“ANNEXURE A”

Companies and Intellectual Property Commission

Republic of South Africa

Memorandum of Incorporation ("**MOI**") **of**

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

REG. NO.:- 2020/498869/08

which is referred to in the rest of this MOI as the "**the Company**".

In this MOI:

Definitions and interpretation

(a) "**Act**" means the Companies Act 71 of 2008, as amended or replaced;

(b) "**additional rate**" means the additional rate charged by the City to registered owners of property situated in the SRA for the benefit of the SRA, as contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act and section 12(2) of the By-law (subject to any applicable exemptions);

(c) "**Board**" means the board of directors for the time being of the Company;

(d) "**business plan**" means the business plan as defined in the By-law;

(e) "**By-law**" means the City of Cape Town: Special Rating Area By-Law, 2012, published in *Provincial Gazette* No 7015 dated 20 July 2012, as amended or replaced;

(f) "**CFO**" means the Chief Financial Officer of the City, as defined in the By-law;

(g) "**City**" means the City of Cape Town, a municipality established in terms of the Local Government: Municipal Structures Act 117 of 1998, as amended or replaced;

(h) "**Commissioner**" means the Commissioner of the South African Revenue Services or his/her replacement from time to time;

(i) "**Companies Regulations**" or "**Regulations**" means the regulations made in terms of the Act and published under GN R351 in *Government Gazette* 34239 of 26 April 2011, as amended or replaced from time to time;

(j) "**Council**" means the Council of the City;

(k) "**file**", when used as a verb, means to deliver a document to the Companies and Intellectual Property Commission (established in terms of section 185 of the Act) in the manner and form, if any, prescribed for that document;

(l) "**Finance Agreement**" means the finance agreement concluded between the Company and the City pursuant to section 12(6) of the By-law;

(m) "**Income Tax Act**" means the Income Tax Act 58 of 1962, as amended or replaced;

(n) "**ordinary resolution**" means a resolution adopted with the support of more than 50% (fifty percent) of the voting rights exercised on the resolution at a members' meeting or by members acting other than at a meeting as envisaged in 11.7 of this MOI;

(o) "**Policy**" means the City of Cape Town: Special Rating Areas Policy, as amended or replaced;

(p) "**property**" means immovable property in the SRA on which a rate may be levied in accordance with the Constitution of the Republic of South Africa and the Property Rates Act;

(q) "**Property Rates Act**" means the Local Government: Municipal Property Rates Act 6 of 2004, as amended or replaced;

(r) "**Republic**" means the Republic of South Africa;

(s) "**special resolution**" means a resolution adopted with the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution at a members' meeting or by the members acting other than at a members' meeting as envisaged in 11.7 of this MOI;

(t) "**SRA**" means the special rating area determined by Council in terms of section 22 of the Property Rates Act, the boundaries of which are delineated in Schedule 1 to this

MOI, and which shall be managed by the Company, save in respect of 16.2.2, in which instance, "SRA" refers to a neighbouring SRA;

(u) "**Subcouncil**" means a Subcouncil of the Council of the City, as constituted from time to time;

(v) **"term budget"** means the term budget of the Company, as defined in the By-law;

(w) "**Value-Added Tax Act**" means the Value-Added Tax Act 89 of 1991, as amended or replaced;

(x) a reference to a section by number refers to the corresponding section of the Act;

(y) words importing the masculine gender include the feminine and neuter genders and *vice versa*; the singular includes the plural and *vice versa*; and natural persons include artificial persons and *vice versa*;

(z) the Schedules attached to this MOI form part of the MOI.

1. Adoption of MOI

1.1 This MOI is in a form unique to the Company, as contemplated in section 13(1)(a)(ii) of the Act. The long standard form of MOI for a non-profit company with members, Form CoR 15.1E, shall not apply to the Company.

1.2 This MOI was adopted by the incorporators of the Company, in accordance with section 13(1) of the Act, as evidenced by the following signatures made by each of them, or on their behalf.

Name and address	Identity or Registration #	Signature	Date
HELEN LAURA SNELL			29/06/2020
JOACHIM PETER VON MOLTKE			29/06/2020
ALISON ANN LOUW			29/06/2020

2. Incorporation and nature of the Company

2.1 The Company is incorporated as a non-profit company, with members, as defined in the Act.

2.2 The Company is incorporated in accordance with, and governed by:

2.2.1 the unalterable provisions of the Act that are applicable to non-profit companies;

2.2.2 the alterable provisions of the Act that are applicable to non-profit companies, subject to any limitation, extension, variation or substitution set out in this MOI; and

2.2.3 the provisions of this MOI.

3. Conflicts with the Act

3.1 notification of conflicts

Any person bound by this MOI who has formed the view or forms the view or otherwise becomes aware that any provision of this MOI or any agreement entered into by the Company contravenes or is or has become inconsistent with any provision of the Act, whether or not such provision is void or could be declared void by a court in terms of section 218(1) of the Act, or any person who incurs personal liability in terms of section 218(2) of the Act or otherwise, shall within 10 (ten) business days of forming that view or becoming aware of such contravention or inconsistency inform the Board in writing of the applicable contravention or inconsistency.

3.2 no obligation to act inconsistently with the Act

3.2.1 Notwithstanding anything to the contrary contained elsewhere in this MOI, no person bound by this MOI shall be required, obliged or entitled in terms of this MOI to do or omit to do something in terms of this MOI to the extent that it is inconsistent with or contravenes any provision of the Act.

