

MEMORANDUM OF INCORPORATION OF A NON-PROFIT COMPANY

known as

ESTATE D' AFRIQUE MASTER OWNERS ASSOCIATION NPC

Registration Number of Company

2002/21395/08

The Memorandum of Incorporation of the Company is as follows:

1. INTERPRETATION:

In this Memorandum of Incorporation, unless the context otherwise requires:

- 1.1. *“The Companies Act”* means Act 71 of 2008, as amended or any Act which replaces it;
- 1.2. *“The Company”* means Estate d’ Afrique Master Owners Association NPC;
- 1.3. *“The land”* means any portion of land comprised within the Estate;
- 1.4. *“The Manager”* means the managing agent, manager or managers with specified functions appointed from time to time in terms of article 14
- 1.5. *“Members”* means the entities referred to in article 5, except where a member is specifically named
- 1.6. *“Memorandum”* means the Memorandum of Incorporation of the company.
- 1.7. *“Estate d’Afrique Master Owners Association NPC”* means Estate d’Afrique Master Owners Association NPC (Registration Number 2002/021395/08) duly established.
- 1.8. *“The common areas and services”* mean such parts of the Estate that are indicated as such on a general plan of the Estate and is being utilised by the company or any of its members as a street, road, street lights, pavements, kerbs, sidewalks, traffic islands and road reserve, water, irrigation dams, sewerage facilities and sewerage pumps owned or used by the company, thoroughfare, sanitary passage, town square, jetty, clubhouse, servitude areas as open space or any area which houses Township services or acts as servitudes in favour of all erven in the township and all land other than private owned erven, the control and/or ownership of which is vested in the company and to which the residents and occupiers of the company’s members have a common right.

- 1.9. *“Over-budgeted income”* includes revenue, profits and capital income.
- 1.10. *“Register”* means the register of members kept in terms of the statutes;
- 1.11. *“Sell”* will incorporate donation, any option granted, alienate, granting any pre-emptive right or transfer;
- 1.12. *“the Republic”* means the Republic of South Africa;
- 1.13. *“the Rules”* mean the estate and/or village rules adopted by the directors of the company’s members or the directors of the company in terms of article 11 as they apply from time to time;
- 1.14. *“the financial policy”* means the company’s approved financial policy and determination of decision-making powers (including notification requirements) between the company’s directors, members and employees.
- 1.15. *“the statutes”* means the Companies Act and any and every other statute or ordinance from time to time in force concerning companies and necessarily affecting the company;
- 1.16. *“Estate”* or *“Estate d’ Afrique”* means the following portions or subdivisions thereof of the farm Welgegund No 491JQ and which townships and portions jointly forms Estate d’Afrique:
 - 1.16.1. Ville D’Afrique Township (previously known as Portion 93 (a portion of portion 85 JQ) Welgegund 491 JQ); and
 - 1.16.2. Ville D’Afrique Extension 1 Township (previously known as Portion 94 (a portion of portion 85) Welgegund 491 JQ); and
 - 1.16.3. Port D’Afrique Extension 1 Township (previously known as Portion 97 (a portion of portion 84) Welgegund 491 JQ); and
 - 1.16.4. Port D’Afrique Extension 2 Township (previously known as a Portion of the remaining extent of Portion 84 Welgegund 491 JQ); and

- 1.16.5. Port D’Afrique Extension 3 Township (previously known the Remaining extent of Portion 84 (a portion of portion 4) Welgegund 491 JQ); and
- 1.16.6. Beau Rivage Township (previously known as Portion 87 (a portion of portion 4) Welgegund 491 JQ); and
- 1.16.7. Le Chateau - Remaining extent of Portion 85 (a portion of portion 4) Welgegund 491 JQ; and
- 1.16.8. Manpark - Remaining extent of Portion 4 Welgegund 491 JQ;
- 1.17. “*Township/communal services*” means the shared services required on the Estate, including, but not limited to, security facilities, communal gatehouses, roads and sidewalks, bridges, fencing, sewer and sanitary services, refuse removal, electricity reticulation, water reticulation and water reservoir for household and irrigation supply and services and storm water drainage; whether such shared services are regulated by way of registered servitude or not.
- 1.18. “*Service Level Agreement*” means the agreement by which the company takes transfer and assumes responsibility for certain legal obligations which its members carry in terms of their Memoranda of Incorporation.
- 1.19. Reference to members shall include members represented by an agent appointed under a general or special power of attorney acting in the manner prescribed in this Memorandum or the statutes;
- 1.20. Expressions defined in the Companies Act, or any statutory modification thereof, in force at the date on which this Memorandum of Incorporation becomes binding on the company shall have the meanings so defined; and
- 1.21. Words in the singular number shall include the plural and words in the plural number shall include the singular and words importing the masculine gender shall include feminine, and

- 1.22. Reference to persons shall include any natural person, partnership, firm, syndicate, society and bodies corporate, close corporations, trusts and companies, and
- 1.23. Reference to notices shall include electronic notices in any form of electronic communication utilised to issue, present, deliver, serve or record *inter alia* circulars, statutory notices, annual financial statements, and any other reports, notifications, proxies and any other information pertaining to the company.

