

**MEMORANDUM OF INCORPORATION FOR A NON PROFIT COMPANY WITH MEMBERS**

**REPUBLIC OF SOUTH AFRICA  
COMPANIES ACT, 2008**

**VAN REENEN COUNTRY ESTATE (NPC)  
REGISTRATION NUMBER 2008/023562/08**

(hereinafter referred to as "the Association")

**Adoption of the Memorandum of Incorporation**

The former Articles of Association adopted in terms of the repealed Companies Act, Act 61 of 1973, as amended, was repealed in its entirety and simultaneously replaced by this Memorandum of Incorporation in accordance with the Companies Act, Act 71 of 2008, as amended, and adopted by Special Resolution of Members of the Association on 19 July 2025

## INTERPRETATION

In this Memorandum, unless the context requires otherwise:

- section or sections refers to a section or sections of the Companies Act, Act 71 of 2008, as amended;
- Regulation or Regulations refers to a Regulation or Regulations of the Companies Regulations, 2011 in terms of section 223 and Item 14 of Schedule 5 of the Companies Act, Act 71 of 2008, as amended;
- words importing any one gender shall include the other two genders;
- the singular shall include the plural and vice versa;
- any word which is defined in the Act shall bear that defined meaning in this Memorandum;
- the headings have been inserted for convenience only and shall not be used for or assist or affect their interpretation; and
- each of the following words and expressions shall have the meaning stated opposite it and cognate expressions shall have a corresponding meaning, namely:

**“Act” or “the Act”** – means the Companies Act, Act 71 of 2008, as amended or re-enacted from time to time, and includes all Schedules to the Act (Companies Regulation Item 2(h) 2011);

**“aesthetic controls”** shall mean the aesthetic controls approved for Highlands Country Estate;

**“agricultural land”** shall mean the land shown as such on the Site Development Plan together with the land shown as open space on the Site Development Plan, which consists of arable, meadow or pasture land, market gardens, poultry farm, nursery garden and land used for the purposes of breeding or keeping livestock, horses, game, poultry or bees and includes any buildings connected therewith;

**“architect”** shall mean any architect/s appointed by the Building Committee;

**“Article”** shall mean any article in this Memorandum of Incorporation;

**“the Association”** shall mean the Van Reenen Country Estate Homeowners Association NPC [a Non-Profit Company] established for the sole purpose of managing the development registered as Highlands Country Estate;

**“Auditors”** shall mean the auditors of the Association appointed from time to time;

**“Board”** – means the Board of Directors of the Association from time to time;

**“Board Resolution”** – means a Resolution by the Board of Directors where each Director has 1 (one) vote on a matter before the Board and a majority of the votes cast on the Resolution is sufficient to approve it (section 73(5)(c)(d)) of the Act;

**“the Building Code”** shall mean the aesthetic controls, architectural, land use management and building controls approved for Highlands Country Estate;

**“Building Committee”** shall mean the committee appointed for Highlands Country Estate in terms of Article 3 of this Memorandum of Incorporation;

**“Business days”** shall mean calendar days excluding Saturdays, Sundays and public holidays and in calculating a period of Business Days shall exclude the first day and include the last day;

**“Business erf/portion”** shall mean an erf/portion zoned for commercial or mixed usage in terms of the conditions of establishment;

**“Chairman”** shall mean the chairman of the Board of Directors;

**“Company Rules”** shall mean directives contained in this Memorandum in Article 3 and all other directives issued by the Board of Directors that govern the conduct of members within the Estate and supply regulations and aesthetic guidelines for building construction, financial procedures and safety regulations;

**“Conditions of Establishment”** shall mean conditions of establishment imposed by the Development Tribunal of the Province of Kwazulu-Natal in terms of Section 33(2) of the Development Facilitation Act, No 67 of 1995, in respect of Highlands Country Estate on 12 August 2005 (as amended);

**“Director”** – means a member of the Board as contemplated in section 66 of the Act, but does not include a person who was not elected as a Director but serves as a Member of a Committee of the Board of the Association;

**“Erf/Erven/Portion(s)”** shall mean an erf/portion zoned for residential, limited mixed usage or such other usage as defined in the Conditions of Establishment;

**“the Estate”** shall mean Highlands Country Estate established on the property;

**"Estate Manager"** shall mean any person or body appointed by the Association to undertake routine management of the development and of the affairs of the association, and designated as such;

**"Financial Statements"** – means Audited Annual Financial Statements;

**"Financial year end"** – means the end of the accounting period of the Association which shall run from the first day of March in any year to the last day in February in the subsequent year;

**"Land use management controls"** shall mean the land use management, building and aesthetic controls as approved by the KwaZulu-Natal Development Tribunal;

**"Local authority"** shall mean the local authority having jurisdiction over Highlands Country Estate;

**"Member"** shall mean a member of the Association;

**"Non-Profit Company"** – means a company –

- (a) incorporated for a specific object as required by Item 1(1) of Schedule 1 of the Act; and
- (b) the income and property of which are not distributable to its Incorporators, Directors, Members, or persons related to any of them except to the extent permitted by Item 1(3) of Schedule 1 of the Act;

**"Ordinary Resolution"** – means a Resolution adopted with the support of more than 50% (fifty percent) of the Voting rights exercised on the Resolution, as contemplated in section 65(8) of the Act:

- (a) at a Members' Meeting; or
- (b) by Members acting other than at a Meeting, as contemplated in section 60 (section 1 of Act 71/2008 as amended by section 1(1)(u) of Act 3/2011);

**"Quorum"** – is not defined in the Act but means the minimum number of Directors of the Association, who are entitled to vote, that must be present to make a Board Meeting valid, or the minimum number of Members who are entitled to vote, that must be present to make a Members Meeting and/or voting on a resolution valid.

**"Republic"** – means the Republic of South Africa;

**"Special Resolution"** – means in the case of the Association, a resolution adopted with the support of at least 75% (seventy-five percent) of the Voting rights exercised on the resolution in terms of section 65(8):

- (a) at a Members' Meeting; or
- (b) by Members acting other than at a Meeting, as contemplated in Section 60 of the Act as amended.

**"Office"** shall mean the registered office of the association;

**"Open space"** shall mean the land shown as such on the Site Development Plan;

**"Private recreational area"** means a sports ground, playing field or other open space of a club, firm, private person or other body, including buildings normally ancillary thereto;

**"Property"** shall mean the Remainder of Portion 1 of the farm The Reproach No 4237, the farm The Reproach Annexe No 12902, Portion 2 of the farm Request No 2 No 9766 and Portion 3 of the farm Scottston No 4128, Registration Division GS, Province KwaZulu-Natal, consolidated and known as Farm Highlands No 17886, Registration Division GS, Province KwaZulu-Natal;

**"Residential erf/portion"** shall mean an erf zoned for residential usage in terms of the Conditions of Establishment;

**"Roads"** shall mean the roads which have been, or are to be, constructed on the Property;

**"Round-Robin Resolution"** shall mean all such electronic or other communication used to obtain a decision from Board members or ordinary members of the Association on any decision for which an outcome is sought, other than at a meeting, in accordance with Section 60 of the Act;

**"Services"** shall mean the provision of water, sewerage, electricity, stormwater drainage and refuse removal and such other utilities and amenities to support the development of the Property;

**"these presents"** shall mean this Memorandum of Incorporation;

**"Sports and recreational facilities"** shall mean a sports or recreational facility or amenity, building, sports ground, playing field or other open space, but excluding a private recreational area;

**"Voting rights"** – with respect to any matter to be decided by the Association, means the rights of any Member of the Association to vote in connection with that matter (Section 1 of the Act).

## CONTENTS:

|                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| ARTICLE 1 – INCORPORATION AND NATURE OF THE ASSOCIATION .....                   | 5  |
| 1.1 Incorporation .....                                                         | 5  |
| 1.2 Memorandum of Incorporation and Company Rules .....                         | 5  |
| 1.3 Members' Agreement and Company Rules .....                                  | 6  |
| 1.4 Company Signature .....                                                     | 6  |
| 1.5 Amending the Memorandum of Incorporation .....                              | 7  |
| 1.6 Legal Status of the Association .....                                       | 7  |
| 1.7 Validity of the Association's Actions .....                                 | 7  |
| ARTICLE 2 – MEMBERSHIP, MEMBERS' RIGHTS AND MEETINGS .....                      | 7  |
| 2.1 Interpretation and Application of the Memorandum of Incorporation .....     | 7  |
| 2.2 Members' Right to be represented by Proxy .....                             | 8  |
| 2.3 Record date for determining Members' Rights .....                           | 9  |
| 2.4 Cessation of Membership .....                                               | 9  |
| 2.5 Members acting other than at a Meeting .....                                | 10 |
| 2.6 Members' Meetings .....                                                     | 10 |
| 2.7 Notices .....                                                               | 11 |
| 2.8 Notice of Members' Meetings .....                                           | 11 |
| 2.9 Conduct of Meetings .....                                                   | 12 |
| 2.10 Meeting Quorum .....                                                       | 12 |
| 2.11 Postponement of Members' Meetings .....                                    | 12 |
| 2.12 Votes of Members .....                                                     | 13 |
| 2.13 Annual General Meetings .....                                              | 14 |
| ARTICLE 3 – BOARD AND DIRECTORS .....                                           | 14 |
| 3.1 Directors .....                                                             | 14 |
| 3.2 Election of Directors and Vacation of Office of Director .....              | 15 |
| 3.3 Governance of the Board .....                                               | 15 |
| 3.4 Board Committees .....                                                      | 16 |
| 3.7 Board Meetings .....                                                        | 19 |
| 3.6 Board Quorum .....                                                          | 19 |
| 3.7 Board Resolutions .....                                                     | 19 |
| 3.8 Directors acting other than at Meeting .....                                | 20 |
| 3.9 Register of Directors .....                                                 | 20 |
| 3.10 Directors' Remuneration .....                                              | 20 |
| 3.11 Directors' Personal Financial Interests .....                              | 21 |
| 3.12 Standards of Directors' Conduct .....                                      | 21 |
| 3.13 Indemnification and Directors' Insurance .....                             | 21 |
| ARTICLE 4 – TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY OF THE ASSOCIATION ..... | 22 |
| 4.1 Access to the Association's Records and Financial Statements .....          | 22 |
| 4.2 Financial Year End of the Association .....                                 | 22 |
| 4.3 Accounting Records of the Association .....                                 | 23 |
| 4.4 Financial Statements and Financial Year .....                               | 23 |
| 4.5 Audited Annual Financial Statements .....                                   | 23 |
| 4.6 Appointment of Auditor .....                                                | 24 |
| 4.7 Registration of Auditor .....                                               | 24 |
| 4.8 House Rules .....                                                           | 25 |
| ARTICLE 5 – ENHANCED ACCOUNTABILITY AND TRANSPARENCY .....                      | 25 |
| 5.1 Appointment of Association Secretary and Audit Committee .....              | 25 |
| ARTICLE 6 – FUNDAMENTAL TRANSACTIONS .....                                      | 26 |
| 6.1 Disposals, Mergers and Amalgamations .....                                  | 26 |
| ARTICLE 7 – DISSOLUTION AND DISTRIBUTION OF NET VALUE OF ASSOCIATION .....      | 26 |
| 7.1 Winding-Up or Dissolution .....                                             | 26 |

