

1.B10.5 **The members** will allow reasonable access to employees or representatives of **the developer** or **the Negester HOA (RF)** or its independent contractor, to **the private properties** or the buildings, thereon for purposes of maintaining any pipes or equipment or in general any of the systems necessary for the conveyance or provision of the services referred to above.

1.B10.6 Without limiting the generality of the provisions of clause B12.3, every **member** shall allow electricity mains, electricity, telephone and television cables and / or wires, and main and / or other water pipes and the sewerage and drainage, including storm water, of any other **private property** to be conveyed across **the private property**, and surface installations such as mini-substations, metre kiosks and service pillars to be installed thereon, if considered necessary by **the Negester HOA (RF)** and / or **the developer** (during **the development period**) and in such a manner and position as may from time to time be reasonably required. This shall include the right of access to **the private property** at any reasonable time for the purposes of constructing, altering, removing or inspecting any works connected with the above.

1.B10.7 **The members** are liable for the payment of a deposit in respect of water supply, electricity supply, and telecommunication infrastructure if supplied, as determined from time to time by **the board of directors** of **the Negester HOA (RF)**.

1.B11. Township Conditions and Rules

1.B11.1 By becoming a **member**, **the members** agree that their ownership of a **private property** is by agreement limited by:

1.B11.1.1 the conditions in **the township** title deed of **the developer**,

- 1.B11.1.2 the conditions imposed by the authority approving the establishment of *the township* or the amendment scheme of the Bela-Bela Land Use Scheme, 2008 (hereafter referred to as "*the township conditions*");
- 1.B11.1.3 *the Constitution of the Negester HOA (RF)* in force from time to time;
- 1.B11.1.4 the conditions which have to be included in every deed of transfer of *the private property* in terms of *this MoI*;
- 1.B11.1.5 *the Rules* dealt with in terms of PART D of this Schedule; and
- 1.B11.1.6 restrictions imposed hereafter by means of a unanimous resolution of *the Negester HOA (RF)*.
- 1.B11.2 *The township conditions* and *the Rules* are available initially from *the developer* and thereafter from *the managing agent*, on written request and against payment of a reasonable copy fee.

1.B12. **Approval of building plans**

Only *development options* are permitted for improvement of a *private property*, and must be dealt with in terms of *the Conduct Rules*, and be executed in accordance with *the Conduct Rules For Builders*.

1.B13. **Extension of township**

- 1.B13.1 *The developer* and thereafter *the Negester HOA (RF)* reserves the right to extend *the township*, for its own account, which rights includes the rights to:
- 1.B13.1.1 add adjacent *land* which may be incorporated in the development as future phases or conservation areas which phase, and / or *land* and / or conservation areas will be included in *the township*; or
- 1.B13.1.2 further subdivide the existing *land* or a specified part of *the common property*;
- 1.B13.1.3 confer the right of exclusive use over parts of *common property* upon the owner or owners of one or more *private properties*, or to erect and complete buildings and facilities in *the township*;
- 1.B13.1.4 amend the layout, and / add to or subtract from the number of erven in *the township* in its sole discretion;
- 1.B13.1.5 to amend park areas, facilities and amenities in its sole discretion;

provided that **the developer** discloses its real right to extend **the township** in every deed of sale to every purchaser of a **private property** in **the township**.

1.B13.2 A deed of sale in which the real right to extend **the township** is not disclosed shall be voidable at the option of the purchaser.

1.B13.3 The rights reserved in terms of this clause may be exercised by **the developer** or its successor in title even after **the developer** has no further real or personal right in **the township**.

1.B14. **Consolidation of private properties**

A **member** or his successor in title, shall be allowed to consolidate **private properties** owned by him / her / it, on the following conditions:

1.B14.1 the relevant approvals from **the Negester HOA (RF)** and the Local Authority, if required, are obtained;

1.B14.2 the full levy is paid on each of **the private properties** in terms of clause 5.3 of **the Mol**; and

1.B14.3 all conditions relating to building periods, will be applicable to the consolidated **private property** and the time periods will be calculated from the first date of transfer of **private property** into the name of **the member**.

PART C (Insert provisions establishing, or providing for the establishment of, a scheme of distribution of the net assets of **the Company** upon its dissolution, as required by Item 1(4) of Schedule 2 of **the 2008-Companies Act**)

1.C1. Upon its winding-up, de-registration, or dissolution, the assets of **the Company** remaining after the satisfaction of all its liabilities shall be given or transferred to **the ATKV** or some other association(s) or institution(s), having objects similar to its main object, and failing such determination by **the board of directors**, by the Court.