2. NON-PROFIT COMPANY:

- 2.1. The company is a Non-Profit Company.

3. FINANCIAL YEAR END:

- 3.1. The financial year-end of the Company is February.

4. PRELIMINARY:

- 4.1. If the provisions of this Memorandum of Incorporation are in any way inconsistent with the provisions of the Companies Act, the provisions of the Companies Act shall prevail and these provisions of the Memorandum of Incorporation shall be read in all respects subject to the Companies Act.
- 4.2. The terms and obligations of this Memorandum of Incorporation is governed by the unalterable provisions of the Companies Act and contains alterable provisions as allowed for in Section 15(2)(a), 15(2)(b) and 15(2)(c) of the Companies Act and conforms to the requirements of Schedule 1 to the Companies Act .
- 4.3. In the interpretation of this Memorandum of Incorporation, regard should be given to the purpose describing the main business and the main object of the company, in particular the promotion and advancement of communal interests of the and residents of the township and the estate.

- 4.4. Notwithstanding the omission from this Memorandum of Incorporation or any provision to that effect, the company may do anything which the Companies Act empowers a company to do if so authorised by its Memorandum of Incorporation.
- 4.5. The company's Memorandum of Incorporation must be read and interpreted in conjunction with those Memoranda of Incorporation of its members as well as any service level agreement that may be in existence between the company and any of its members.
- 4.6. Except to the extent that the Companies Act disallows the indemnity of any director or officer, the Company shall not be liable for any injury or loss (including loss resulting from theft) to any member of its members, their visitors, employees, contractors or any other person, regardless of the cause thereof. In the event of any injury or loss, individuals shall have no claim. Each and every member shall indemnify the company, its employees, agents and lawful invitees against any claim by any person(s) arising from any injury, loss or damage to any person/property.

5. MAIN OBJECTIVES AND BUSINESS OF THE COMPANY:

- 5.1. The main objectives of the company are:
 - 5.1.1. To carry on, to promote, to advance and to protect the communal interests of members;
 - 5.1.2. To carry on, to promote, to advance and to protect the safety and welfare of the occupants and residents of the Estate;
 - 5.1.3. To maintain the common areas and Township services;
 - 5.1.4. To stipulate and control the aesthetic appearance of land and dwellings;
 - 5.1.5. To control traffic;

- 5.1.6. To implement security measures for the controlled access to and egress from to the property;
- 5.1.7. To regulate, manage, administer and control the rights, obligations and communal interests of its members as well as the communal advancement of all its members on equitable basis;
- 5.1.8. The provide security facilities and services;
- 5.1.9. To install gate houses and maintain the security access points;
- 5.1.10. To erect and install as well as maintain the perimeter fence;
- 5.1.11. To maintain the private roads and sidewalks.
- 5.1.12. To operate and maintain the common sewer purification plants and services;
- 5.1.13. To control the domestic and garden refuse removal;
- 5.1.14. To operate and maintain the electrical reticulation facilities installed;
- 5.1.15. To maintain, meter and collect consumption usage of water for household and irrigation purposes;
- 5.1.16. To maintain reservoirs and storm water drainage;
- 5.1.17. To attend to the upkeep, cleaning and development of all common areas and the clubhouse;
- 5.1.18. To control the cleaning and preservation of the waterfront/shoreline;
- 5.1.19. To provide gardening services of all common areas;
- 5.1.20. To attend to all administrative and Statutory services;

- 5.1.21. To maintain all fixed assets of the company.
- 5.2. The main business of the company is the promoting, advancing and protecting the interests as well as the safety and welfare of the members of the company by, including, but not limited to:
 - 5.2.1. Promoting the communal interests of the residents and occupiers of the Estate; and
 - 5.2.2. Ensuring compliance by the members of the company to the conditions of establishment of the townships or any servitude on the property; and
 - 5.2.3. Enforcing the Estate rules and Village rules created in terms of article 11; and
 - 5.2.4. Administering the general security protocol and arrangements on the property, controlling the access to and exit from the property, determine the nature and type of security to be provided from time to time by the company to its members; and
 - 5.2.5. Stipulating and controlling the landscaping and aesthetic rules and conditions of all buildings erected and to be erected on the Estate in keeping with the Provençal character of the Estate; and
 - 5.2.6. Maintaining all internal township services including, but not limited to all civil, roads, water, storm water, sewerage, electrical reticulation systems and future developments/improvements on the property.
 - 5.2.7. The company is allowed all other powers which are not specifically excluded in terms of the Companies Act.