3.2.2 Any person bound by the MOI who has complied with 3.1 and 3.2.1 and has done something or has failed to do something to the extent necessary so as

not to be inconsistent with or contravene any provision of the Act or to avoid personal liability under section 218(2) of the Act or otherwise in terms of the Act, but as a result thereof has contravened any provision of this MOI which is void or is declared void by a court in terms of section 218(1) of the Act, shall not for that reason alone be liable or responsible therefor under or in terms of this MOI with respect to any claim by any person bound by this MOI and entitled under or in terms of this MOI to do so, arising out of or in connection with any such act or omission.

3.3 **Board must address inconsistencies**

If any provision of the Act is amended, or the Board is aware or informed of any inconsistency with or contravention of the Act in terms of 3.1 or otherwise, then in addition to and without limiting the rights or remedies of any other person in terms of this MOI or otherwise, the Board shall expeditiously:

3.3.1 assess that amendment to the Act and/or that inconsistency or contravention; and

3.3.2 obtain reasoned written external legal opinion if the Board deems it necessary with respect to any such alleged inconsistency or contravention; and

3.3.3 take such action as is necessary to remove or eliminate or address any applicable contraventions or inconsistencies and to address and give effect to such inconsistencies.

4. **Object/s of the Company**

4.1 The main objects of the Company are to provide Community-Based Private Urban Management within the public areas of the SRA by:

4.1.1 enhancing and supplementing the municipal services provided by the City in the SRA;

4.1.2 facilitating investment in the SRA;

4.1.3 facilitating a co-operative approach between the City and the private sector in the provision of municipal services;

4.1.4 halting the degeneration and facilitating the upliftment of distressed areas in the SRA;

4.1.5 promoting economic growth and sustainable development and in this way assisting the Council in the fulfillment of its objects and developmental duties as set out in its Integrated Development Plan contemplated in the Local Government: Municipal Systems Act 32 of 2000 and the Local Government: Municipal Finance Management Act 56 of 2003.

4.2 In order to give effect to these objects, the Company will be conducting one or more of the following activities in a non-profit manner and with an altruistic or philanthropic intent, where no such activities are intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the Company, otherwise than by way of reasonable remuneration payable to that fiduciary or employee, and which activities will be conducted for the benefit of, or be widely accessible to, the general public or a sector thereof:

4.2.1 the protection of the safety of the general public; particularly those trading commercially or residing within, frequenting or passing through the SRA;

4.2.2 conducting and promoting clean-up or sustainable development projects in the SRA. With regard to conducting and promoting clean-up projects in the SRA, the Company will endeavour to, amongst other things, ensure that the SRA is clean, tidy and well-maintained by conducting, or appointing contractors to conduct, supplementary cleaning and maintenance services in the SRA; and/or

4.2.3 facilitating community development in the SRA for poor and needy persons (such as homeless persons living within the area of the SRA) and anti-poverty initiatives; and/or

4.2.4 other public benefit activities, including those listed in the Ninth Schedule to the Income Tax Act from time to time.

4.3 The Company will act as a management body in respect of the SRA and be responsible for performing planning, contracting, financial control and administrative functions, including, amongst other things -

4.3.1 determining the funding required each year for the purposes of the SRA and making a recommendation to Council in this regard for consideration during its budgeting process;

4.3.2 appointing contractors or staff to provide the required levels of security and safety and to effect the required improvements, upgrades, maintenance and cleaning in the SRA; and

4.3.3 receiving the additional rate charged to registered owners of property situated in the SRA for the benefit of the SRA, as contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act.

5. **Powers of the Company**

The powers of the Company are subject to the following restrictions, limitations and qualifications:

5.1 **use of assets and funds**

5.1.1 The income, property and assets of the Company, however derived, shall be applied solely towards the promotion of its stated object/s as set out in this MOI, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus, or otherwise howsoever, to any person who is or was an incorporator of the Company, or any officer, director or member of the Company, provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any director, member, officer or employee of the Company, for any services rendered to, or expenses incurred on behalf of, the Company, having regard to what is reasonable in the sector and in relation to the services rendered. Further, the Company shall not economically benefit any person in a manner which is not consistent with its stated object/s.

5.1.2 The Company shall not use its resources directly or indirectly to advance, support or oppose any political party.

5.2 **prohibition on participation in certain transactions, operations and schemes**

The Company shall not knowingly be a party to or knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Income Tax Act or any other Act administered by the Commissioner.

5.3 **payment of remuneration**

5.3.1 The Company may 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 Company, or who is a member or officer or director, or person appointing a director, of the Company, except:

5.3.1.1 as reasonable:

5.3.1.1.1 remuneration for goods delivered or services rendered to, or at the direction of the Company; or

5.3.1.1.2 payment of, or reimbursement for, expenses incurred to advance a stated object of the Company; or

5.3.1.2 as a payment of an amount due and payable by the Company in terms of a *bona fide* agreement between the Company and that person or another;

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

5.3.1.4 in respect of any legal obligation binding on the Company.

5.4 **donations**

5.4.1 The Company may make donations as determined by the Board from time to time to other corporate bodies having a main object similar to the Company's stated object/s.

5.4.2 The determination of the donations contemplated in 5.4.1. shall be made by the Board in the light of the prevailing financial circumstances of the company.