**Default Memorandum of Incorporation not to apply**

The standard form Memorandum of Incorporation for a Non-Profit Company referred to in Regulation 15(1)(a) shall not apply to the Association. This Memorandum of Incorporation is in a form unique to the Association as contemplated in section 13(1)(a)(ii) of the Act.

**Registered Office for which the Association is established**

The Registered Office of the Association shall be situated at:

33 Murray Street  
Harrismith  
9880

**Objects of the Association**

In terms of Item 1(1)(a) of Schedule 1 of the Act, the primary objects of the Association are:

1. To act as a Home Owner's Association for the benefit of Members owning property in Highlands Country Estate
2. To oversee, maintain, develop, improve and control the general high standard of Highlands Country Estate;
3. To promote, advance and protect Highlands Country Estate and the interests of the Association;
4. To promote environmental awareness responsibility among members and visitors to the Estate; and
5. Do all such other lawful things as are incidental or conducive to the attainment of the above objectives.

All such activities are carried out in a non-profit manner and with an altruistic or philanthropic interest and no such activity shall be intended to directly or indirectly promote the self-interest of any Board/committee member or employee of Van Reenen Country Estate (NPC), otherwise than by way of reasonable remuneration payable to that employee in terms of Article: Incorporation and Nature of the Association and Article: Board, Directors and Prescribed Officers of this Memorandum of Incorporation. *Section 30(3)(b)(i)(ii) of the Income Tax Act, if applicable*

## ARTICLE 1 – INCORPORATION AND NATURE OF THE ASSOCIATION

### 1.1 Incorporation

- 1.1.1. Van Reenen Country Estate (NPC) is incorporated from 6th October 2008 as a Non-Profit Company, in terms of Schedule 1 and section 10 of the Act, as amended.
- 1.1.2. The primary object of the Association on its incorporation is: To act as a Home Owner's Association for the benefit of Members owning property in the Highlands Country Estate.
- 1.1.3. Van Reenen Country Estate (NPC) is incorporated in accordance with and governed by the unalterable provisions of the Companies Act, Act 71 of 2008, and the alterable provisions of the Companies Act subject to the limitation, extensions, variations or substitutions set out in this Association's Memorandum of Incorporation, which forms the Constitution of the Association. *Section 1 of the Act.*
- 1.1.4. Van Reenen Country Estate (NPC) shall apply all of its assets and income, however derived, for the primary object for which it has been established and not for the specific benefit of an individual Director, member or minority group.
- 1.1.5. Van Reenen Country Estate (NPC) shall not directly or indirectly, pay any portion of its income or transfer any of its assets, regardless of how the income or asset was derived, to any person, who is or was an Incorporator of the Association, or who is a Member or Director of the Association, except:
  - (a) as reasonable remuneration for goods delivered or services rendered to the Association, or payment of, or reimbursement for, expenses incurred to advance a stated object of the Association;
  - (b) as a payment of an amount due and payable by the Association in terms of a *bona fide* agreement between the Association and that person or another;
  - (c) as a payment in respect of any rights of that person, to the extent that such rights are administered by the Association in order to advance a stated object of the Association; or
  - (d) in respect of any legal obligation binding on the Association. *Item 1(3)(a)(i)(ii) and Item 1(3)(b)(c)(d) of Schedule 1 of the Act;*
- 1.1.6. Substantially, the whole of the Association's funding shall be derived from its Members.
- 1.1.7. Van Reenen Country Estate (NPC) is not subject to any prohibition regarding the amendment of this MOI, other than those contained in the Companies Act, the Income Tax Act and this MOI.

### 1.2 Memorandum of Incorporation and Company Rules

- 1.2.1. In terms of this MOI the Association is not limited from making, amending or appealing any Company Rules as contemplated in section 15(3) of the Act, and the Board's capacity to make such Rules is not hereby limited or restricted, subject to the Conditions of Establishment. *Section 15(3) of the Act*
- 1.2.2. Subject to any restriction imposed or direction given at a general meeting of the Association, the Directors may from time to time make house rules in regard to:
  - (a) the use by Members or their households, their guests, and lessees, of the roads, open space and sporting amenities, including the right to prohibit, restrict or control such use of the roads and open space or any portions thereof as may from time to time be necessary or expedient;
  - (b) the preservation of the natural environment, vegetation and fauna in the Estate;
  - (c) the use of parking areas;
  - (d) the right to prohibit, restrict or control the keeping of any animals or pets;
  - (e) the use of services, entertainment and recreation areas, amenities and facilities including the right to make a reasonable charge for the use thereof;

- (f) the control of Business Erven/Portions;
- (g) the placing of movable objects upon the outside of buildings, including the power to remove any such objects;
- (h) the keeping of flammable substances;
- (i) the conduct of any persons within the Estate for the prevention of nuisance of any nature to any Member;
- (j) the use of land within any residential Erf/Portion in the Estate;
- (k) where an Erf/Portion is owned in undivided shares, for regulating the use of such Erf/Portion by the co-owners thereof and their rights inter se; and
- (l) safety and/or security rules.

- 1.2.3 The Board shall propose any Company Rules (including House Rules) to the Members for approval by Special Resolution and, if approved, shall publish such Company Rules in terms of section 15(3), (4) and (5) by delivering a copy of the Rules to each Director and Member, by publishing a copy of those Rules in any manner required or permitted by the Association's MOI, and filing a copy of those Rules with CIPC using Form CoR 16.2. *Section 15(3)(a)(b)*
- 1.2.3 A Rule in terms of clauses 1.2.1 and 1.2.2 shall be consistent with the Act, the Association's MOI, and the Conditions of Establishment and any such Rule that is inconsistent with the Act or the Association's MOI or the Conditions of Establishment shall be void to the extent of the inconsistency.
- 1.2.4 Any Rules approved by the Members will take effect 10 (ten) business days after the filing of that Rule, or on a later date specified in the Rule.
- 1.2.5 For the enforcement of any of the House Rules made by the directors in terms hereof, the directors may:
- (a) take or cause to be taken such steps as they may consider necessary to remedy the breach of the House Rule of which the Member may be guilty, and debit the cost of such to the Member concerned which amount shall then be deemed to be a debt owing by the Member concerned to the Association; and/or
  - (b) impose a system of fines or other penalties. The amount of such fines shall be reviewed and confirmed at a General Meeting of the Association and until varied at a such meeting may not exceed R2 000,00;
  - (c) take such other action including proceedings in a court of law, as they may deem fit.

### **1.3 Members' Agreement and Company Rules**

- 1.3.1 The Association's MOI and any Company Rules or House Rules of the Association, are binding between the Association and each Member, between or among the Members of the Association, and between the Association and each Director of the Association, or 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. *Section 15(6)(a)(b) and section 15(6)(c)(i)(ii)*
- 1.3.2 This MOI does not limit or restrict the Members of the Association entering into any agreement with one another concerning any matter relating to the Association, but any such agreement shall be consistent with the Act, the Conditions of Establishment and the Association's MOI, and any provision of such an agreement that is inconsistent with the Act, the Conditions of Establishment or the Association's MOI shall be void to the extent of the inconsistency. *Section 15(7)*

### **1.4 Company Signature**

- 1.4.1 If a provision of this MOI requires a document to be signed or initialled by or on behalf of the Association, it shall be authorised by a resolution of the Board. A person's signature, or those of two or more persons may be effected in any manner provided for in the Electronic Communications and Transactions Act and can be written or printed or partly written and partly printed. It shall be sufficient if all of those persons sign a single original of the document, in person or in the manner provided for in the Electronic Communications and Transactions Act, or each of those persons signs a separate duplicate original of the document, in person or in the Electronic Communications and Transactions Act, and in such case, the several signed duplicate originals, when combined, constitute the entire document. *Section 6(12)(a) and section 6(12)(b)(i)(ii)*

## 1.5 Amending the Memorandum of Incorporation

1.5.1 Van Reenen Country Estate (NPC)'s MOI may be amended :

- (a) in compliance with a Court Order in the following manner: an amendment to an Association's MOI required by any Court Order must be effected by a Resolution of the Association's Board and does not require a Special Resolution; or
- (b) at any other time if a Special Resolution to amend it:
  - is proposed by the Board of the Association or Members entitled to exercise at least 10% (ten percent) of the Voting rights that may be exercised on such a Special Resolution; and
  - is adopted at a Members' Meeting or in accordance with section 16 of the Act. Section 16(1)(a)(b)(c)