6. MEMBERS:

6.1. Members of the Company shall be:

6.1.1. Ville d'Afrique Home Owners Association NPC (Registration No. 2000/014893/08) (hereinafter referred to as "**Ville d'Afrique**") established as townships on the portion(s) described in 1.16.1 and 1.16.2 and

6.1.2. Port Provence Home Owners Association NPC Registration No 2002/21395/08 (hereinafter referred to as "**Port Provence**") established as township on the portion(s) described in 1.16.3, 1.16.4, 1.16.5 and

6.1.3. Beau Rivage Home Owners Association NPC Registration No 2004/026126/08 (hereinafter referred to as "**Beau Rivage**") established as Township on the portion(s) described in 1.16.6 and

6.1.4. Manpark (Proprietary) Limited, Registration No 1980/007025/07 (hereinafter referred to as "**Manpark**"); registered owner of the portion as described in 1.16.7; and

6.1.5. Le Chateau Property Development (Proprietary) Limited, Registration No 2005/042877/07 (hereinafter referred to as "**Le Chateau**"), registered owner of the portion as described in 1.16.8.

6.2. Members shall not be entitled to resign as members of the Company.

7. REPRESENTATION OF MEMBERS:

7.1. The members of the company will be represented as follows:

7.1.1. 1 (one) director representing Port Provence Home Owners Association NPC; and

7.1.2. 1(one) director representing Ville d'Afrique Home Owners Association NPC; and

- 7.1.3. 1 (one) director representing Beau Rivage Home Owners Association NPC; and
- 7.1.4. 1(one) director representing Le Chateau; and
- 7.1.5. 1 (one) director representing Manpark.
- 7.2. The company shall keep a register of its members as prescribed by the Companies Act.

8. OBLIGATIONS OF MEMBERS:

- 8.1. Each and every member shall abide by the Memorandum of Incorporation and comply with all the rules of the Company.
- 8.2. The obligations of a member shall not be transferable and every member shall reasonably further to the best of its ability the main business, objects and interest of the company.
- 8.3. All members of the company shall on the terms and conditions set out in the service level agreement, be liable to make payment to the Company of such amounts necessary to meet the expenses incurred by the Company, or which the directors reasonably anticipate the Company will incur.
- 8.4. No common property of the company may be transferred, encumbered, sold or given as collateral.

9. RESTRAINT ON ALIENATION OR SUBDIVISION OR PROCLAMATION:

- 9.1. Manpark and Le Chateau, or their successors in title, shall not sell their properties in their entirety or subdivisions unless the proposed purchaser has bound itself in writing to become a Member of the Company on the terms and conditions as set out in this Memorandum of Incorporation and the registration of transfer of the land of Manpark and Le Chateau shall ipso facto constitute the transferee as a Member of the Company, and whereupon

the membership of Manpark or le Chateau (whichever is applicable) as member of the Company shall automatically terminate.

9.2. In the event of Manpark, or its successors in title, developing its property by subdividing it, Manpark shall be obliged to establish to the satisfaction of the Company a Non-Profit Home Owners Association for the entire portion, whereupon the membership of Manpark as member of the Company shall automatically terminate and the Home Owners Association shall become a Member of the Company.

9.3. In the event of Le Chateau, or its successors in title, proclaiming its portion as Township, Le Chateau shall be obliged to establish to the satisfaction of the Company a Non-Profit Home Owners Association for the entire portion, whereupon the membership of Le Chateau as member of the Company shall automatically terminate and the Home Owners shall become a Member of the Company.

9.4. No further sub-divisions of any portions of Manpark and Le Chateau shall be allowed without an unanimous resolution of the Company.

9.5. In the event that Manpark subdivide and establish a Home Owners Association as set out in paragraph 9.2 above, Manpark shall ensure that all Title Deeds of the proposed portions will have a condition in favour of the Home Owners Association and the company that will refer to an approved surveyor general diagram which will have indicated restricted areas for construction of improvements.

9.6. In the Event that Manpark subdivide and establish a Home Owners Association as set out in paragraph 9.2 above, Manpark shall ensure that each of the Title Deeds has the following conditions:

9.6.1. not more than one dwelling may be erected on each portion; and

9.6.2. portions may not be utilised for any agricultural, industrial or commercial purposes.