5.4.3 The Company shall not accept any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act, provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10 of the Income Tax Act, which has as its sole or principal object the carrying on of any public benefit activity) may not impose conditions which could enable such donor, or any connected person in relation to such donor, to derive some direct or indirect benefit from the application of such donation.

5.5 **reporting requirements**

The Company shall generally comply with any reporting requirements as determined by the applicable authorities from time to time.

5.6 **fiduciary responsibility**

The Company must at all times have at least 3 (three) but no more than 11(eleven) Board members, who are not connected persons in relation to each other, to accept fiduciary responsibility for the Company and no single person shall directly or indirectly control the decision-making powers relating to the Company.

6. **Fundamental transactions**

6.1 The Company may not:

6.1.1 amalgamate or merge with, or convert to, a profit company; or

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

7. **Amendment of the MOI**

7.1 This MOI may be altered or amended only in the manner set out in section 16 of the Act or 17 of the Act being:

7.1.1 in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, by:

7.1.1.1 publishing a notice of the alteration, by delivering a copy of the amendment to each director by email, ordinary mail or fax; and

7.1.1.2 filing a notice of the alteration within 10 (ten) business days after publication as per 7.1.1.1; or

7.1.2 in compliance with a court order, effected by a resolution of the Board; or

7.1.3 if a special resolution to amend it is proposed by the Council and is adopted at a properly quorate meeting of members, or

7.1.4 at any other time if a special resolution to amend it is proposed by the Board or members holding at least 10% (ten percent) of the voting rights and is adopted at a properly quorate meeting of members, subject to 11.7.

7.2 If the MOI is amended in accordance with 7.1.2 ;7.1.3 and 7.1.3, the Board must file a notice of amendment of the MOI within 10 (ten) business days and the amendment will take effect on the date on which the Commission accepts the filing of the Notice of Amendment or such later date as is specified in the notice of amendment.

7.3 A copy of all amendments to this MOI must be submitted to the Commissioner within 10 (ten) business days of such amendment being effected.

8. **Rules**

The Board shall not be permitted to make any rules relating to the governance of the Company as envisaged in section 15 of the Act. To the extent that the Company wishes to be subject to further provisions relating to its governance, it shall amend the MOI accordingly in the manner envisaged in 7 to reflect such further provisions.

9. **Membership**

9.1 As contemplated in item 4(1) of Schedule 1 to the Act, the Company has members, who are all in a single class, being voting members.

9.2 Membership of the Company shall be limited to persons (including the trustees for the time being of trusts or of sectional title bodies corporate) who are the registered owners of property situated in the SRA, for so long as they are owners of such property.

9.3 Persons who qualify for membership in terms of 9.2 and subscribe to the object/s of the Company in terms of 4.1 may apply in writing in such manner and on such application form as determined by the Board from time to time to be admitted as a member of the Company.

9.4 Any person who qualifies for membership in terms of 9.2 and who makes an application in terms of 9.3 must be admitted by the Board to membership of the Company.

9.5 The Company must inform the successful applicant envisaged in 9.4 in writing that his application for admission as a member of the Company has been approved within 14 (fourteen) days of the date of the meeting at which, or the resolution in terms of which, the Board approved his application.

9.6 Where membership of the Company is approved in terms of 9.4, such membership will take effect from the date of the meeting at which, or the resolution in terms of which, the Board approved the application.

9.7 The Company will announce or otherwise publicize at its Annual General Meeting (**AGM**) the names of the persons who were admitted as members of the Company in the immediately preceding financial year.

9.8 The members of the Company shall be the signatories to this MOI and such other persons as from time to time are admitted to membership.

9.9 Membership shall be personal to the member concerned and may not be assigned or transferred by him to any other person, company or concern.

9.10 The Company shall maintain at its registered office a register of members of the Company as required by section 24(4) of the Act. Additionally, the Company will publish a list of its members on its website on an annual basis.

9.11 A member shall *ipso facto* cease to be a member of the Company:

9.11.1 if, being a natural person, he dies or his estate is finally sequestrated, or he is placed under curatorship or he is no longer capable of managing his affairs;

9.11.2 if, being a juristic person, it is finally wound up or finally liquidated, whether by an order of court or by a resolution of its members;

9.11.3 if he is an owner member and he ceases being the registered owner of property situated in the SRA;

9.11.4 if he resigns as a member upon 1 (one) month's written notice to the Company;

9.11.5 on any other grounds that the Board acting reasonably deems appropriate.

9.12 If the Board terminates a person's membership in terms of 9.11.5, such person may request the Board in writing for reasons for the termination of his membership and the Board will be obliged to provide such reasons in writing within a reasonable time from the date of receipt of the request.

9.13 A person whose membership has been terminated shall remain liable for all amounts that may at the date of termination of his membership be due by him to the Company and shall not have any claim of whatsoever nature against the Company or its officers or directors or members or be entitled to any share in the Company's property or its funds.

9.14 Additionally, a person whose membership has been terminated shall be liable to pay any outstanding amounts in respect of the additional rate which may at the date of termination of his membership be due to the City.