1.5.2 Within 10 (ten) business days after an amendment to the Association's MOI has been effected in any manner contemplated in this sub-article, the Association shall submit a copy of such amendment to this MOI to the CIPC in the prescribed manner.  
*Section 16(7) of the Act*

## 1.6 Legal Status of the Association

- 1.6.1 From the date and time that the incorporation of Van Reenen Country Estate (NPC) is registered, as stated in its registration certificate, the Association is a juristic person, which exists continuously until its name is removed in accordance with the Act.  
*Section (1)(a), section 19(1)(b)(i) and section 19(1)(c)(i)(ii)(iii)*
- 1.6.2 No persons shall solely by reason of being an Incorporator, Member or Director of the Association, be liable for any liabilities and obligations of the Association. *Section 19(2)*

## 1.7 Validity of the Association's Actions

- 1.7.1 The Association's MOI limits, restricts, qualifies the purposes, powers or activities of the Association, or limits the authority of the Directors to perform an act on behalf of the Association. A Members' Resolution may ratify any action by the Association or the Directors, that is inconsistent with any such limit, restriction or qualification.
- 1.7.2 No action of the Association is void by reason only that, the action was prohibited by that limitation, restriction or qualification, or as a consequence of that limitation, restriction or qualification, the Directors had no authority to authorise the action by the Association, and in any legal proceeding, other than proceedings between the Association and its Members and its Directors or its Members and Directors of the Association, no person may rely on such limitation, restriction or qualification to assert that an action contemplated in this clause is void. *Section 20(1)(a)(i)(ii), section 20(1)(b)(i)(ii) and section 20(2)(3)*

## ARTICLE 2 – MEMBERSHIP, MEMBERS' RIGHTS AND MEETINGS

### 2.1 Interpretation and Application of the Memorandum of Incorporation

- 2.1.1 Membership of the Association shall be obligatory for any person who is in terms of the Deeds Registry Act reflected in the records of the Deeds Office concerned as the registered owner of any Erf/Portion in the Estate. Where any Erf/Portion is owned by more than one person, the co-owners concerned shall elect one of their number as the liaison officer for the Erf/Portion concerned, and shall notify the association of the name and address of such liaison officer. Any notices which may be required to be given in respect of such Erf/Portion, regarding the appearance or maintenance or repair thereof shall be given to the liaison officer and service upon such liaison officer shall be deemed for purposes of these articles to have been service upon the Member. In the event of the co-owners failing to elect a liaison officer as aforesaid, service of notice upon any one of the co-owners shall be deemed to be service upon all the co-owners.
- 2.1.2 A Member of the Association is either a Voting Member or a Non-voting Member of the Association. A Voting Member who is entered as a Member with Voting Rights in the Membership register of the Association in terms of Item 1(9) of Schedule 1 of

the Act is entitled to exercise any or all Voting rights in relation to the Association. A Non-voting Member is a Voting Member who has temporarily lost his right to vote on any or all matters due to him being in arrears with monthly levies or any other amount due and payable to the Association on the applicable record date for delivery of notices as contemplated in article 2.3. A Non-voting Member automatically becomes a Voting Member as soon as the outstanding amount is paid *Section 59(1)(a)*

- 2.1.3 Each Voting Member of the Association has at least 1 (one) vote. A Member that owns multiple properties has additional votes for each property that is not owing any money to the Estate. *Item 1(7) of Schedule 1*
- 2.1.4 This MOI does not limit or restrict the Association to allow for Membership to be held by juristic persons, including profit Companies and any such juristic person should nominate one person to act on its behalf at a Members meeting. *Item 4(c) of Schedule 1*
- 2.1.5 In relation to the Association, and for purposes of this MOI, no person other than a Member or its authorised representatives or proxies in terms of Article 2.2 - Members' Right to be represented by Proxy, shall be entitled to attend, speak and vote at a Meeting; *Section 1 and section 57(1)*
- 2.1.6 Van Reenen Country Estate (NPC) shall maintain a Member's register. *Section 24(4)(a)*

## **2.2 Members' Right to be represented by Proxy**

- 2.2.1 A Member may appoint any individual, including an individual who is not a Member of the Association, as a proxy to participate in, and speak and vote at, a Meeting for Voting Members, on behalf of the Member or give or withhold written consent on behalf of the Member to a decision to be taken or by Round-Robin Resolution, provided that the Member may not appoint more than 1 (one) proxy to exercise Voting rights on behalf of that Member. *Section 58(1)(a) and (b) and Section 58(3)a,*
- 2.2.2 A proxy appointment shall be in writing, dated and signed by the Member and remains valid for 1 (one) year from the date when it was signed unless the proxy itself provides for a longer or shorter duration unless it is revoked or expires earlier as contemplated in the Act.
- 2.2.3 The appointment is revocable unless the proxy appointment expressly states otherwise, and may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy, and to the Association. The appointment is suspended at any time and to the extent that the holder entitled to vote chooses to act directly and in person in the exercise of any rights as a Member entitled to vote. *Section 58(2)(a)(b)(i)(ii)*
- 2.2.4 In terms of the Act and this MOI 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 unless the proxy indicates otherwise. *Section 58(7)*
- 2.2.5 Van Reenen Country Estate (NPC) shall not require that the proxy appointment be made irrevocable. *Section 58(8)(c)*
- 2.2.6 Van Reenen Country Estate (NPC), through the Board shall verify the authenticity of the proxy and shall be entitled to disregard a proxy form or instrument appointing a proxy, and to disregard the vote of any proxy or purported proxy, if:
  - (a) the proxy form or instrument of proxy does not comply with the requisite formalities, or with the requirements as to content, as prescribed in section 58 of the Act or is inconsistent with or contravenes this MOI; or
  - (b) the authority of the proxy has been revoked by the Member (if applicable, through its authorised representative or through its legal representative in terms of section 58(4)(b) and (c); *Section 58(4)(a)(b)(c) and section 58(7)*
  - (c) the Member appointing the proxy holder is temporarily prevented from voting.

- 2.2.7 Any person who is a proxy or purported proxy specified in a proxy form or instrument appointing a proxy which may be disregarded, or the Voting of whom may be disregarded, shall not be entitled to attend, participate in, or speak or vote at the Meeting of Members in question or by way of Round-Robin Resolution in terms of section 60 of the Act.

### 2.3 Record date for determining Members' Rights

- 2.3.1 The Board of the Association shall set a record date for the purpose of determining which Members are entitled to receive notice of a Members' Meeting, participate in and vote at a Members' Meeting, decide any matter by written consent or electronic communication, exercise pre-emptive rights, or be allotted or exercise other rights. *Section 59(1)(a)-(f)*
- 2.3.2 A record date determined by the Board may in terms of section 59(1) set the applicable record dates for the purposes of determining Member rights, in accordance with and as contemplated by section 59, including for purposes of determining that Members who are registered on a particular record date shall be entitled to:
- (a) receive the notice of Members' Meeting (section 59(1)(a)); or
  - (b) participate in and vote at a Members' Meeting, as it may be adjourned or postponed, receive notice of any adjourned or postponed Members' Meeting, if notice is required or given; and attend and vote at the resumption of the adjourned Meeting or the commencement of the postponed Meeting. (section 59(1)(b)); or
  - (c) decide any matter by Round Robin Resolution (section 59(1)(c)).
- 2.3.3 Each applicable record date determined by the Board:
- (a) shall not be earlier than the date on which the record date is determined by the Board, i.e., shall not be a "retrospective" record date (section 59(2)(a)(i));
  - (b) shall not be more than 10 (ten) business days before the date on which the event or action for which the date is being set, is scheduled to occur (section 59(2)(a)(ii); and
  - (c) must be published to every Member in terms of section 59(2)(b). *Section 59(1), section 59(1)(a)(b)(c), section 59(2)(a)(i)(ii) and section 59(2)(b)*

### 2.4 Cessation of Membership

- 2.4.1. When a Member ceases to be a registered owner of an Erf/Portion, he shall ipso facto cease to be a Member of the Association. A Member ceasing to be a Member of the Association for any reason shall not have any claim upon or interest in or rights to the funds or other property of the Association.
- 2.4.2 The Association may claim from any Member or his/her estate any arrears of levy and interest or other sums due by him/her to the Association at the time of his ceasing to be a Member.
- 2.4.3 A Member shall not in any manner alienate an Erf/Portion unless it is a condition of the agreement of alienation that:
- (a) the proposed transferee has bound himself, to the satisfaction of the Association, as a contract for the benefit of the Association, to become a Member of the Association, upon transfer of the Erf/Portion to him;
  - (b) registration of transfer of that Erf/Portion into the name of the transferee relating to a particular Erf/Portion shall ipso facto constitute the transferee as a Member of the Association; and
  - (c) the provisions of article 2.4.3 shall apply mutatis mutandis to any alienation of an undivided share of the Erf/Portion.
- 2.4.4 In order to procure compliance with the provisions of articles 2.1.1 and 2.1.3 above it shall be registered as a condition of title of the Erf/Portion that the transferee shall become a Member of the Association and no Erf/Portion may be transferred without the written consent of the Association being first had and obtained which consent shall be given if the proposed transferee is or will be admitted as a Member of the Association.

- 2.4.5 The registered owner of an Erf/Portion may not resign as a Member of the Association.
- 2.4.6 The rights and obligations of a Member shall not be transferable and every Member shall:
  - (a) to the best of his ability further the objects and interests of the Association; and
  - (b) observe all House Rules and other Rules of the Association.