10. LEVIES:

- 10.1. The Directors shall be entitled, in their sole discretion and subject to their powers as set out in this Memorandum of Incorporation, to levy contributions upon its Members in respect of, but not limited to:
 - 10.1.1. Expenses incurred in the furtherance of its main business and main objects of the company described in the Memorandum of Incorporation; and
 - 10.1.2. Expenses incurred for the maintenance and upkeep of the Common Property, and the installation, maintenance, upkeep and improvement of the Communal Services;
 - 10.1.3. Expenses incurred in respect of the maintenance and upkeep of the clubhouse;
 - 10.1.4. Expenses incurred in the application for, renewal of, compliance with and use of all water usage licenses;
 - 10.1.5. Expenses incurred in the application for, renewal of, compliance with of liquor and trading licenses for clubhouse;
 - 10.1.6. Anticipated expenses in respect of the aspects set out in 0 above in order to establish a fund for such anticipated expenses.
- 10.2. The Directors of the Company shall from time to time determine the amount of the contributions payable by the Members;
- 10.3. Manpark and Le Chateau, or their successors in title, shall not be liable for the payment of a levy until such time that a Township is proclaimed or their property is subdivided, and such erven in the township or subdivided portion, or sections in a sectional title scheme are transferred from the developer to a third party.

- 10.4. In the event of the company having to provide mutually agreed services or access of any nature to any subdivided or developed portion of the property belonging to Manpark or Le Chateau, Manpark or Le Chateau will pay a fee agreed to between the two parties for the provision of such services or access.
- 10.5. The Directors shall, prior to the end of each financial year, prepare an itemised estimate of the anticipated income and expenditure (which may include a reasonable provision for future replacement funds and contingencies) of the Company during the ensuing financial year, estimate the amount required to be levied upon the Members during such ensuing financial year and determine the monthly contributions payable by the Members for the ensuing financial year.
- 10.6. The Directors may from time to time determine special contributions payable by the Members in respect of expenses mentioned in 01 and such special contributions may be levied in one sum or by such instalments and over such periods as the directors shall deem fit.
- 10.7. Interest shall be payable on arrear contributions or special contributions at such rate as the directors may resolve from time to time.
- 10.8. Any amount due by a Member by way of a contribution, special contribution or interest thereon shall be a debt due by it to the Company.
- 10.9. No contributions or interest paid by a Member shall under any circumstances be repayable by the Company to the Member.
- 10.10. A Member shall be liable for and pay all legal costs, including costs as between attorney and client and collection commission, expenses and charges incurred by the Company in obtaining the recovery of arrear contributions or any other arrear amounts due and owing by such Member to the Company.

- 10.11. A Member shall not be entitled to exercise any voting powers in the Company until such time as its contributions to the Company have been paid in full.

11. RULES:

- 11.1. The directors may from time to time make, add to, amend, repeal or suspend rules regarding:

11.1.1. Security and safety of the Estate and all persons thereon;

11.1.2. Controlled access to and egress from the Estate;

11.1.3. The use of the company's common property;

11.1.4. The financial conduct of the company.

11.2. For the enforcement of any of the rules made by the directors of the company in terms hereof, the directors may take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the member may be guilty.

11.3. Rules adopted, varied or amended by the directors in terms of this article will have interim enforceability and permanent enforceability upon the company ratifying the rules at the annual general meeting.

11.4. The directors may in the name of the company enforce the provisions of any rules by proceedings in a court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.

11.5. It shall be the duty of the manager, or such other person or body as may be empowered by the directors, to ensure compliance by the members with the rules, and to this end to issue such notices or do such things as may be necessary or requisite.

- 11.6. All rules adopted by a sectional title body corporate, Home Owners Association, Manpark or Le Chateau will be subservient to rules of the company and shall in no way conflict with the rules of the company
- 11.7. Any member may, from time to time, make additional rules specific to its needs, provided that any and all such rules will be subservient to rules of the company and shall in no way conflict with the rules of the company

12. MAINTENANCE:

The directors shall have the power, without prejudice to any other rights of the company:

- 12.1. To from time to time determine the routine maintenance requirements of the open spaces and common property of the company and to instruct the manager or other appointed person to attend to such maintenance requirements on behalf of and at the cost of the company; and
- 12.2. To pay the costs of employing such staff members as they deem necessary to further the company's objects and/or business.

13. AMENITIES:

- 13.1. The directors shall have control of all social and recreational facilities and amenities situated on common areas and may accept and/or amend, add to or delete from time to time such rules as they may consider necessary for the use of any such facilities and amenities by members, including the charging of such fee as they may deem reasonable for the use thereof.
- 13.2. The directors may establish or permit the establishment of clubs or associations of members to control and regulate the use of any such social and recreational facilities and amenities, and may delegate to the committees of such clubs or associations any or all of their functions, powers and duties in relation to the particular facility or amenity convened as they may deem fit.