9.15 A member will not be liable for any liabilities or obligations of the Company, save where such member is a director (which includes an alternate director, a prescribed officer or a person who is a member of a committee of the Board) who incurs liability -

9.15.1 in accordance with the common law principles relating to:

9.15.1.1 breach of a fiduciary duty, for any loss, damages or costs sustained by the Company as a consequence of any breach by him of a duty contemplated in section 75, 76(2) or 76(3)(a) or (b) of the Act; or

9.15.1.2 delict, for any loss, damages or costs sustained by the Company as a consequence of any breach by a director of a duty contemplated in section 76(3)(c) of the Act, any provision of the Act not specifically mentioned in section 77 of the Act or a breach of any provision of the MOI;

9.15.2 for any loss, damages or costs suffered by the Company as a direct or indirect consequence of the director having committed any of the acts or omissions contemplated in section 77(3) of the Act;

9.15.3 for wilful misconduct or wilful breach of trust;

9.15.4 in terms of any provision of the Act not specifically mentioned in this 9.15.

10. **Rights of members**

10.1 **members' authority to act**

If, at any time, every member of the Company is also a director of the Company, as contemplated in section 57(4) of the Act, the authority of the members to act without notice or compliance with any other internal formalities, as set out in that section, is not limited or restricted by this MOI.

10.2 **members' right to access information**

A member's right to access information of the Company is governed by section 26 of the Act.

10.3 **representation by proxy**

10.3.1 A member may appoint any individual, including an individual who is not a member of the Company, as a proxy to -

10.3.1.1 participate in, speak and vote at a members' meeting on behalf of the member; or

10.3.1.2 give or withhold written consent on behalf of the member to a decision contemplated in section 60 of the Act.

10.3.2 A member shall not be permitted to appoint more than 1 (one) proxy at a time to act on his behalf and exercise his vote/s at a meeting.

10.4 **authority of proxy to delegate**

A proxy may not delegate his authority to act on behalf of a member to another person.

10.5 **requirement to deliver proxy instrument to the Company**

The Company shall be obliged to give effect to the appointment of a proxy, provided the instrument appointing such proxy, shall have been deposited at the office of the Company not less than 24 (twenty-four) hours before the time for holding such meeting or any adjournment thereof.

10.6 **deliberative authority of proxy**

10.6.1 A proxy must exercise his authority to act on behalf of a member strictly in accordance with the proxy instrument, save as provided for in 10.6.3.

10.6.2 The proxy instrument must direct the proxy in relation to the manner in which he must exercise the member's voting rights in respect of each matter to be decided by the members at the members' meeting.

10.6.3 To the extent that the members are called upon to vote on a matter in respect of which they did not receive prior or advance notice or in respect of which the proxy instrument does not provide any direction to the proxy, the proxy is entitled to exercise, or abstain from exercising, the voting rights of the member without direction.

10.6.4 In the event that there is a conflict between the instructions given by a member in the proxy instrument and the MOI, the MOI shall prevail.

10.7 **verification of right to attend meeting**

10.7.1 A person wishing to attend or participate in a members' meeting (whether as a proxy or member), must, if so required by the chairperson, present reasonably satisfactory identification to the chairperson at least 20 (twenty) minutes before the time scheduled for the start of the meeting. The chairperson must be reasonably satisfied that the right of the person to attend and vote has been reasonably verified.

10.7.2 For the purposes of this 10.7, the following forms of identification shall be reasonably satisfactory: a valid identity document, driver's license or passport (or a certified copy of any of these documents), accompanied by a power of attorney, letter of authority or other instrument appointing the proxy or person to attend the meeting on behalf of a member.

10.7.3 In the event that the identification process is not completed by the time that the meeting is scheduled to begin, the commencement of the meeting shall be delayed until the identification process is complete.

10.8 **record date for exercise of members' rights**

10.8.1 If, at any time, the Board fails to determine a record date, as contemplated in section 59 of the Act, the record date for the relevant matter shall be:

10.8.1.1 where notices are to be delivered by post, at least 7 (seven) ordinary days prior to the date for the giving of notices of the meeting; or

10.8.1.2 in the case of notices to be delivered by other means, 1 (one) business day prior to the latest date for the giving of notices as prescribed by the Act or the MOI.

11. **Members' meetings**

11.1 **requirement to hold meetings**

11.1.1 The Company is, subject to 11.7, required to hold members' meetings in the following circumstances:

11.1.1.1 when adopting any ordinary resolution or special resolution;

11.1.1.2 whenever required in terms of section 70(3) of the Act to fill a vacancy on the Board;

11.1.1.3 when one or more written and signed demands by members for such a meeting are delivered to the Company, and each such demand describes the specific purpose for which the meeting is proposed, and in aggregate, demands for substantially the same purpose are made and signed by the holders, as of the earliest time specified in any of those demands, of at least 10% (ten percent) of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.

11.1.2 Notwithstanding 11.1.1.3, the Company, or any member, may apply to a court for an order setting aside such a demand on the grounds that the demand is frivolous, calls for a meeting for no other purpose than to reconsider a matter that has already been decided by the members, or is otherwise vexatious.

11.1.3 At any time before the start of a members' meeting called pursuant to 11.1.1.3, a member who submitted a demand for that meeting may withdraw that demand; and the Company must cancel the meeting if, as a result of one or more demands being withdrawn, the voting rights of any remaining members continuing to demand the meeting, in aggregate, fall below the

minimum percentage requirement, as set out in 11.1.1.3 of voting rights required to call a meeting.

11.1.4 Notwithstanding the above, the Board may call a members' meeting at any time. If there is no Board, or the Board is incapacitated for any reason whatsoever, the CFO shall have the power to call a members' meeting at any time.