## 2.5 Members acting other than at a Meeting

- 2.5.1 A Resolution that could be voted on at a Members' Meeting, other than in respect of the election of Directors, may instead be served by the Board for consideration to the Members entitled to exercise Voting rights in relation to the Resolution and vote on the Resolution within 20 (twenty) business days after the Resolution was submitted to them. *Section 60(1)(a)(b)*
- 2.5.2 A Resolution will have been adopted if it is supported by persons entitled to exercise sufficient Voting rights for it to have been adopted as an Ordinary or Special Resolution at a properly constituted Members' Meeting and if adopted, shall have the same effect as if it had been approved by Voting at a Meeting. *Section 60(2)(a)(b)*
- 2.5.3 An election of a Director that could be conducted at a Members' Meeting may instead be conducted by written polling of all of the Members entitled to exercise Voting rights in relation to the election of that Director. *Section 60(3)*
- 2.5.4 In addition to a Resolution passed in terms of this article, a Resolution in writing signed by all the Members entitled to vote thereon shall be as valid and effectual as if adopted at a duly convened Members' Meeting.
- 2.5.5 Within 10 (ten) business days after adopting a Resolution, or conducting an election of Directors in terms of the provisions of this clause, the Association shall deliver a statement describing the results of the vote, consent process, or election to every Member who was entitled to vote on or consent to the Resolution, or vote on the election of a Director, as the case may be. *Section 60(1)(a)(b) and section 60(4)*

## 2.6 Members' Meetings

- 2.6.1 In terms of this Memorandum of Incorporation, the Board of the Association or 10% of Members with Voting rights may call a Member's Meeting at any time. *Section 61(1)(2)*
- 2.6.2 Notice of Members' Meetings shall be sent to each Member entitled to vote at such Meeting and who has elected to receive such notice.
- 2.6.3 Van Reenen Country Estate (NPC) shall hold a Members' Meeting or put the proposed Resolution to Members entitled to vote:
  - (a) at any time that the Board is required by the Act to refer a matter to Members;
  - (b) whenever the number of Directors falls below the minimum number prescribed in the Act and the Association is required to fill a vacancy on the Board;
  - (c) when demanded by at least 10% of the Members with Voting rights; and
  - (d) when required by any provision of this Memorandum of Incorporation. *Section 61(2)(a)(b)*
- 2.6.4 Van Reenen Country Estate (NPC) shall, as determined by the Board either hold a Members' Meeting in order to consider 1 (one) or more Resolutions, instead require them to be dealt with by Round-Robin Resolution of Members entitled to vote. Within 10 (ten) business days after the Members voted on a Round-Robin Resolution, the Association must deliver a statement describing the results of the vote. *Section 61*
- 2.6.5 At any time before the start of a Members' Meeting a Member who submitted a demand for that Meeting may withdraw that demand and the Association shall cancel the Meeting if, as a result of 1 (one) or more demands being withdrawn, the Voting rights of any remaining Members continue to demand the meeting, in aggregate, fall below the minimum percentage of Voting rights required to call a Meeting. *Section 61(6)(a)-(b)*

- 2.6.6 Van Reenen Country Estate (NPC) is not required to hold any Members' Meetings other than those specifically required by the Act or requested by the Board or Members in the prescribed way in this MOI.
- 2.6.7 All Members' Meetings that are called for may be held in person or electronically or both.
- 2.6.8 Any failure to hold a Meeting does not affect the existence of the Association, *Section 61(14)*

## 2.7 Notices

- 2.7.1 Each Member shall notify the Association in writing of an electronic mail address, and a physical or postal address, each of which shall be deemed to be the Members' registered address within the meaning of this Memorandum of Incorporation, and if the Member has not notified the Association of an electronic mail address, the Member shall be deemed to have waived his right to be served from any notice of the Association and has the responsibility to make his own special arrangements for such notices to be obtained.

## 2.8 Notice of Members' Meetings

- 2.8.1 A notice of a Meeting must be delivered contemporaneously to each Member registered as such as of the applicable record date for delivery of that notice at least 20 business days before the date on which the Meeting is to begin. Any failure to comply with this clause shall not affect the validity of the General Meeting. *Section 58(6), section 59(1)(a), section 62(1)(a)(b) and section 93(1)(c)*
- 2.8.2 Van Reenen Country Estate (NPC) may call a Meeting with less notice than required by this MOI, but such a Meeting may proceed only if every person who is entitled to exercise Voting rights in respect of any item on the Meeting agenda who is present at the Meeting votes to waive the required minimum notice of the Meeting. *Section 62(2A)*
- 2.8.3 A notice of a Members' Meeting shall be in writing in plain language and shall include:
  - (a) the date, time and place for the Meeting, and the record date for the Meeting;
  - (b) the general purpose of the Meeting, and any specific purpose if applicable;
  - (c) 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; and
  - (d) a reasonably prominent statement that:
    - a Member entitled to attend and vote at the Members' Meeting shall be entitled to appoint a proxy to attend, participate in, speak and vote at the Members' Meeting in the place of the Member entitled to vote;
    - participants in a Members' Meeting are required to furnish satisfactory identification in terms of section 63(1) of the Companies Act in order to reasonably satisfy the person presiding at the Members' Meeting. *Section 62(3)(a)-(e)*
- 2.8.4 The notice of a Meeting or of an adjourned Meeting:
  - (a) must inform Members of the availability of participation in the Meeting and of participation in any postponement or adjournment of the Meeting, by electronic communication and must provide the necessary information to enable Members or their proxy to access the available medium or means of electronic communication for the Meeting and for any postponement or adjournment thereof in terms of section 63(3)(a) of the Act;
  - (b) should, for the sake of clarity, specify the record date determining which Members are entitled to receive the notice of the Meeting (section 59(1)(a) and 59(2)(b) of the Act);
  - (c) must comply with the requirements set out in section 62(3) as to formalities and content, including specifying the record date for determining which Members are entitled to attend, participate in and vote at the Meeting (section 59(1)(b) and 59(3)(b) of the Act);
  - (d) must specify whether any proposed Resolution is to be voted on by polling; and

- (e) should, for the sake of clarity, specify the applicable record dates which would be applicable in terms of section 59(1)(a) and (b) of the Act should the Meeting be postponed or adjourned.

## 2.9 Conduct of Meetings

- 2.9.1 A person wishing to attend or speak at or participate in or vote at a Members' Meeting must ensure that he is not in arrears of his levy account on the record date for the Member's meeting, and for purposes of identification, present reasonably satisfactory identification and evidence of their authority or entitlement to be present or to attend the Meeting. This must be presented to the Chairman of the Meeting 30 (thirty) minutes before the appointed time for that Meeting to begin.
- 2.9.2 The auditors for the time being of the Association shall be entitled to attend any Members' Meeting and be heard on any part of the business of the Meeting that concerns the Auditor's duties or functions. *Section 63(1)(a) and section 93(1)(c)(i)(iii)*
- 2.9.3 In terms of the Act and this MOI the Association has the authority to conduct a Members' Meeting entirely by electronic communication or to provide for participation in a Meeting by electronic communication, is not limited or restricted by this Memorandum of Incorporation. Minutes must be circulated to Members.
- 2.9.4 Van Reenen Country Estate (NPC) entitles a Members' Meeting to be conducted entirely by electronic communication, in person or a combination of the two.
- 2.9.5 A Resolution adopted by Members, some or all of whom were connected electronically, shall be deemed to have been passed on the date on which the Resolution was adopted.
- 2.9.6 Within 10 (ten) business days after the adoption or failing of a Resolution at a Meeting or where some or all of the Members were connected and participated electronically, the Association shall:
- (a) deliver to each Member a copy of the Resolution proposed, accompanied by a statement describing the results of the vote, consent process or election, as the case may be; and
  - (b) insert a copy of the said Resolution and statement in the minute book of the Association.
- 2.9.7 A Member who in person or as represented participates in a Meeting at any time electronically in terms of this article shall be deemed to be present at the Meeting in question, and counted towards a quorum, while so participating. *Section 60(4), section 61(10), section 63(2)(a)(b) and section 63(2)(b)*

## 2.10 Meeting Quorum

- 2.10.1 In terms of the Act, this MOI specifies that at least 25% (twenty-five percent) of all the Voting rights that are entitled to be exercised must be present for that meeting to begin, and, in addition, at least 3 (three) Members are present.
- 2.10.2 After a quorum has been established the Meeting may continue, so long as the minimum number of Members, i.e. 3 (three) Members, for such quorum remain present at the Members' Meeting, failing which such meeting would have to be postponed..

## 2.11 Postponement of Members' Meetings

- 2.11.1 In terms of the Act and this MOI a postponement of a Meeting, or of consideration of a matter being debated at the Meeting shall be either to a fixed time and place, or until further notice, as agreed at the Meeting and requires that a further notice be given to Members only if the Meeting determined that the adjournment was until further notice.
- 2.11.2 The Association shall not be required to give further notice of a Meeting that is postponed or adjourned unless the location for the Meeting is different from the location of the postponed or adjourned Meeting. *Section 64(7)(a) of the Act*
- 2.11.3 If at any postponed Meeting a quorum is not present within 30 (thirty) minutes from the appointed time for such Meeting to commence, the Members who are present or represented by proxy and entitled to vote shall constitute a quorum and may proceed to transact the business of the Meeting.

- 2.11.4 No business shall be transacted at any postponed Members' Meeting of the Association other than business left unfinished at the Meeting from which the postponement took place.