14. MANAGER:

- 14.1. The directors may from time to time, and shall, if required by the members of the company in general meeting, appoint in terms of a written contract a managing agent, manager or managers with specified functions of the control, manage and to administer the company and to exercise such powers and duties as may be entrusted to a manager / managing agent, including the power to collect contributions levied by the company.
- 14.2. The contract with the manager / managing agent shall further provide for the appointment to be terminated and the manager / managing agent shall cease to hold office if:
- 14.2.1. Where the manager / managing agent is a company or close corporation, an order is made for its provisional or final liquidation, or, where the manager / managing agent is a natural person, he surrenders his estate as insolvent or his estate is sequestrated, whether provisionally or finally;
- 14.2.2. The manager / managing agent is convicted of an offence involving fraud or dishonesty, or, where the manager / managing agent is a company or close corporation, any of its directors is convicted of an offence involving fraud or dishonesty; or
- 14.2.3. A special resolution of the members of the company is passed to that effect, provided that in such event the manager / managing agent so removed from office shall not be deprived of any right he may have to claim compensation or damages for breach of contract.
- 14.3. The manager / managing agent shall keep full records of his administration and shall report to the company on all matters which detrimentally affect the value or amenity of any freehold residential erf, boathouse, the land or open spaces, as well as for the property.

- 14.4. The directors shall give reasonable prior notice to the manager / managing agent of all meetings of the directors and the manager / managing agent shall be required to be present thereat.
- 14.5. The directors shall furnish to the manager / managing agent with copies of the minutes of all meetings of the directors and of the company.
- 14.6. Should there be no manager / managing agent in office at any time, then all references in these articles to the manager / managing Agent shall be deemed to be a reference to the directors.

15. MEETINGS OF MEMBERS:

- 15.1. The company, at such time as prescribed in the Companies Act, shall hold general meetings of members to be known and described in the notices calling such meetings as annual general meetings or special general meetings.
- 15.2. The annual general meeting of the company shall be convened within six (6) months after the end of the financial year of the company and within fifteen (15) months of the date of the previous annual general meeting.
- 15.3. The Directors may, whenever they think fit, convene a general meeting.
- 15.4. Every meeting of members shall, unless otherwise resolved by the directors, be held on the Property or in the District in which the company's registered office is for the time being situated.
- 15.5. Subject to the provisions of the Companies Act relating to the meetings of which special notice is required to be given, an annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty one (21) clear days' notice in writing at the least, and a meeting of the company, other than an annual general meeting or a meeting for the passing of a special resolution, shall be called by fourteen (14) days' notice in writing at the least.

- 15.6. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in case of special business, the general nature of the special resolution, expressed with sufficient clarity and specificity accompanied by sufficient information or explanatory material, and shall be given, in a manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company at a meeting of members, to such persons as are, under these articles, entitled to receive such notices from the company, provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed by a majority in number of the members having right to attend and vote at the meeting.

16. PROCEEDINGS AT MEETINGS OF MEMBERS:

- 16.1. All business that is transacted at a special general meeting and all that is transacted at the annual general meeting, with the exception of:
- 16.1.1. The consideration of the audited financial statements; and
- 16.1.2. The selection and approval of external auditors; and
- 16.1.3. The fixing and approval of the remuneration of the external auditors; and shall be deemed to be special business.
- 16.2. Business may be transacted at any meeting of members of the company only when and while a *quorum* is present.
- 16.3. Save as herein otherwise provided, the *quorum* at a meeting of members shall be 3(three) of the total number of members entitled to vote, personally present or represented by alternate and entitled to vote.
- 16.4. If within thirty (30) minutes from the time appointed for the meeting, a *quorum* is not present, the meeting shall stand adjourned to the same day in

the next week, at the same time and place or, if that day be a public holiday, to the next succeeding day other than a public holiday, and if at such adjourned meeting a *quorum* is not present within thirty (30) minutes from the time appointed for the meeting the, subject to the Companies Act, the members or member present shall form a *quorum*.

- 16.5. The chairman of the company shall preside as chair at every meeting of members of the company.
- 16.6. If there is no such chairman, or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unable or unwilling to act as chair, the members present shall choose another director or, if no director be present or, if all the directors present are unable and unwilling and decline to chair, they shall choose some member of the company present to chair the meeting.
- 16.7. The chairman may, with the consent of any meeting at which a *quorum* is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned as a result of a direction given in terms of any applicable provision in the statutes, notice of the adjourned meeting shall be given in the manner prescribed by such provision but, save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 16.8. At any meeting of members a resolution put to the vote of the meeting shall be decided on a show of hands.
- 16.9. A declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by particular majority, or lost, and an entry to that effect is made in the minute book of the company, it 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.