PART D (Insert- (a) any provisions relating to the amendment of **the Mol**, as contemplated in section 16(1)(c) of **the 2008-Companies Act**; and (b) any provisions relating to the Board's authority to make rules for **the Company**, as contemplated in section 15(3) to (5) to **the 2008-Companies Act**)

The board of directors shall be entitled to make **Rules** as defined in clause (xvi) of **the Mol** and to amend them subject to:

1.D1. there being publication to **members** in the manner recorded in the specific **Rules**;

1.D2. **the Rules** becoming effective from the date(s) specified in the said **Rules**;

1.D3. *the Rules* remaining effective and binding until ratified or rejected by an ordinary resolution of *the Negester HOA (RF)*.

PART E (Insert provisions setting out the terms and conditions of membership)

1.E1. *The developer* shall be the first *member* and shall remain a *member* for as long as it is *the owner* of a *private property* or *the common property* or a real right in respect of *land* situated within *the township*.

1.E2. Every other person who owns *private property*, or a real right in respect of *private property*, shall on registration of ownership or title to such *private property* or real right become a *member* of *the Negester HOA (RF)* and remain a *member* until transfer of ownership or cession of the real right with the written consent of *the Negester HOA (RF)*.

SCHEDULE 2 – RIGHTS OF MEMBERS

PART A (Insert any provisions limiting or restricting the right of members to act without meeting formal requirements, as contemplated in section 57(4) of *the 2008-Companies Act*)

NONE

PART B (Insert any provisions creating addition information rights of members, as contemplated in section 26 of *the 2008-Companies Act*)

NONE

PART C (Insert any provisions relating to the powers of members to appoint proxies, the appointment of proxies, and the powers of any such proxy, as contemplated in section 58 of *the 2008-Companies Act*)

2.C1. A *member* entitled to vote at a *general meeting* shall be entitled to appoint one person, or more than one person in the alternative to each other as his proxy(ies) to attend, speak and vote at a *general meeting* on his behalf.

2.C2. A proxy need not be a *member* of *the Negester HOA (RF)*.

2.C3. The instrument appointing a proxy shall be *in writing* under the hand of *the member* or his agent duly authorised *in writing* or, if *the member* is a body corporate, under the hand of the authorised representative. A proxy need not be witnessed. Whether he is himself a *member* or not, the holder of a general or special power of attorney given by a *member* shall, if duly authorised under that power to attend and take part in meetings and proceedings of *the Negester HOA (RF)* or companies generally, be entitled to attend *general meetings* and to vote thereat.

- 2.C4. A form of proxy may be issued at *the Negester HOA (RF)* expense only if it is sent to all *members* who are entitled to attend and vote at *the general meeting* to which the proxy form relates.
- 2.C5. The instrument 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 deposited at the registered office of *the Negester HOA (RF)* not less than 48 (forty eight) hours or at such other place and such lesser period as *the board of directors* may determine in relation to any particular meeting, before the time for the holding of the meeting at which the person named in the instrument proposes to speak and vote. A form of power of attorney or proxy shall be invalid if this clause is not complied with.
- 2.C6. Except in so far as the form appointing a proxy indicates otherwise, the appointment of a proxy shall be deemed to include the right to demand or to join in a demand for a poll and (except to the extent to which the proxy is specially directed to vote for or against or to abstain from voting on any proposal or resolution), and the power generally to act for *the member* giving that proxy at the *general meeting* in question as the proxy may think fit. Unless the contrary is stated thereon, the form appointing a proxy may think fit. Unless the contrary is stated thereon, the form appointing a proxy shall be valid for each adjournment of *the general meeting* to which it relates.
- 2.C7. No instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date on which it was signed, unless specifically stated to the contrary in the instrument of proxy itself.

PART D (Insert any provisions respecting the fixing of a record date, as contemplated in section 59 of *the 2008-Companies Act*)

The date of registration of ownership in, or a real right to *private property* in *the township*, shall constitute the record date for membership of *the Negester HOA (RF)*.

SCHEDULE 3 – MEMBERS MEETINGS

PART A (Insert any provisions imposing a requirement to hold a members meeting)

- 3.A1. *The Negester HOA (RF)* shall hold:
- 3.A1.1 its first *annual general meeting* within 18 (eighteen) months after the date of its incorporation and shall thereafter in each year hold an *annual general meeting*; provided that not more than 15 (fifteen) months shall lapse between the date of one *annual general meeting* and that of the next, and that an *annual general meeting* shall be held within 9 (nine) months after the expiration of the financial year of *the Negester HOA (RF)*.
- 3.A1.2 *general meetings of the Negester HOA (RF)* shall be held in terms of the notices calling such *general meetings* issued in terms of section 62 of *the 2008-Companies Act*.