11.1.5 In the event that there is no Board or the Board is incapacitated for any reason whatsoever, the CFO shall have the power to receive the written and signed demands contemplated in 11.1.1.3 above and must convene a members' meeting.

11.1.6 In addition to the meetings specifically required by the Act and this MOI, the Company shall in each year convene an AGM of members. The Company shall hold its first AGM within 18 (eighteen) months after its date of incorporation and shall thereafter in each year hold an AGM provided that not more than 15 (fifteen) months shall lapse between the date of one AGM and that of the next and an AGM shall be held within 6 (six) months after the expiration of each financial year of the Company.

11.1.7 The Company shall, at the very least, conduct the following business at its AGM:

11.1.7.1 the presentation of the directors' report, which is included in the audited financial statements of the Company and may contain, amongst other things, a statement regarding the responsibilities of the Board, a brief summary of key areas of the audited financial statements for the immediately preceding year, comments on the term budget of the Company, a statement that the audited financial statements were prepared in accordance with Generally Accepted Accounting Practice and were based on appropriate accounting policies, and a description of the internal financial control systems of the Company;

11.1.7.2 the presentation of the audited financial statements of the Company for the immediately preceding financial year;

11.1.7.3 the election of directors;

11.1.7.4 the appointment of an auditor for the ensuing financial year;

11.1.7.5 an annual report on the Company's progress in carrying out the provisions of the business plan in the preceding year to improve and upgrade the SRA;

11.1.7.6 Approve the implementation plan and budget for the following financial year; and

11.1.7.7 any other appropriate matters raised by the members with or without advance notice to the Company;

11.2 **City representative attending members' meetings**

In terms of section 11(4) of the By-law, a Subcouncil must nominate 1 (one) councillor and 1 (one) other councillor as an alternate representative. to attend and participation in, but not vote at, members' meetings on behalf of the City.

11.3 **location of members' meetings**

The Board must convene a members' meeting at a location which falls within the boundaries of the SRA, as set out in Schedule 1 to this MOI, except where it has obtained the prior written consent of the CFO to convene a members' meeting at a location which falls outside of the boundaries of the SRA.

11.4 **notice of members' meetings**

11.4.1 The Company must deliver a notice of each members' meeting in the prescribed manner and form to all of the members of the Company with at least 21 (twenty-one) clear days' notice in writing in the case of an AGM or a members' meeting convened to pass a special resolution, and with at least 14 (fourteen) clear days' notice in writing in the case of any other members' meeting.

11.4.2 In terms of Regulation 36(2), notice of a members' meeting must be delivered to members using Form CoR 36.2 (attached as schedule 2) and must include the following information:

11.4.2.1 the date, time and place for the meeting;

11.4.2.2 the purpose of the meeting;

11.4.2.3 a copy of any proposed resolution of which the Company 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

11.4.2.4 a reasonably prominent statement that:

11.4.2.4.1 a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the member;

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

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

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

11.4.3.1 acknowledges actual receipt of the notice;

11.4.3.2 is present at the meeting; and

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

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

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

11.5 **electronic participation in members' meetings**

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

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

11.6 **quorum for members' meetings**

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

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

11.7 **members acting other than at a members' meeting**

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

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

11.8 **postponement and adjournment of members' meetings**

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

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

11.8.1.2 in any case other than contemplated in paragraph 11.8.1.1, be postponed to a date determined by the chairperson, but no earlier than 1 (one) week from the date of the non-quorate meeting (or if that is not a business day, to the next succeeding business day) at the same time and place, or to such other time and place as the chairperson of the meeting may appoint.

11.8.2 If a quorum is not present when a matter is called on the agenda, consideration of that matter may be postponed to a later time in the meeting (without further action or formalities being required) if there is other business on the agenda. However, if there is no further business on the agenda, the meeting is automatically (without any further action or formalities being required, unless the location of the meeting is different) adjourned to a date determined by the chairperson but no earlier than 1 (one) week from the date of the meeting (or if that is not a business day, to the next succeeding business day) to be continued at the same time and place, or to such other time and place as the chairperson of the meeting may appoint.

11.8.3 The 1 (one) hour time limit specified in paragraph 11.8.1 may be extended by the chairperson presiding at the members' meeting as contemplated in section 64(5) of the Act on the grounds that:

11.8.3.1 exceptional circumstances affecting weather, transportation or electronic communications have generally impeded or are generally impeding the ability of members to be present at the meeting; or

11.8.3.2 one or more particular members, having been delayed, have communicated an intention to attend the meeting, and those members, together with others in attendance, would satisfy the quorum requirements contemplated in 11.6.1.

11.8.4 A members' meeting (or consideration of a particular matter on the agenda) may be adjourned without further notice to a fixed time and place (but will require a notice if it is adjourned "until further notice") by a vote in favour thereof by holders of a majority of those voting rights present or represented by proxy at the meeting and entitled to be exercised on at least one matter remaining on the agenda of the meeting or, where the adjournment is in respect of a particular matter, by a vote in favour thereof by holders of a majority of those voting rights present or represented by proxy and entitled to be exercised in respect of the matter in question.

11.8.5 No business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting which was adjourned.

11.8.6 A meeting may not be adjourned to a date that is later than 60 (sixty) days after the original meeting was adjourned or 120 (one hundred and twenty) days after the record date determined in accordance with section 59 of the Act, whichever is earlier.