- 16.10. A special resolution of the company is a resolution adopted with the support of at least 75% (seventy five *per centum*) of the members present personally or represented by proxy and entitled to vote.
- 16.11. No objection shall be raised as to the admissibility of any vote except at the meeting itself and at which the vote objected to is raised an every vote not disallowed at such meeting shall be valid for al purposes. Any objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 16.12. In the case of an equality of votes, whether on a show of hands the chairman of the meeting at which the show of hands takes place shall not be entitled to a second or casting vote.

17. VOTES OF MEMBERS:

- 17.1. At any meeting of the company each member of the company present in person or represented by alternate shall have 1 (one) vote.

18. DIRECTORS:

- 18.1. The number of directors shall be 5 (five).
- 18.2. The directors will be constituted by the chairmen representatives of each of the Board of Directors of the members constituting Home Owners Associations and the nominated representatives of Manpark and Le Chateau.
- 18.3. In the event of a permanent vacancy in the Board of Directors, the vacant seat on the Board of Directors of the company shall be filled by the director nominated as a result of a resolution of the Board of Directors of that member which caused the vacant seat.

19. REMUNERATION OF DIRECTORS:

- 19.1. Save as provided for in the Companies Act or resolved by the members at meetings of the members of the company, a director shall not directly or indirectly receive any remuneration for holding office as a director of the company, provided that nothing in this Memorandum of Incorporation shall prohibit a director from being reimbursed any travelling, accommodation or other expenses incurred by him in the execution of his duties as director in or about the business of the company and which is authorised or approved by the board of directors.
- 19.2. Notwithstanding article 19.1, the Board of directors of the company may, from time to time, resolve that the company may contract with a director for consulting on professional services.
- 19.3. If any director commits a breach of article 19.1, he shall forthwith cease to be a director and shall not be eligible for re-election.

20. ALTERNATE DIRECTORS:

- 20.1. Any director, of the members of the Company which constitute Home Owners Associations, shall have the power to nominate another director of the Board of Directors of the Home Owners Association he is representing to act as alternate director in his place during his temporary absence or temporary inability to act as director, and on such appointment being made, the alternate director shall, in all respects, be subject to the terms and conditions existing with reference to the other directors of the company.
- 20.2. Any director appointed by Manpark or Le Chateau shall have the power to nominate another director of the Company or another representative of Manpark or Le Chateau as alternate director in his place during his temporary absence or temporary inability to act as director, and on such appointment being made, the alternate director shall, in all respects, be subject to the terms and conditions existing with reference to the other directors of the company.

- 20.3. The alternate director, whilst acting in the place of the director who appointed him, shall exercise and discharge all the duties and functions of the director and member he represent.
- 20.4. The appointment of an alternate director shall cease on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of these articles of this Memorandum of Incorporation or if the director who appointed him ceases to be a director, or the member gives notice to the secretary of the company that the alternate director representing it shall have ceased to do so.

21. BORROWING POWERS OF DIRECTORS:

- 21.1. Subject to any restriction imposed or direction given by the members of the company obtained at a general meeting of the members of Ville d' Afrique, Port Provence, Beau Rivage Home Owners Associations and any of the Home Owners Associations to be established by Manpark and Le Chateau, the directors may borrow from the members or other persons or entities any sums of money for the purpose of meeting the objects and business of the company not included in the company's financial policy and as set out in this Memorandum of Incorporation and which have not been raised in terms of article 9.
- 21.2. The directors may secure the payment or repayment of any sums of money borrowed in terms of article 20.1 or the payment of any debt, liability or obligation whatsoever of the company in such manner and upon such terms and conditions as they resolve upon in their discretion.

22. GENERAL POWERS AND DUTIES OF DIRECTORS:

- 22.1. The business of the company shall be managed by the directors who may exercise all such powers of the company as are not prohibited by the statutes, the Companies Act or by this Memorandum of Incorporation.