## 2.12 Votes of Members

- 2.12.1 In terms of the Act and this MOI subject to specific provisions of as to Voting by or in accordance with this MOI, at a Meeting of the Association:
- (a) every person present, either personally or by proxy, and entitled to exercise Voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of Voting rights that person would otherwise be entitled to exercise;
  - (b) on a poll any person who is present at the Meeting, whether as a Member or as a proxy for a Member, has the number of votes determined in accordance with Voting rights held by that Member; and
  - (c) Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a Meeting of Members if a demand is made for such a vote by:
    - at least 5 (five) persons having the right to vote on that matter, either as Members or as proxies representing Members; or
    - a Member who is, or Members who together are, entitled, as Members or proxies representing Members, exercise at least 10% (ten percent) of the Voting rights entitled to be voted on that matter; or
    - the Chairman of the Meeting.
- 2.12.2 At any Meeting of the Association a Resolution put to the vote of the Meeting shall be decided on by a show of hands, or by a poll if so demanded in accordance with the provisions of article 2.12.1(c), and a declaration by the Chairman that a Resolution has been carried or defeated, 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.
- 2.12.3 The demand for a poll may be withdrawn.
- 2.12.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.
- 2.12.5 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the Meeting directs. The demand for a poll shall not prevent the continuation of a Meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 2.12.6 Every Resolution of Members is either:
- (a) an Ordinary Resolution in terms of the Act (section 65(1)) which requires a minimum of 51% of the votes brought out, either by show of hands or by polling); or
  - (b) a Special Resolution in terms of the Companies Act, as required in terms of the Companies Act or as required in terms of this Memorandum of Incorporation (section 65(1) read with section 65(9), (11) and (12)); which requires a minimum of 75% of the votes brought out.
- 2.12.7 The Board may propose any Resolution to be considered by Members and may determine whether that Resolution will be considered and voted on at a Meeting of Members or by Round-Robin Resolution (section 65(2)).
- 2.12.8 The passing of an Ordinary Resolution is subject to a minimum notice period of 10 (ten) business days.
- 2.12.9 The passing of a Special Resolution is subject to a minimum notice period of 10 (ten) business days.
- 2.12.10 A Special Resolution shall be required to:
- (a) ratify a consolidated revision of the Association's MOI as contemplated in section 18(1)(b) of the Act which requires a 75% of the votes;

- (b) ratify actions by the Association or Directors in excess of their authority in terms of Article: Incorporation and Nature of the Association – Validity of Association's Actions and Article: Members' Rights and Meetings – General Meetings of this MOI; *Section 20(2) of the Act*
- (c) approve the voluntary winding-up of the Association in terms of Article 7 - Dissolution and Distribution of Net Value of the Association; (section 80(1) of the Act)
- (d) approve any proposed fundamental transaction to the extent required by Part A of Chapter 5 or 30; and
- (e) revoke a Resolution (section 164(9)(c) of the Act).

- 2.12.11 A Special Resolution adopted at a Members' Meeting is not required for a matter to be determined by the Association, except those matters set out in section 65(11), or elsewhere in either the Act or this Memorandum of Incorporation. *Section 65(11) and section 65(12)*
- 2.12.12 In terms of this Act and this MOI, a Round-Robin Resolution of Members entitled to vote, will be passed if signed by Members entitled to exercise sufficient Voting rights for it to have been adopted as an Ordinary or Special Resolution, as the case may be, at a properly constituted Members' Meeting.
- 2.12.13 Any 2 (two) or more Members may by notice to the Board require the Board to propose a Resolution concerning a matter in respect of which such Members are each entitled to exercise Voting rights, and when proposing the Resolution may require the Board to determine that the Resolution be submitted to Members for consideration at a Meeting of Members called, or at the next scheduled Members' Meeting, or by Round-Robin Resolution. *Section 65(3)*
- 2.12.14 Any Resolution proposed must comply with the requirements as to form and content, and supporting information or explanatory material, specified in section 65(4) of the Act.

## **2.13 Annual General Meetings**

- 2.13.1 The Association shall hold an Annual General Meeting of Members within six months of the end of the financial year and the business of the meeting shall be to receive and consider the following:
- (a) the presentation of the Chairman's report;
  - (b) the election of Directors to the extent required by section 66(4)(b) of the Act or this MOI;
  - (c) the consideration and approval of the Audited Annual Financial Statements, for the preceding financial year of the Association;
  - (d) the approval of the budget for the current financial year and the approval of the levy;
  - (e) the appointment of an Auditor for the ensuing financial year and approval of the remuneration of the auditor for the preceding financial year;
  - (f) any other matter or business determined by the Board;
  - (g) any matters raised by the Members, with or without advance notice to the Association; and
  - (h) any other business which ought to be transacted at an Annual General Meeting, and any business which is brought under consideration by the reports of the Board laid before such Meeting; *Section 61(8)(d)*
- 2.13.2 An Annual General Meeting shall comply with all the requirements of Articles 2.6 to 2.12 above;
- 2.13.3 At least 20 Business Days before the date of the Members' Meeting, a copy of the Annual Financial Statements of the Association shall be delivered to all Members, save for any Member who waives his right to receive such Statements.

## **ARTICLE 3 – BOARD AND DIRECTORS**

### **3.1 Directors**

- 3.1.1 The Board must comprise in the case of this Association of at least 3 (three) Directors and no more than 7 (seven) Directors. *Section 66(2)a of the Act*

- 3.1.2 A director shall be an individual, but need not himself be a member of the Association. A director, however, by accepting his appointment to office as such, shall be deemed to have agreed to be bound by all the provisions of these presents.
- 3.1.3 This MOI provides for the Association to have Directors and Voting Members and the Directors are to be elected by the Voting Members at an annual general meeting. *Item 5(1)(b) of Schedule 1*

### 3.2 Election of Directors and Vacation of Office of Director

- 3.2.1 A person becomes entitled to serve as a Director of this Association when that person:
- (a) has been elected in accordance with this MOI or the Act; and
  - (b) has delivered to the Association a written consent to serve as its Director. *Section 66(7)(a)(b)*
- 3.2.2 Any particular Director may be appointed by the Board to more than 1 (one) Committee of the Association and when calculating the minimum number of Directors required for this Association, being not less than 3 (three) Directors, a Director who has been appointed to more than 1 (one) Committee must be counted only once. *Section 66(12)*
- 3.2.3 The Board may co-opt a person who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Association on a temporary basis until the vacancy has been filled by election in terms of this MOI. During that period, any person so appointed has all the powers, functions and duties and is subject to all of the liabilities of any other Director of the Association. *Section 68(3)*
- 3.2.4 A Director shall be deemed to have vacated his office as such upon any event in terms of *Section 70(1)(a)(b)(i)-(vi)* of the Act occurring:
- (a) his estate being sequestrated, whether provisionally or finally, or him surrendering his estate;
  - (b) the commission by him of any act of insolvency;
  - (c) his conviction for any offence involving dishonesty;
  - (d) his becoming of unsound mind or being found lunatic;
  - (e) his resigning from such office in writing delivered to the Secretary of the Board;
  - (f) his death;
  - (g) his being removed from office as provided in the Act:
    - by Resolution of the Members in terms of section 71(1);
    - by Resolution of the Board in terms of section 71(3); or
    - by order of the court in terms of section 71(5) or (6); or
  - (h) the expiry of his term of office, i.e., at the time of the Annual General Meeting following the one on which he was elected.

### 3.3 Governance of the Board

- 3.3.1 In terms of the Act and this MOI the business and affairs of the Association shall be managed by or under the direction of its Board, which has the authority to exercise all of the powers and perform any of the functions of the Association, as set out in section 66(1), is limited, restricted and qualified by this MOI except to the extent that the Act and this MOI provides otherwise in terms of section 66(1) and to the extent set out in Item 11(1) of Schedule 5 of the Act. The Directors may from time to time, at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Association. *Section 66(1)*
- 3.3.2 The Directors may, at any time and from time to time, by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this MOI including the right of sub-delegation) and for such period and subject to such conditions as the Directors may think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

### 3.4 Board Committees

- 3.4.1 This MOI does not limit, restrict or qualify the authority of the Board to appoint any number of Committees, or to delegate to any such Committee any of the authority of the Board.
- 3.4.2 Except to the extent that the Board or a Members' Resolution establishing a Committee provides otherwise, the Members of the Board Committee:
- (a) may include persons who are not Directors of the Association but any such persons must not be ineligible or disqualified to be a Director in terms of section 69 of the Act;
  - (b) may consult with or receive advice from any person; and
  - (c) provided that the Committee is duly constituted, have the full authority of the Board in respect of any matter referred to it.
- Section 72(1)(a)(b) and section 72(2)(a)(b)*
- 3.4.3 The Members of each Board Committee, of which at least one shall be a member of the Board of Directors, shall hold and conduct their Meetings in accordance with the provisions of the Board and Board Committees Charter and the Rules of the Association governing the holding and conduct of such Meeting, which provisions are binding on each Board Committee Member in terms of section 15(6)(c)(ii). Any Board Committee formed shall conform to any regulations that may from time to time be imposed upon it by the Board, provided that the Meetings and proceedings of any Board Committee consisting of 2 (two) or more Members shall be governed by the provisions contained in this Memorandum of Incorporation regulating the Meetings and proceedings of the Board, so far as the same are applicable thereto, and are not superseded by any regulation made by the Board.
- 3.4.4 The Board shall have the power to appoint, and at its discretion to remove or suspend, a Board Committee.
- 3.4.5 The Association shall in addition to any other committees, establish the following permanent Board Committees:
- (a) Finance Committee as regulated in terms of a charter; approved by the Board, and a
  - (b) Building and Aesthetics Committee terms of a charter; approved by the Board.
- 3.4.6 The Building and Aesthetics Committee shall be responsible to ensure compliance with the Building Code and to formulate and amend such Building Code which shall include the following:
- (a) approve all building plans in conjunction with the Local Authority having control over the Estate;
  - (b) control of all landscaping and gardening in respect of the entire Estate;
  - (c) determine the position of each building to be built on the estate notwithstanding that a building may be built on the property of a particular Member. The position of an Member's building shall be determined in collaboration with the Member subject to the condition that the building committee's discretion shall prevail in the event of any disagreement; and
  - (d) impose such height restrictions as it deems necessary;

The Building and Aesthetics Committee shall be entitled to charge a fee for the approval of building plans which shall be payable by the owner submitting building plans for approval as set by the Board from time to time. The Building and Aesthetics Committee shall on request, supply a Member with the particulars of the Building Code.