- 3.A2. An **annual general meeting** and a **general meeting** called for the passing of a special resolution shall be called by not less than 15 (fifteen) clear days notice **in writing**, delivered to the physical address of **the private property** of each **member**.
- 3.A3. Any other **general meeting** shall be called by not less than 7 (seven) clear days' notice **in writing**, delivered as agreed and recorded in clause A2.
- 3.A4. The chairperson, if any, of **the board of directors** shall preside as chairperson at every **general meeting of the Negester HOA (RF)**.
- 3.A5. In the case of an equality of votes the chairperson of the meeting shall be entitled to a second or casting vote.
- 3.A6. In the event of the chairperson of **the board of directors** not being present within 15 (fifteen) minutes of the scheduled time for the start of the meeting, or in the event of his / her inability or unwillingness to act as chairperson shall be appointed by **the members** present at the meeting.

PART B (Insert any provision limiting or restricting the authority of the Board to determine the location of members meetings, or the authority of **the Company** to meet outside the Republic)

- 3.B1. **Annual general meetings** and other **general meetings** shall be held at such time and place as **the board of directors** shall decide.
- 3.B2. The notices in terms of clauses A2.2 or A3 of this Schedule shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given, and shall be given as prescribed in clauses A2 and A3 of this Schedule or in such other manner, if any, as may be agreed to by **the Negester HOA (RF)** in **general meeting**, to such persons as are entitled to receive such notices from **the Negester HOA (RF)**; provided that a meeting of **the Negester HOA (RF)** shall, notwithstanding the fact that it is called by shorter notice than that specified in clauses A2 or A3, be deemed to have been duly called if it is so agreed by a majority in number of the **members** having a right to attend and vote at the meeting, being a majority holding not less than 50 % plus one of the total voting rights of all **the members**.
- 3.B3. The accidental omission to give notice of any **annual general meeting** or **general meeting** to any particular **member** or **members** shall not invalidate any resolution validly passed at any such meeting where a quorum was present.

PART C (Insert any provision limiting or restricting the authority of the Board with respect to the use of electronic communication for members meetings, as contemplated in section 63 of **the 2008-Companies Act**)

NONE

PART D (Insert any provision respecting the quorum requirements for members meetings, or varying the provisions of section 64 of the 2008-Companies Act)

- 3.D1. The **annual general meeting** shall deal with and dispose of all matters prescribed by **the 2008-Companies Act**, including the consideration of the annual financial statements, the election of **directors** and the appointment of an auditor, and may deal with any other business laid before it.
- 3.D2. All business laid before a **general meeting** shall be considered ordinary business.
- 3.D3. No business shall be transacted at any **general meeting** unless a quorum is present when the meeting proceeds to business. The quorum necessary for the holding of a **general meeting** shall be:
- 3.D3.1 during **the development period**, all the votes of **the developer** plus 10 % (ten percent) of the votes of the other **members of the Negester HOA (RF)** entitled to vote for the time being; or
- 3.D3.2 after **the development period**, 10 % (ten percent) of the votes of all **the members of the Negester HOA (RF)** entitled to vote for the time being, provided that there shall never be less than 3 (three) **members** present in person.

PART E (Insert any provision varying section 64(13) of the 2008-Companies Act with respect to the maximum period of adjournment of a members meeting)

- 3.E1. The chairperson of a **general meeting** at which a quorum is present may (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting at which the adjournment took place.
- 3.E2. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of **members**, shall be dissolved; in any other case it shall stand adjourned to a day not earlier than 3 (three) days and not later than 7 (seven) days after the date of the original meeting and if at such adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting **the members** present in person or represented by proxy shall be a quorum.
- 3.E3. Where a meeting has been adjourned as aforesaid, **the board of directors** shall not be obliged to again give notice of the date, time and place to which the meeting has been adjourned, the matter before the meeting when it was adjourned, or the grounds for adjournment.

PART F (Insert (a) any provision establishing different requirements for adoption of an ordinary resolution for different matters; (b) any provision establishing different requirements for adoption of a special resolution for different matters; or (c) any provision imposing the requirement of a special resolution to approve any matter, as contemplated in section 65(11) of *the 2008-Companies Act*)

3.F1. No resolution at a **general meeting** will require a seconder.