11.8.7 Pursuant to section 64(8) of the Act, if within 30 (thirty) minutes of the appointed time for a postponed meeting to begin or an adjourned meeting to resume, the quorum requirements are not met, those members who are entitled to exercise voting rights at the meeting, present or represented at the meeting, will be deemed to constitute a quorum.

11.9 **voting**

11.9.1 Every member shall have 1 (one) vote for every R5 000 000(five million) of municipal valuation or portion thereof, but subject to a maximum of 10 (ten) votes.

11.9.2 No member who is in arrears with payment of the additional rate for more than 60 (sixty) days, shall be entitled to vote at a members' meeting for so

long as he is so in arrears except if the member can prove that he is in a dispute or has entered into an appropriate payment arrangement with the City.

11.9.3 The City will furnish the Company with an arrears statement prior to every members' meeting reflecting which of the Company's members are in arrears with payment of the additional rate for more than 60 (sixty) days.

11.9.4 Save as is otherwise expressly provided by the Act or by this MOI, all questions, matters and resolutions arising at or submitted to any members' meeting shall be decided by a majority of votes cast (i.e. more than 50% (fifty percent)).

11.9.5 At a meeting of members, voting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the chairperson of the meeting, or by at least 5 (five) persons having the right to vote on that matter as a member or proxy or persons who together are entitled to exercise at least10% (ten percent) of the voting rights entitled to be exercised on that matter. Subject to the provisions of the Act, unless a poll is demanded, a declaration by the chairperson that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, shall be final and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11.9.6 If a poll is demanded as aforesaid, it shall be taken in such manner and at such place and time as the chairperson of the meeting directs and either immediately or after an interval or adjournment. The demand for a poll may be withdrawn. Scrutineers shall be appointed by the chairperson to count the votes and to declare the result of the poll, and their declaration, which shall be announced by the chairperson , shall be deemed to be the resolution of the meeting at which the poll was demanded. Where it is impractical for the result of the poll to be announced at the meeting, the Company will announce the result to the members within 3 (three) business days from the date of the meeting. In case of any dispute as to the admission or rejection

of a vote, the chairperson of the meeting shall determine the dispute and the determination of the chairperson made in good faith shall be final and conclusive.

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

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

11.10 **members' resolutions**

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

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

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

12. **Directors**

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

12.1 **appointment**

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

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

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

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

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

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

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

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

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

12.1.10 The chairperson and vice-chairperson shall preside at meetings of the Board. If neither of the chairperson or the vice-chairperson is present or willing to act within 5 (five) minutes of the time appointed for the commencement of

such meeting, the directors then present shall choose any other of their number to be chairperson of such meeting.

12.2 **alternate directors**

12.2.1 Each director shall be entitled to appoint another person to act as his alternate or substitute at meetings of the Board during his absence therefrom, and may in his discretion remove such alternate director. If such appointment is made, the alternate director shall, in all respects, be subject to the terms, qualifications and conditions existing with reference to the other directors and shall vacate his office, if the director for whom he is an alternate, ceases to be a director.

12.2.2 Any alternate director shall only be entitled to attend Board meetings at which the director for whom he is an alternate is unable to attend.

12.2.3 Any alternate director, whilst acting in the stead of the director who appointed him, shall exercise and discharge all the powers, duties and functions of the director he represents.

12.2.4 A person may be nominated as alternate to more than one director, and in such event shall have the voting rights relating to each director which he or she is representing.

12.3 **vacation of office**

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

12.3.1 dies;

12.3.2 resigns, by giving no less than 1 (one) month's written notice;

12.3.3 becomes incapacitated to the extent that the person is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time;

12.3.4 is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a director of the Company;

12.3.5 becomes ineligible or disqualified in terms of section 69 of the Act;

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

12.3.7 is removed in terms of 12.4.

12.4 **removal from office**

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

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

12.5 **vacancies**

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

12.6 **meetings**

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

12.6.2 The chairperson of the Board:

12.6.2.1 may call a Board meeting at any time; and

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

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

12.6.4 Notice of a Board meeting must be given to each director in writing, whether by post, fax or email, not less than 14 (fourteen) days prior to the meeting.

12.6.5 Where the chairperson has failed to give the required notice of the Board meeting, or there was a defect in the giving of the notice, such meeting may proceed, provided that all of the directors:

12.6.5.1 acknowledge actual receipt of the notice;

12.6.5.2 are present at the meeting; or

12.6.5.3 waive notice of the meeting.

12.6.6 A Board meeting may not be conducted by means of electronic communication and no director may participate in a meeting by means of electronic communication.

12.6.7 A majority of the directors (i.e. more than 50% (fifty percent)) in office must be present in order to constitute a quorum for a Board meeting.

12.6.8 Each director shall be entitled to 1 (one) vote in regard to all business brought before the Board.

12.6.9 A director who is in arrears with payment of the additional rate or a *pro rata* share thereof, as the case may be, for more than 60 (sixty) days, or his proxy may not vote at a Board meeting for so long as he is so in arrears except if the member can prove that he is in a dispute or has entered into an appropriate payment arrangement with the City.

12.6.10 No director may vote on a matter in respect of which he has a personal interest, the provisions of section 75 of the Act being applicable.