### 3.5 Building Code

- 3.5.1 In addition to such other powers as may be conferred upon it by the Directors, the Building and Aesthetics Committee shall have the following powers, without prejudice to any other rights of the Association, either in terms of these presents or at law:
- (a) whenever it considers that the appearance of any Erf/Portion or structure or building or of any land vested in a Member or Members is such as to be unsightly or injurious to the amenities of the surrounding area or the Estate generally, to serve notice on such Member or Members to take such steps as may be specified in the notice to eliminate such unsightly or injurious condition;
  - (b) in the event of the Member failing to make the necessary repair within 30 days of the written notice referred to above, the Board shall be empowered to effect such repair and shall recover the cost from such Member by whatever means it may deem fit;
  - (c) to determine the routine maintenance requirements:

- of all open space and roads in the Estate, in accordance with the provisions of the Building Code;
- of all other land within the Estate not covered by buildings whether held by the Association or by Members either individually or in undivided shares; and
- (d) to attend to such maintenance requirements as may be determined by the Board from time to time. The Members hereby agree that the Estate Manager may when so instructed by the Building and Aesthetics Committee, take such action as may be required by the committee and recover the cost from the Association which shall in turn be entitled to recover the costs from the Members concerned by way of the levy.

3.5.2 No Member may, without the written consent of the Building Committee:

- (a) change the colour of the exterior walls of the Erf/Portion or building concerned, nor the colour of the exterior of the doors and window frames thereof, nor any fixture or fitting excluding however door and window handles, locks, knockers and similar ornaments upon the exterior thereof;
- (b) replace any appurtenances, including but without limiting the generality of the foregoing, pergolas, blinds, shutters, awnings or ornaments upon the exterior walls or surfaces of the building concerned, save only to renew such items as may initially have been so placed upon construction on the Erf/Portion, with such items of the same nature and of similar appearance;
- (c) to make any additions or extensions to the Erf/Portion or buildings or to erect any further buildings or structures or fences whether of a temporary or permanent nature upon any land vested in the Member/s;
- (d) to remove any fixtures, fittings, doors, windows or to demolish any portion of the exterior of any Erf/Portion or building; and
- (e) in the event of the destruction of any building on an Erf/Portion, and the Member deciding to rebuild such building, the plans for such rebuilding shall prior to such rebuilding taking place, be submitted to the Association, which shall within 21 days of such submission to it, submit any comments which it may have in connection therewith to the Building Committee and the local authority.

3.5.3 The Building and Aesthetics Committee shall be entitled, from time to time, to impose additional regulations or to amend the Building Code in order to ensure that a high quality of building standards and aesthetics is maintained. The Building Code shall be subject to the Land Use management controls.

### 3.6 Finance Committee

3.6.1 The Finance Committee shall In addition to such other powers as may be conferred upon it by the directors, have the following powers, without prejudice to any other rights of the Association, either in terms of these presents or at law:

(a) Levies

- The Finance Committee shall from time to time make levies upon the members for the purpose of meeting all the expenses which the Association has incurred, or to which the Finance Committee reasonably anticipates the Association will be put by way of provisioning, maintenance and repair, improvement and keeping in good order and condition of sewerage, storm water drainage, electricity, water reticulation, fencing, roads and open space, sports and recreational facilities, security and other services, and/or the exterior of any buildings, structures, erections and other improvements in the development, including erven/portions, and/or for payment of all rates and other charges payable by the association in respect of the erven/portions vested in it and/or for the services rendered to it, and/or for payment of the salaries and/or wages of the employees of the association and generally for the payment of all expenses necessarily or reasonably incurred in connection with the management of the Association, the development, and the Association's affairs including all and any expenses reasonably or necessarily incurred in the attainment of the objects of the Association.
- Every levy shall be payable in equal monthly instalments due in advance on the first day of each and every month of each financial year.
- In computing the levy, the Finance Committee shall take into account all expenses relating to the maintenance of service infrastructure of the development and to Residential erven/portions, Business erven/portions, sports and recreational facilities and open spaces administered by the Association and shall establish a base monthly levy taking into account the number of serviced Erven/Portions in the Estate from time to time.

- Levies shall only be payable in respect of an Erf/Portion once all sewerage, storm water drainage, electricity and water reticulation services for that Erf/Portion have been installed.

(b) Budget

- The Finance Committee shall not less than 30 days prior to the end of each financial year, or as soon thereafter as reasonably possible, prepare and serve upon every Member at the address chosen by him an estimate in reasonable detail of the amount which shall be required by the Association to meet the expenses during the following financial year, and shall specify separately such estimated deficiency, if any, as shall result from the preceding year. The Finance Committee may include in such estimate an amount to be held in a reserve fund to meet anticipated future expenditure not of an annual nature.
- Each notice to each Member shall specify the contribution payable by that Member to such expenses and the funds held in the reserve fund.
- In the event of the Finance Committee for any reason whatsoever failing to prepare and serve the estimate referred to above timeously, every Member shall until service of such estimate as aforesaid continue to pay the levy previously imposed and shall after such service pay such levy as may be specified in the notice referred to above.

(c) Special Levies

The Finance Committee may from time to time make special levies upon the Members in respect of all expenses of the Association which were not included in any estimate made in terms of the determination of monthly levies, and the Finance Committee may when imposing a special levy determine the terms of payment thereof.

(d) Interest on Levies

- The Finance Committee shall be empowered to determine the rate of interest from time to time chargeable upon arrear levies, provided that such rate of interest shall not exceed the prime overdraft rate of Absa Bank Limited or such other bank as the Finance Committee in their discretion may nominate from time to time.
- Any amount due by a Member by way of a levy and interest shall be a debt due by him to the Association. The obligation of a Member to pay a levy and interest shall cease upon his ceasing to be a Member without prejudice to the Association's right to recover arrear levies, any other outstanding monies due and interest. No levies or interest paid by a Member shall under any circumstances be repayable by the Association upon his ceasing to be a Member. A Member's successor in title to an Erf/Portion shall be liable to pay the levy, and interest thereon, attributable to that Erf/Portion as from the date upon which he becomes a Member pursuant to the transfer of that Erf/Portion.

(e) Calculation of levies

In addition to the provisions above and in calculating the levy payable by any Member, the Finance Committee shall as far as reasonably practicable:

- assign those costs arising directly out of the Erf/Portion itself to the Member owning such Erf/Portion; and
- assign to any Business and/or commercial Erf/Portion such greater share of the expenses as it may consider reasonable in the circumstances.

### 3.6.2 Rights to service of membership

No Member shall be entitled to any of the privileges of membership unless and until he shall have paid every levy and interest thereon in terms of these Articles and any other sum which may be due and payable to the Association, from whatsoever cause arising.

### **3.7 Board Meetings**

3.5.1 A Director authorised by the Board of the Association may call a Meeting of the Board at any time, and shall call such a Meeting if required to do so by at least 2 (two) Directors; *Section 73(1)(a)(b)*

3.5.2 The Directors of the Association convening a Board Meeting may determine the location of the Meeting, including the location of a Meeting which has been adjourned, provided that the location shall be at a suitable venue in the Republic of South Africa which is reasonably accessible to each Director, unless the meeting is held by electronic communication.

In terms of the Act and this MOI, the authority of the Board to conduct a Meeting entirely by electronic communication, or to provide for participation in a Meeting by electronic communication, is not limited or restricted by this MOI, provided that the electronic communication facility employed by the Association must ordinarily enable all persons participating in that Meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the Meeting. *Section 73(3)*

3.5.4 A Resolution adopted by Directors, some or all of whom were connected electronically, shall be deemed to have been passed on the date on which the Resolution was adopted.

3.5.5 In terms of the Act and this MOI, minutes of Board and Board Committee Meetings must include all Resolutions adopted by the Board or Board Committees, as the case may be, and must include all declarations of personal financial interests given by notice or made by a Director in terms of section 75. *Section 73(6)*

3.5.6 Each Resolution adopted by the Board must be dated and sequentially numbered and are effective as of the date of the Resolution, unless the Resolution states otherwise. *Section 73(7)(a)*

3.5.7 Signature of the minutes or of a Resolution by the Chair of the Meeting (or by the Chair of the next Meeting) is evidence of the proceedings of that Meeting, or adoption of the Resolution, as the case may be.

3.5.8 An extract from such minutes or extract from any Resolution in writing, if signed by any Director or the Association Secretary, shall be evidence of the matters stated in such minutes or extract. *Section 73(8)*

### **3.6 Board Quorum**

3.6.1 A Board Meeting may not begin unless the majority of the Directors are present in terms of section 73(5)(b).

3.6.2 A matter to be decided at the Board Meeting may not begin to be considered unless the majority of the Directors are present. A majority is defined as 50% or more of current directors eligible to vote at a meeting of the Board.

3.6.3 For purposes of counting a quorum for voting on a specific matter before the Board at any time, a majority is defined as 50% or more of current directors eligible to vote on the specific matter before the meeting. A Director who is personally present at the Meeting, or who participates in person electronically at that time, shall be counted towards a quorum unless he is prohibited from voting in terms of section 75(5)(f)(ii) due to him having a personal financial or other interest in the matter at hand.

### **3.7 Board Resolutions**

3.7.1 The Board may propose any Resolution to be considered by Members and may determine whether that Resolution will be considered and voted on at a Meeting of Members or by Round-Robin Resolution. *Section 65(2)*

- 3.7.2 Each Director in good standing in respect of any matter at hand has 1 (one) vote on a matter before the Board in terms of section 73(5)(c) except that a Director who has a personal financial interest in respect of a matter to be considered by the Board or who knows that a related person has a personal financial interest in the matter in terms of section 75(4) or 75(5), shall not have a vote in respect of that matter in terms of section 75(5)(f)(ii).
- 3.7.3 A majority of the votes of the Directors present and entitled to exercise and exercising their vote on a matter is sufficient to approve a Board Resolution, provided that there is at least a quorum of Directors present and so exercising their votes on a matter.
- 3.7.4 An abstention from Voting shall not be counted as an exercise of a vote, and shall in terms of section 73(5)(d) be disregarded for purposes of calculating whether or not a majority has been obtained.
- 3.7.5 If a Resolution of the Directors has failed because of a tie contemplated in this article, the Board or any Director of the Association or any registered Member may refer the matter to the Members for the Members to resolve and facilitate the breaking of any deadlock at Director level.
- 3.7.6 A Director unable to attend a Board or Board Committee Meeting may authorise any other Director to vote for him at that Meeting, and in the event that the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote. Authority in terms of this clause must be in writing and must be handed to the person presiding at the Meeting at which it is to be used.
- 3.7.7 A Round-Robin Resolution of Directors shall be deemed to have been passed on the date specified in the Resolution as the effective date of the Resolution.
- 3.7.8 Within 10 (ten) business days after the adoption or failing of a Round-Robin Resolution, the Association shall:
- (a) deliver to each Director a copy of the Resolution proposed, accompanied by a statement describing the results of the vote; and
  - (b) insert a copy of the Resolution and statement in the minute book of the Association.