- 22.2. The directors may from time to time entrust to and confer upon a chairperson for the time being such of the powers vested in them as they may think fit, and may confer such powers for such time and to be exercised or for such objects and upon such terms and with such restrictions as they may think expedient, and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the directors, and may from time to time revoke or vary all or any of such powers.
- 22.3. The directors shall have the power from time to time to delegate to any one (1) of their body or to any other person, such of the powers as are vested in the directors pursuant to the statutes or under this Memorandum of Incorporation, as they may deem fit.
- 22.4. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors. Save as aforesaid, the meetings and proceedings of a committee shall be governed by the provisions of this Memorandum of Incorporation regulating the meetings and proceedings of directors.
- 22.5. Without prejudice to the general powers above and so as to not in any way limit or restrict those powers, and without prejudice to the other powers conferred by this Memorandum of Incorporation, it is hereby expressly declared that the directors shall have the following powers:
- 22.5.1. To pay the costs incidental to the promotion of the company;
- 22.5.2. To purchase or otherwise acquire for the company any property, whether movable or immovable, or related rights or privileges which the company is authorised to acquire, at such price and generally on such terms and conditions as approved at a general meeting of the members of the company;

- 22.5.3. To secure the fulfilment of any contracts or engagements entered into by the company subject to a normal resolution at a general meeting of the members of the company.
- 22.5.4. To engage or terminate the services of accountants, attorneys, advocates, architects, engineers and any other professional person(s) whatsoever for any reasons deemed necessary by the directors and on such terms as the directors may decide.
- 22.5.5. To institute, conduct, defend, compound, or abandon any legal proceedings by or against the company, or its officers, or otherwise concerning the affairs of the company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the company;
- 22.5.6. To make and give receipts, releases and other discharges for money payable to the company, and for the claims and demands of the company;
- 22.5.7. To determine who shall be entitled to sign on the company's behalf bills, notes, receipts, acceptances, clearance certificates, endorsements, cheques, releases, contracts and documents;
- 22.5.8. To invest any of the surplus funds of the company not immediately required for the business and purposes of the company, subject to prescriptions and restrictions contained in the financial policy of the company.
- 22.5.9. To enter into all negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purposes of the company;

- 22.5.10. To suspend the voting rights of any member or any member's representative or proxy for so long as any contribution and/or levy, notice of which has been given to such member, as contemplated in this Memorandum of Incorporation, remains due but unpaid;
- 22.5.11. To attend to all aspects of the maintenance and management of the township services and communal facilities and *inter alia* to the application for, renewal of, compliance with and the use of water and all other licenses required in the operation of the company;
- 22.5.12. To attend to all aspects of the maintenance and management of the township services and communal facilities at the Estate and Clubhouse and any of its facilities;
- 22.5.13. To determine or amend the budgeted number of permanent employees of the company;
- 22.5.14. To effect amendments to the company's financial policy;
- 22.6. The directors shall not be entitled to exercise the following powers on behalf of the company unless prior approval by the members of the company obtained at general meetings of the members of Ville d' Afrique, Port Provence and Beau Rivage Home Owners Associations or future members of the company.
 - 22.6.1. The sale of immovable property owned by the company; and
 - 22.6.2. The encumbrance of any property of the company.

23. DISQUALIFICATION AND REMOVAL OF DIRECTORS:

- 23.1. A Director shall cease to hold office as such if:
 - 23.1.1. He ceases to be a director or by virtue of any of the provisions of the Companies Act or becomes prohibited from being a director by

reason of any order made by a Court of Law under the Companies Act; or

- 23.1.2. His estate is sequestrated or he files for a petition for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes any arrangement or composition with his creditors generally; or
- 23.1.3. He is found lunatic or becomes of unsound mind; or
- 23.1.4. He is removed by a resolution of the company as provided in the Companies Act; or
- 23.1.5. He resigns his office by notice in writing to the company; or
- 23.1.6. He is absent for 3 (three) consecutive board meetings without proper excuse and apology.
- 23.2. No director or intending director shall be disqualified by his office from contracting with the company in any manner whatsoever whether directly or indirectly, provided that the director shall notify the other directors at the earliest opportunity of the nature and extent of any direct or indirect material or financial interest he has in any contract with the company.

24. PROCEEDINGS OF DIRECTORS:

- 24.1. A director may, and the secretary shall on the requisition of a director, at any time summon a meeting of the directors.
- 24.2. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they deem fit, but shall be obliged to meet four (4) times per annum.

- 24.3. Unless otherwise resolved by the directors, all their meetings shall be held on the property or in the district where the company's registered office for the time being is situated.
- 24.4. Questions arising from any meeting of directors shall be decided by a majority of votes.
- 24.5. The chairman shall not have a second or casting vote in the case of an equality of votes.
- 24.6. The directors may determine what period of notice shall be given of meetings of directors and may determine the means of giving such notice.
- 24.7. Unless otherwise determined by the directors, a *quorum* shall consist of three (3) directors personally present for the purpose of convening a meeting of directors.
- 24.8. Subject to the Companies Act, a resolution in writing signed by all the directors independently, is sufficient to form a *quorum* and shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted.
- 24.9. A director unable to attend a directors' meeting may authorise any other director to vote for him at that meeting, and in that event the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. If both the director so authorised and an alternate of the director who granted the authority are present at the meeting, the alternate shall not be entitled to vote on behalf of the absent director. Authority in terms of this article must be in writing (which may take the form of an email or telefax) and must be handed to the person presiding at the meeting at which it is to be used.
- 24.10. The directors may elect a chairman for their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after

the time appointed for holding it, the directors present may choose one of their number to be chairman of the meeting.