12.6.11 In the event of a tied vote:

12.6.11.1 the chairperson of the meeting may cast a deciding vote if he did not initially have or cast a vote;

12.6.11.2 the matter being voted on fails in any other case.

12.6.12 Unless otherwise provided in this MOI, a majority (i.e. more than 50% (fifty percent)) of the votes cast on a resolution is sufficient to approve that resolution.

12.6.13 A decision that could be voted on at a Board meeting may instead be adopted by written consent of the majority of the directors (i.e. more than 50% (fifty percent)), provided that all directors have received notice of the matter to be decided. A decision made in this manner is of the same effect as if it had been approved by voting at a meeting.

12.6.14 Resolutions adopted by the Board:

12.6.14.1 must be dated and sequentially numbered; and

12.6.14.2 are effective as of the date of the resolution, unless the resolution states otherwise.

12.6.15 The Company shall keep minutes of all Board meetings, and any of its committees, and include in the minutes:

12.6.15.1 any declaration of personal financial interest given by notice or made by a director as required by section 75 of the Act; and

12.6.15.2 every resolution adopted by the Board.

12.6.16 Any minutes of a Board meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next Board meeting, is evidence of the proceedings of that meeting, or adoption of that resolution, as the case may be.

12.7 **indemnification**

12.7.1 Subject to a resolution of the directors, the Board may:

12.7.1.1 advance expenses to a director to defend litigation in any proceedings arising out of that director's service to the Company; and

12.7.1.2 may directly or indirectly indemnify a director for expenses contemplated in 12.7.1.1, irrespective of whether it has advanced those expenses, if the proceedings are abandoned or exculpate the director, or arise in respect of any liability for which the Company may indemnify the director as provided in terms of sections 78(5) and (6) of the Act.

12.7.2 The Company may indemnify a director, except in respect of:

12.7.2.1 liability arising in terms of section 77(3)(a), (b) or (c) of the Act; being any liability arising as a direct or indirect consequence of the director having:

12.7.2.1.1 acted in the name of the Company, signed anything on behalf of the Company, or purported to bind the Company or authorise the taking of any action by or on behalf of the Company, despite knowing that the director lacked the authority to do so; or

12.7.2.1.2 acquiesced in the carrying on of the Company's business despite knowing that it was being conducted in a manner which is reckless, grossly negligent, intending to defraud any person or for any fraudulent purpose; or

12.7.2.1.3 been a party to an act or omission by the Company despite knowing that the act or omission was calculated to defraud a creditor or employee, or had another fraudulent purpose, or

12.7.2.2 liability arising from wilful misconduct or wilful breach of trust on the part of the director; or

12.7.2.3 any fine that may be imposed on a director of the Company, or on a director of a related company, as a consequence of

that director having been convicted of an offence, unless the conviction was based on strict liability.

12.7.3 The Company may purchase insurance to protect:

12.7.3.1 a director against any liability or expenses for which the Company is permitted to indemnify a director in accordance with 12.7.2; or

12.7.3.2 the Company against any contingency including, but not limited to:

12.7.3.2.1 any expenses that the Company is permitted to advance in accordance with 12.7.1.1; or

12.7.3.2.2 any liability for which the Company is permitted to indemnify a director in accordance with 12.7.2.

12.7.4 The Company is entitled to claim restitution from a director of the Company for any money paid directly or indirectly by the Company to or on behalf of that director in any manner inconsistent with this 12.7.

12.8 **reimbursement**

The directors shall be entitled to reimbursement of all authorised and approved travelling, subsistence, and other expenses properly incurred by them in the execution of their duties in or about the business of the Company.

12.9 **loans**

The Company may not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a director of the Company, or to a person related to any such director, unless it:

12.9.1 is in the ordinary course of the Company's business and for fair value; or

12.9.2 constitutes an accountable advance to meet:

12.9.2.1 legal expenses in relation to a matter concerning the Company; or

12.9.2.2 anticipated expenses to be incurred by the person on behalf of the Company; or

12.9.3 is to defray the person's expenses for removal at the Company's request; or

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

12.10 **officers and committees**

12.10.1 The Board may appoint any officers it considers necessary to better achieve the stated object/s of the Company.

12.10.2 The Board may appoint any number of committees and to delegate to any such committees any of the authority of the Board, subject to 12.10.3.

12.10.3 The Board shall at all times retain the final decision-making power in respect of a matter referred to a committee. Committees shall only be empowered to make recommendations to the Board in respect of a matter referred to it.

12.10.4 Any committee appointed by the Board:

12.10.4.1 may include in any such committees persons who are not directors, provided that:

12.10.4.1.1 any such person must not be ineligible or disqualified to be a director in terms of section 69 of the Act; and

12.10.4.1.2 no such person has a vote on a matter to be decided by the committee,

12.10.4.2 must seek the approval of the Board should it wish to consult with or receive advice from any external advisor; and

12.10.4.3 has the authority of the Board delegated to it, subject to 12.10.3 and any restrictions or limitations imposed by the Board, in respect of a matter referred to it.

12.10.5 The Board may at any time revoke any authority delegated to a committee.

12.10.6 The meetings and proceedings of committees shall be governed by the provisions of this MOI regulating the meetings and proceedings of directors.

12.10.7 In terms of section 72 of the Act, the Company will be obliged to appoint a Social and Ethics Committee if its public interest score exceeds 500 (five hundred) points in any two of the previous 5 (five) years. The Company's public interest score must be calculated every year in accordance with Regulation 26 by the Company's auditor.