### **3.8 Directors acting other than at Meeting**

- 3.8.1 A decision that could be voted on at a Meeting of the Board of the Association may instead be adopted by written consent of a majority of the Directors, given in person or by electronic communication, provided that each Director has received notice of the matter to be decided. *Section 74(1)*
- 3.8.2 A decision made in the manner in terms of this Article is of the same effect as if it had been approved by Voting at a Meeting. *Section 74(2)*

### **3.9 Register of Directors**

- 3.9.1 Van Reenen Country Estate (NPC) must establish and maintain a record of its Directors, including all the details about each Director (including that Director's email address) required in terms of and for the period stipulated in the Act and the Companies Regulations in a register of Directors in terms of Sections 24(3)(b), 24(5) and regulation 23.
- 3.9.2 For purposes of the Act and in relation to the register of Directors required to be kept by the Association in terms of section 24(3)(b), and accordingly, the prescribed details of each such person are required to be included by the Association in the register of Directors of the Association.

### **3.10 Directors' Remuneration**

3.10.1 Van Reenen Country Estate (NPC) shall not, directly or indirectly, pay any portion of its income or transfer any of its assets, regardless of how the income or asset was derived, to any person who is or was an incorporator of the Association, or who is a Member or Director, or person appointing a Director, of the Association, except:

(a) as reasonable remuneration for goods delivered or services rendered to, or payment of, or reimbursement for, expenses incurred to advance a stated object of the Association, and to enable it to achieve its objectives; and

(b) in respect of any legal obligation binding on the Association. *Item 1(3) of Schedule 1 to the Act*

### **3.11 Directors' Personal Financial Interests**

3.11.1 No Director or Member may directly or indirectly have any personal or private interest in the Association and the Association is prohibited in terms of this MOI from having a share or other interest in any business, profession or occupation which is carried on by its Directors or Members.

### **3.12 Standards of Directors' Conduct**

3.12.1 In this clause, Director includes a person who is a Member of a Committee of a Board of the Association, irrespective of whether or not the person is also a Member of the Association. *Section 76(1)(a)(b)*

3.12.2 A Director of the Association shall not use the position of Director, or any information obtained while acting in the capacity of a Director to gain an advantage for the Director or for another person or entity other than the Association or to knowingly cause harm to the Association and communicate to the Board at the earliest practicable opportunity any information that comes to the Director's attention, unless the Director is bound not to disclose that information by a legal or ethical obligation of confidentiality. *Section 76(2)(a)(i)(ii) and section 76(2)(b)(i)(ii)*

3.12.3 A Director of the Association shall exercise the powers and perform the functions of Director in good faith and for a proper purpose, in the best interests of the Association and with the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the Association as those carried out by that Director, and having the general knowledge, skill and experience of that Director. *Section 76(3)(a)(b) and section 76(3)(c)(i)(ii)*

3.12.4 In respect of any particular matter arising in the exercise of the powers or the performance of the functions of Director in terms of in the best interest of the Association and with the necessary degree of care, skill and diligence of that Director, the Director shall take reasonably diligent steps to become informed about the matter and conduct his investigation in line with Section 76(4)(a)(i)-(iii), section 76(4)(b)(i)(ii), section 76(5)(a), section 76(5)(b)(i)(ii) and section 76(5)(c)

### **3.13 Indemnification and Directors' Insurance**

3.13.1 In terms of the Act and this MOI the authority of the Association to purchase market-related insurance to protect the Association or a Director, as contemplated in section 78(7) of the Act, is not limited, restricted or extended by this MOI, giving authority to the Association to purchase insurance to protect a Director against any liability or expenses for which the Association is permitted to indemnify a Director or the Association against any contingency including, but not limited, to any expenses that the Association is permitted to advance or for which the Association is permitted to indemnify a Director.

3.13.2 Van Reenen Country Estate (NPC) shall be entitled to claim restitution from a Director of the Association for any money paid directly or indirectly by the Association to or on behalf of that Director, in any manner inconsistent with this article of this MOI. *Section 78(8)*

3.13.3 The Association shall specifically indemnify every Director, employee, officer of the Association, the Estate Manager and the auditors against all losses of whatsoever nature incurred arising out of any *bona fide* act, deed or letter done or written by him jointly or severally in connection with the reasonable discharge of his duties, provided that any such act, deed or letter has been done or written in good faith.

3.13.4 Van Reenen Country Estate (NPC) is prohibited from indemnifying a Director and a person who is a member of a Board Committee, irrespective of whether or not the person is also a member of the Association's Board in respect of:

- (a) any fine that may be imposed on a Director of the Association or a member of a Board committee as a consequence of that Director having been convicted of an offence;
- (b) a duty contemplated in section 75 relating to the disclosure requirements in terms of the Director's personal financial interests;
- (c) a duty contemplated in section 76 relating to the standards of the Director's conduct;
- (d) any legal consequence arising from an act or omission which constitutes wilful misconduct or wilful breach of trust on the part of the Director;
- (e) liability of Directors relating to the following:
  - acted in the name of the Association, signed anything on behalf of the Association or purported to bind the Association or authorise a taking of any action by or on behalf of the Association, despite knowing that the Director lacked the authority to do so; or
  - consented to the carrying on of the Association's business despite knowing that it was being conducted in a manner prohibited by section 22(1), in terms of reckless trading; or
  - been a party to an act or omission by the Association despite knowing that the act or omission was calculated to defraud a creditor, employee or Member of the Association, or had another fraudulent purpose. *Section 78(2)(a)(b), section 78(6) and section 77(3)(a)(b)(c)*

3.13.5 A Director shall not be liable for the acts, receipts, neglects or defaults of the auditors, other members of a Board Committee, the Estate Manager or of any of the other directors, employees or staff members, whether in their respective capacities, for any loss or expense sustained or incurred by the Association, arising from the insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any loss or damage occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever, which shall happen in the execution of any of the duties of his office or in relation thereto.

## ARTICLE 4 – TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY OF THE ASSOCIATION

### 4.1 Access to the Association's Records and Financial Statements

- 4.1.1 In terms of the Act and this Memorandum of Incorporation, no person, other than a Director and every holder of a beneficial interest in this Association, shall have any right to inspect any accounting records or document of the Association, except the right to do so as conferred by the Companies Act or as authorised by the Board or as authorised by an Ordinary Resolution of the Members or as permitted in terms of this clause of this MOI.
- 4.1.2 The accounting records shall be kept at or be accessible from its Registered Office. The accounting records shall be open to inspection by any of the Directors at any time. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions, the accounting records of the Association or any of them shall be open to inspection by holders, not being Directors, and subject to the rights granted to holders in terms of the Companies Act.
- 4.1.3 The Board may from time to time in its discretion, grant any Member, on such terms and subject to such conditions and for such period(s) as the Board may from time to time determine in writing, the right to access (inspect and/or copy) any information pertaining to the Association, but no such right if conferred may negate or diminish any mandatory protection of any record, as set out in Part 3 of the Promotion of Access to Information Act, No 2 of 2000, as amended, provided further that the confidential information of the Association is adequately safeguarded and protected. *Section 24(5), section 26(1)(2)(3), section 50(3)(b) and Regulation 23*

### 4.2 Financial Year End of the Association

4.2.1 The Association's financial year, which is its annual accounting period, begins on the first day of March and ends on the last day of February as set out in the Association's Notice of Incorporation, subject to any change made in terms of this article. *Section 27(1), section 27(2)(a)(b), section 27(3)(a)(b) and section 27(6)*

4.2.2 The financial year of the Association may be changed by the Members by Ordinary Resolution in terms of section 27(4), after which a notice of change must be filed on form CoR 25. *Section 27(4)(a)(b)*

#### **4.3 Accounting Records of the Association**

4.3.1 In terms of the Act and this MOI the Association shall keep accurate and complete accounting records in one of the official languages of the Republic, as necessary to provide an adequate information base sufficient to enable the Association to satisfy all reporting requirements applicable to it, as set out in this sub-article, and to provide for the compilation of Financial Statements.

4.3.2 Van Reenen Country Estate (NPC) shall maintain the necessary Accounting Records in accordance with section 28 of the Companies Act. *Section 28, section 28(1)(a) and Regulation 25(2)(a)(b)*

4.3.3 The accounting records shall include a record of any property held by the Association in a fiduciary capacity, or in any capacity or manner. *Regulation 25(3)(b)(i)(ii)*

#### **4.4 Financial Statements and Financial Year**

4.4.1 The Association's Financial Statements shall satisfy the financial reporting standards as to form and content, present fairly the state of affairs and business of the Association, show the Association's assets and liabilities, as well as its income and expenses, set out the date on which the statements were published, and the accounting period to which the statements apply, and bear, on the first page of the statements, a prominent notice indicating whether the statements have been audited in compliance with any applicable requirements of this Act, and the name, and professional designation, if any, of the individual who prepared, or supervised the preparation of, those statements. *Section 29(1)(a)–(d), section 29(1)(e)(i)(aa)(bb)(cc) and section 29(i)(e)(ii)*

4.4.2 Any Financial Statements prepared by the Association shall not be false or misleading in any material respect, or incomplete in any material particular. *Section 29(2)(a)(b)*

4.4.3 Van Reenen Country Estate (NPC) is not limited or restricted by this MOI to provide any Member with full disclosure of any particular Financial Statements. *Section 29(3)(a) and section 29(3)(b)(i)–(iv)*

4.4.4 The Directors shall, in accordance with sections 30 and 31 of the Companies Act, cause to be prepared and laid before the Association at its Annual General Meeting its audited Financial Statements, not less than 10 (ten) business days before the date of any Annual General Meeting to every Member. Nothing contained in this article shall impose a duty on the Directors to send copies of such documents to any person whose address is not known to the Association.