3.F2. At every **general meeting**:

3.F2.1 on a show of hands, every **member**, including **the developer**, present in person or represented by proxy and if a **member** is a body corporate, its representative, shall have 1(one) vote only, and on a poll every **member** present in person or by proxy shall be entitled to 1 (one) vote for each **private property in the township** registered in his / her / its name;

3.F2.2 if a **private property in the township** is registered in the name of more than one person, then all such co-owners shall jointly have 1 (one) vote;

3.F2.3 every **member**, including **the developer**, holding undeveloped **private property in the township** shall have 1 (one) vote for each separate piece of **private property** registered in his / her / its name.

3.F3. Subject to the provisions of **this MOI**, no person other than a duly registered **member** who has paid every service charge and other sum, if any, which is due and payable to **the Negester HOA (RF)** in respect of or arising out of his / her / its membership and who is not under suspension, shall be entitled to be present or vote on any question, either personally or by proxy, at any **general meeting**.

3.F4. At any **general meeting** a resolution put to the vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by any person entitled to vote at the meeting. No poll shall, however, be demanded on the election of the chairperson of the meeting or on any question of adjournment. Unless a poll is so demanded, a declaration by the chairperson of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or rejected, and an entry to that effect in the minute book contemplated in clause A26 below shall be conclusive evidence of that fact, without proof of the number of votes recorded in favour of, or against such resolution.

3.F5. If a poll is demanded:

3.F5.1 the poll shall be taken in such manner and at such time as the chairperson of the meeting shall direct;

3.F5.2 the chairperson of the meeting shall be entitled to appoint scrutinisers;

- 3.F5.3 no notice of a poll other than an announcement at the meeting at which it is demanded shall be required;
- 3.F5.4 the demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded;
- 3.F5.5 a demand for a poll may be withdrawn; and
- 3.F5.6 the result of a poll shall be deemed to be the resolution of the meeting on any question on which the poll is taken.
- 3.F6. In the case of an equality of votes, whether on a show of hands or a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is taken shall not be entitled to a second or casting vote.
- 3.F7. An objection to the admissibility of a vote on a show of hands or on a poll shall be raised at the **general meeting** at which that show of hands or poll is to take place or takes place. The objection shall be determined by the chairperson of that **general meeting** and his decision thereon shall be final and binding. Accordingly any vote not disallowed at that meeting shall be valid for all purposes.
- 3.F8. A resolution shall not be invalid because a vote which should not have been included has been taken into account unless, in the opinion of the chairperson of that meeting (whose decision thereon shall be final and binding), the exclusion of that vote would have altered the result of the voting on that resolution. Conversely a resolution shall not be invalid because a vote which should have been included has not been taken into account unless in the opinion of the chairperson of that meeting (whose decision thereon shall be final and binding) the inclusion of that vote would have altered the result of the voting on that resolution.
- 3.F9. Subject to the provisions of *the 2008-Companies Act*, a resolution *in writing* signed by all *the members* entitled to receive notice and to attend and vote at *the general meeting* and inserted in the minute book kept in terms of article 3.F10 shall be as valid and effective as if it had been passed at a **general meeting** duly called and constituted. A resolution in terms of this article may consist of several documents of the same form, each of which is signed by one or more *members* in terms of this article, and shall be deemed to have been passed on the date of signature thereof by the last *member* entitled to sign the same.
- 3.F10. *The directors* shall cause a record to be made of all resolutions of *the members* in *general meeting* in a book provided for that purpose.
- 3.F11. The minutes kept in terms of clause 26 (or any extract therefrom) which purport to be signed by the chairperson of *the board of directors* or by the secretary shall be *prima facie* evidence of the matters therein stated.

3.F12. The minute book shall be open for inspection and may be copied as provided in *the 2008-Companies Act*.