- 24.11. At every annual general meeting, all of the Directors for the time being shall retire from office.

25. VALIDITY OF ACTS OF DIRECTORS AND COMMITTEES:

- 25.1. As regards to all persons dealing in good faith with the company, all acts done by any meeting of the directors, or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such directors or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be.

26. ACCOUNTING RECORDS OF THE COMPANY:

- 26.1. The directors shall cause such accounting records to be kept as are prescribed by the Companies Act.
- 26.2. The accounting records shall fairly represent the state of affairs and business of the company and explain the transactions and financial position of the company.
- 26.3. The accounting records shall be kept at the registered office of the company or at such other place as the directors think fit, and shall always be open for inspection by any of the members.

27. ANNUAL FINANCIAL STATEMENTS:

- 27.1. The directors shall from time to time, in accordance with the Companies Act, cause to be prepared and placed before the company's annual general meeting, audited annual financial statements.
- 27.2. A copy of the audited annual financial statements which are to be placed before the annual general meeting, shall not less than twenty one (21) days before the date of the annual general meeting, be sent to every member of the company accompanied by the notice convening the annual general meeting.

28. AUDITORS:

- 28.1. An auditor or auditing company shall be appointed for the company as per the provisions of the Companies Act.
- 28.2. The appointment, powers, rights, remunerations and duties of the auditors shall be regulated by the provisions of the Companies Act
- 28.3. The appointed auditor may not be a member, director or employee of the company or a direct family member (including spouse or life partner) of any member, director or employee of the company.

29. RESERVES AND SURPLUS INCOME:

- 29.1. The directors may set aside out of the income of the company or from the contingencies as budgeted for or from the levy stabilization fund and carry to reserve such sums as per the financial policy of the company.
- 29.2. All sums standing to the credit of revenue and general reserve shall at the discretion of the directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the company, for repairing, improving or maintaining any property, whether movable or immovable, of the company, for meeting losses on realisation of, or writing down

investments either individually or in the aggregate, or for any other purpose to which Income of the company may appropriately be applied. Pending such application such sums may either be employed in the business of the company (without being kept separate from other assets of the company) or be invested and may not be repaid to members.

29.3. The directors may divide the reserve into such special reserves as they think fit and reallocate the amounts of such reserves either in whole or in part to other special or general reserves and may consolidate into one reserve any special reserves or any parts of special reserves into which the reserve may have been divided.

29.4. The directors may also carry forward any income without placing them to reserve.

30. NOTICES:

30.1. A notice by the company to any member shall be regarded as valid if it is delivered by hand to the member who is a director of the company, or sent by prepaid registered post to him at his registered address or transmitted electronically to the member's registered email address.

30.2. A member entitled to a notice shall be bound by every notice given in terms of article 30.1

30.3. Any notice if given by post, shall be deemed to have been served on the seventh (7th) day following that on which the letter or envelope containing such notice is posted, and in proving the giving of the notice sent by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

30.4. Any notice sent by hand and electronic communication shall be deemed to have been sent and served on the day following the date of service or the date upon which such electronic communication is released.

31. INDEMNITY:

- 31.1. Save in respect of a liability arising in terms of Section 77(3)(a),(b) or (c) of the Companies Act or liability arising from wilful misconduct or wilful breach of trust, every director, manager and officer of the company and every person, whether an officer of the company or not, shall be indemnified against any liability by the company and shall be indemnified out of the funds of the company against liability incurred by him as such director, manager, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.
- 31.2. No director shall, in his personal capacity or in his capacity as director of the company, be liable for any loss/damage/misfortune which occurs as a result of the execution of his duties unless it occurs as a result of his own dishonesty, gross negligence, breach of duty or breach of trust.

32. WINDING-UP:

- 32.1. The company does not have a share capital.
- 32.2. The contribution liability of each member is limited to the following amount upon the company being wound-up namely that each member undertakes to contribute to the assets of the company while it is a member or within one (1) year after it has ceased to be a member from the date when the company is being wound-up, the amount of R100, 00 (One Hundred Rand) each.
- 32.3. Winding up of the company by members shall only be carried into effect upon unanimous resolution by the members of the company present at a general meeting.
- 32.4. In the event of winding up of the company, the assets of the company shall be donated to another Home Owners Association with similar business and objectives.