#### **4.5 Audited Annual Financial Statements**

4.5.1 The Association's Annual Financial Statements shall be prepared in accordance with the provisions of section 30(2)(b)(ii) of the Act and section 20(c) of Act 3 of 2011 and be audited as required by this MOI, resulting in a statutory audit and the Annual Financial Statements shall be audited by the Auditor appointed in terms of this MOI.

4.5.2 Since the Association is to be audited as required by this MOI, section 90 (prohibitions on Auditor), section 91 (resignation of Auditor), section 92 (rotation of Auditor) and section 93 (restricted functions of an Auditor) do apply.

4.5.3 An Auditor must be appointed at the Annual General Meeting of the Association. *Section 55 of Act 3 of 2011*  
Any Auditor so appointed must be a Registered Auditor. 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. *Section 90(1A) and section 90(2)*

- 4.5.4 The Annual Financial Statements of the Association shall be approved by the Board, be signed by an authorised Director and be presented to the Members at the first Members' Meeting after the statements have been approved by the Board. *Section 30(3)(d) of the Act and section 55 of Act 3 of 2011*
- 4.5.5 Van Reenen Country Estate (NPC) shall file its approved audited annual return in Form CoR 30.1 together with the prescribed fee set out in Table CR 2B, unless exempt from such payment in terms of Regulation 30(8) on the date that it files its annual return. *Section 33(1)(a)(b) and Regulation 30(1)(a)92*

#### **4.6 Appointment of Auditor**

- 4.6.1 Van Reenen Country Estate (NPC) is a Non-Profit Company and although it is not required by the Companies Act to comply with the extended accountability requirements in terms of Chapter 3 of the Act, the Association is required by CSOS to appoint an Auditor in terms of the extended accountability and transparency requirements of Chapter 3 of the Companies Act and the Companies Regulations. *Section 34(1) and section 34(2), Part A, Chapter 3*
- 4.6.2 This MOI requires the Association to appoint a person or a firm as an Auditor of the Association and the individual determined by that firm shall be a Registered Auditor. *Section 90(2)(a)*
- 4.6.3 The Board shall be responsible for the appointment of a person or firm, and approved by Ordinary Resolution of the Members at the Members' Meeting of the Association, as the Auditors for the Association.
- 4.6.4 If the position of Auditors to the Association becomes vacant for any reason, the Board shall fill that vacancy by the appointment of another person (or firm) as the Auditors to the Association. *Section 90 and section 93*
- 4.6.5 The Association is not prohibited from employing the services of the Auditor or the designated Auditor of the Association for more than 5 (five) consecutive financial years. *Section 84(1)(c)(i)*

#### **4.7 Registration of Auditor**

- 4.7.1 The Association shall in accordance with section 85, establish and maintain a record or Register of its Auditors, including, in respect of each person, the name, including any former name, of each such person and the date of every such appointment.
- 4.7.2 If a firm or juristic person is appointed, the Association shall maintain a record of the name, registration number and Registered Office address of that firm or juristic person. The individual determined by that firm in terms of the Auditing Profession Act, is to be responsible for performing the functions of Auditor. *Section 85(1)(a)(i)(ii), section 85(1)(b)(i)(ii) and section 90(3)*
- 4.7.3 Within 10 (ten) business days after making the abovesaid appointment or after the termination of service of such an appointment, the Association shall file a notice of the appointment or termination. *Section 85(3)*

#### **4.8 House Rules**

- 4.8.1 Rules and regulations are put in place to ensure that the Association and its Members have a set of criteria that enhance good community living. These rules may from time to time be amended and approved at a general meeting of Members.
- 4.8.2 Subject to any restriction imposed or direction given at a general meeting of the Association, the Directors may from time to time propose house rules in regard to:
- (a) the use by Members or their households, their guests and lessees, of the roads, open space and sporting amenities, including the right to prohibit, restrict or control such use of the roads and open space or any portions thereof as may from time to time be necessary or expedient;
  - (b) the preservation of the natural environment, vegetation and fauna in the Estate;
  - (c) the use of parking areas;
  - (d) the control of and right to prohibit or restrict the keeping of any animals or pets;

- (e) the use of services, entertainment and recreation areas, amenities and facilities including the right to make a reasonable charge for the use thereof;
- (f) the interaction between the Estate and the agricultural land leased as an operational farm;
- (g) the control of Business Erven/Portions;
- (h) the placing of movable objects upon the outside of buildings, including the power to remove any such objects;
- (i) the keeping/storing of flammable substances;
- (j) the conduct of any persons within the Estate for the prevention of nuisance of any nature to any Member;
- (k) the use of land within any Residential Erf/Portion in the Estate;
- (l) where an Erf/Portion is owned in undivided shares, for regulating the use of such Erf/Portion by the co-owners thereof and their rights inter se; and
- (m) safety and/or security rules.

#### 4.8.3 Additional House Rules

Subject to any restriction imposed or direction given at a general meeting of the Association and this MOI, the Directors may from time to time make additional house rules.

#### 4.8.4 Enforcement

For the enforcement of any of the house rules approved by Members, the Directors may:

- (a) take or cause to be taken such steps as they may consider necessary to remedy the breach of the house rule of which the Member may be guilty, and debit the cost of such to the Member concerned which amount shall then be deemed to be a debt owing by the Member concerned to the Association; and/or impose a system of fines or other penalties. The amount of such fines shall be reviewed and confirmed at an annual general meeting of the Association from time to time;
- (b) take such other action including proceedings in Court, as they may deem fit;
- (c) In the event of any breach of the house rules by the Members or of any Member's household, or his guests, or lessees, such breach shall be deemed to have been committed by the Member himself, but without prejudice to the afore-going, the Directors may take or cause to be taken such steps against the person actually committing the breach as they deem fit;
- (d) In the event of any Member disputing the fact that he has committed a breach of any of the house rules aforesaid, a committee of three, appointed by the Board for the purpose, shall adjudicate upon the issue at such time and in such manner and according to such procedure [provided that natural justice shall be observed] as the chairman may direct. The committee shall comprise of at least one member of the Board of the Association and such other parties as the chairman may appoint. The remaining two parties need not necessarily be Members of the Association. Any fine imposed upon any Member shall be deemed to be a debt due by the Member to the Association and shall be recoverable by ordinary civil process;
- (e) Notwithstanding the afore-going, the Directors may in the name of the Association enforce the provisions of any house rules by civil application or action in court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they deem fit;
- (f) In the event of any Member being in persistent or flagrant breach of any of the articles or any house rules made in terms thereof, or being in breach thereof and failing to remedy such breach, the Directors may, after not less than 7 (seven) days' notice to the Member concerned that they intend to do so, discontinue any service provided to the Member by the Association for such period as the Directors may deem fit; and
- (g) it shall be the duty of the Board, or such other person or body as may be empowered by the Directors, to ensure compliance by the Members, their guests, lessees, and all other persons within the Estate, with the house rules and to this end, to issue such notices, impose such fines or do such things as may be necessary or requisite.

## ARTICLE 5 – ENHANCED ACCOUNTABILITY AND TRANSPARENCY

### 5.1 Appointment of Association Secretary and Audit Committee

- 5.1.1 Van Reenen Country Estate (NPC) is a Non-Profit Company and is not required by the Companies Act to comply with the extended accountability requirements in terms of Chapter 3 of the Act. *Section 34(1) and section 34(2), Part A, Chapter 3*

5.1.2 This MOI does not require the Association to appoint a Company Secretary and Audit Committee.

## **ARTICLE 6 – FUNDAMENTAL TRANSACTIONS**

### **6.1 Disposals, Mergers and Amalgamations**

Van Reenen Country Estate (NPC) is prohibited from amalgamating or merging with, or converting to a Profit Association; or disposing any part of its assets, undertaking or business to a profit Association, 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 Association. *Item 2(1)(a)(b) of Schedule 1*

## **ARTICLE 7 – DISSOLUTION AND DISTRIBUTION OF NET VALUE OF ASSOCIATION**

### **7.1 Winding-Up or Dissolution**

7.1.1 Despite any provision in any law or agreement to the contrary, upon the winding-up or dissolution of the Association, no past or present Member or Director of the Association is entitled to any part of the net value of the Association after its obligations and liabilities have been satisfied and the entire net value of the Association shall be distributed to 1 (one) or more Non-Profit Companies or a department of State of Administration in the National, Provincial or Local sphere of Government of South Africa, contemplated in section 10(1)(a) of the Income Tax Act which is required to use those assets solely for purposes of carrying on 1 (one) or more public benefit activities. Adequate provision for the rights of owners to obtain access to their erven/portions should be safeguarded by registration of servitudes at the cost of the Association or if unable to do that, at the cost of the Members if the Members so required, prior to the dissolution of the Association.

*Item 1(4)(a)(b) of Schedule 1 (section 30(3)(b)(iii)(cc) of the Income Tax Act).*

7.1.2 Any Resolution for the winding-up or deregistration of the Association shall be approved by the Commissioner of the South African Revenue Service.

## **ARTICLE 8 – BINDING CLAUSE AND LEGISLATION**

8.1 The provisions of these articles shall be binding upon all Members, and insofar as they may be applicable, to all persons occupying any Erf/Portion by, through or under any Member, whatever the nature of such occupation.

8.2 This MOI must be read in conjunction with the Community Scheme Ombud Service Act No 9 of 2011 (CSOS Act).