SCHEDULE 4 – DIRECTORS OF THE COMPANY

PART A (Insert provisions setting out the process for the election of directors by the voting members)

- 4.A1.1 In terms of section 66(3) of *the 2008-Companies Act*, *the board of directors* shall consist of not less than 6 (six) directors.
- 4.A1.2 *The board of directors of the Negester HOA (RF)* shall consist of:
- 4.A1.2.1 3 (three) directors initially appointed by *the developer* during *the development period*, and thereafter by *the ATKV* as *managing agent* by means of notice *in writing to the Negester HOA (RF)*;
- 4.A1.2.2 3 (three) directors who must be a member or an authorised representative of a *member of the Negester HOA (RF)*, who is him-/herself bound by all the provisions of *the Constitution of the Negester HOA (RF)* shall be elected by *members at the annual general meeting*.
- 4.A1.3 Each director elected in terms of clause A1.2.2 of this Schedule shall continue to hold office from the date of his / her appointment until *the annual general meeting* next following his / her appointment, at which meeting each director shall be deemed to have retired from office but shall be eligible for re-election, as the case may be, to *the board of directors* at such meeting. All appointed directors shall hold office until removed by written notice to *the Negester HOA (RF)*.
- 4.A1.4 A director shall be deemed to have vacated his / her office upon:
- 4.A1.4.1 him / her having become disqualified to act as a *director* in terms of the provisions of *the 2008-Companies Act*;
- 4.A1.4.2 him / her being removed from office as provided in *the 2008-Companies Act*;
- 4.A1.4.3 him / her being disqualified to vote as a *member of the Negester HOA (RF)* in terms of *the Constitution of the Negester HOA (RF)*.
- 4.A1.5 Upon any vacancy occurring in *the board of directors* with regards to elected directors prior to the next *annual general meeting*, the vacancy in question shall be filled by a person nominated by *the directors* elected in terms of clause A1.2.2 of this Schedule.

- 4.A1.6 The provisions of *the Mol* relating to the retirement of **directors** in rotation shall not apply to appointed **directors**, who shall not be required to rotate on an annual basis.
- 4.A1.7 A **director** retiring at a meeting shall retain office until the election or appointment of **directors** in his / her place.
- 4.A1.8 Elected **directors** who retire shall be eligible for re-election.

PART B (Insert any provisions establishing the rights of any person to appoint a director, or establishing the right of any person to be an ex officio director of the Company)

4.B1. The first **directors** shall be appointed:

4.B1.1 *in writing* by a majority of the subscribers to *the Mol*, but until **directors** are so appointed, and whether or not *the directors* have been named by a majority of the subscribers to *the Mol*, every subscriber to *the Mol* shall be deemed for all purposes to be a **director of the Negester HOA (RF)**;

4.B1.2 in terms of clause A1.2.1 only.

4.B2. No person, other than a **director** retiring at the meeting shall, unless recommended by *the directors*, be eligible for election to the office of a **director** at any *annual general meeting*, unless:

4.B2.1 not more than 14 (fourteen), but at least 7 (seven) clear days before the day appointed for the meeting, there shall have been delivered at the office a notice in writing by a **member** (who may also be the proposed **director**) duly qualified to be present and vote at the meeting for which such notice is given;

4.B2.2 such notice sets out the *member's* intention to propose a specific person for election as **director**, and

4.B2.3 notice *in writing* by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

4.B3. Subject to clauses B1 above, *the Negester HOA (RF)* may at the meeting at which a **director** retires, fill the vacated office by electing a person thereto and in default the retiring **director**, if willing to continue to act, shall be deemed to have been re-elected, unless:

4.B3.1 it is expressly resolved at such meeting not to fill such vacated office; or

4.B3.2 a resolution for the re-election of such **director** shall have been put to the meeting rejected.

4.B4. On the expiry of *the development period the directors* appointed by *the developer* shall be deemed to be *directors* appointed by *the ATKV*, until their appointment is revoked in writing and other persons are appointed in their place by written notice.

4.B5. *The developer* and thereafter *the ATKV* shall be entitled to appoint the chairperson.

PART C (Insert any provision imposing additional eligibility or qualification requirements for directors and prescribed officers of *the Company*)

NONE

PART D (Insert any provision limiting or restricting the authority of the Board to manage and direct the business and affairs of *the Company*, as contemplated in section 66(1) of *the 2008-Companies Act*)

NONE

PART E (Insert any provision limiting or restricting the authority of the Board to consider a matter other than at a meeting, as contemplated in section 74 of *the 2008-Companies Act*)

NONE

PART F (Insert any provision limiting, restricting or varying the authority of the Board with respect to the conduct of its meetings, as contemplated in section 73 of *the 2008-Companies Act*)

None

PART G (Insert any provision limiting, restricting or extending the authority of *the Company* to advance expenses to a director, indemnify a director, or purchase insurance to protect *the Company* or a director, as contemplated in section 78 of *the 2008-Companies Act*)

NONE

PART H (Insert any provision limiting or restricting the authority of the Board with respect to the establishment of committees, as contemplated in section 72 of *the 2008-Companies Act*)

NONE