13. Financial Affairs

13.1 registered office

The registered office of the Company shall be at such location within the Metropolitan Area of Cape Town as the Board may determine from time to time.

13.2 company records and accounting records

All company records contemplated by section 24 of the Act, and all accounting records contemplated by section 28 of the Act and regulation 25 of the Act of the Companies Regulations, shall be kept and maintained at, and shall be accessible at or from, the registered office of the Company, or in the case of all or any of the company records at or from such other location or locations within theMetropolitan area of Cape Town as the Board may determine from time to time.

13.3 financial year

13.3.1 The Company's financial year shall at all times coincide with the City's financial year.

13.3.2 The Company's financial year shall, therefore, be 1 July to 30 June.

13.3.3 To the extent that the City changes its financial year, the Company shall amend its financial year accordingly.

13.4 annual financial statements

13.4.1 Each year the Company must prepare annual financial statements within 2 (two) months after the end of its financial year.

13.4.2 The annual financial statements must be audited and be consistent with section 29 of the Act.

13.4.3 The annual financial statements must be approved by the Board by no later than the end of August.

13.4.4 In terms of the By-law, the Company's audited annual financial statements for the immediately preceding year must be submitted to:

13.4.4.1 the CFO within 2 (two) months of the end of each financial year;

13.4.4.2 the relevant Subcouncil, within 2 (two) months after the Company's AGM has been held,

together with an annual report on the Company's progress in carrying out the provisions of the business plan in the preceding year to improve and upgrade the SRA.

13.4.5 The annual financial statements must:

13.4.5.1 include an auditor's report;

13.4.5.2 include a report by the directors with respect to the state of affairs, the business and profit or loss of the Company, including:

13.4.5.2.1 any material matter relating to the Company’s state of affairs; and

13.4.5.2.2 any prescribed information;

13.4.5.3 be approved by the Board and signed by an authorised director; and

13.4.5.4 be presented to the first meeting of members after the statements have been approved by the Board.

13.5 **additional rate**

13.5.1 The collection and payment of the additional rate is regulated by the Finance Agreement. No monies shall be transferred to the Company in a manner not provided for in the Finance Agreement.

13.5.2 The Company shall be liable to the City for any administrative finance charges associated with transferring the additional rate to the Company.

13.6 **annual returns**

Each year the Company must file an annual return in accordance with section 33 of the Act.

13.7 **implementation plan and budget**

The Company shall approve its implementation plan and budget for the next financial year at its AGM and furnish it to the City by no later than 31 January, as required by the Policy and the Finance Agreement.

14. **Enhanced accountability and transparency**

14.1.1 The Company elects in terms of section 34(2) of the Act to comply voluntarily with the provisions of Chapter 3 except Part D of the Act.

14.1.2 The Company shall, therefore, be required to appoint a company secretary and an auditor in the manner and for the purposes described in Parts B and C of Chapter 3, but not be required to appoint an audit committee as provided for in Part D.

15. **Business plan**

15.1 In terms of section 11(6) of the By-law, the Company shall begin carrying out the provisions of the business plan within 2 (two) months after receiving the first payment of the additional rate.

15.2 For so long as the Company manages the SRA, any amendment, extension or early termination of the business plan proposed by the Board shall be subject to

the approval of the members and to all mandatory procedures contained in sections 14 and 15 of the By-law.

16. **Winding-up or dissolution of the Company**

16.1 The Company may be wound up voluntarily by the members by passing a special resolution to do so. Any such voluntary winding up shall be effected in accordance with section 80 of the Act.

16.2 Upon the dissolution of the Company, its entire net value, including its net assets, must be distributed in accordance with item 1(4)(b) of Schedule 1 to the Act, as follows:

16.2.1 no past or present member or director of the Company, or person appointing a director of the Company, is entitled to any part of the net value of the Company, including its net assets, after its obligations and liabilities have been satisfied; and

16.2.2 the entire net value of the Company, including its net assets, must be distributed to a non-profit company managing another SRA within the area of jurisdiction of the City of Cape Town and which ideally will be the SRA situated closest to the SRA in question, and having objects similar to the Company as stated in 4 of this MOI. The non-profit company to which the Company's entire net value, including its net assets, must be distributed will be identified by Council at or immediately before the time of the Company's dissolution.

16.2.3 In order for the Company to comply with the requirements of section 30(6A) of the Income Tax Act, the non-profit company to which the Company's entire net value, including its net assets, will be distributed upon dissolution must hold the status of a public benefit organisation, as envisaged in section 30 of the Income Tax Act, or be an institution, board or body which is exempt from tax under the provisions of section 10(1)(cA)(i) of the Income Tax Act, and use the Company's net assets solely for purposes of carrying on one or more public benefit activities in the SRA that was managed by the Company prior to its dissolution.

Schedule 1 - Geographical area of the SRA

SEBCID is created by the following boundaries:

Northern boundary:
From the intersection of Hout Bay Main Road and Wood Road. Including Erven 2221 and 5809. Along the northern boundary line of Wood Road in an eastern direction. Including properties on the northern side of Marais Road in an eastern direction.

East boundary:
Properties west of Erf 1556 (Table Mountain Park), Tierboskloof Estate and Erf 1482 (Table Mountain Park).

South boundary: area
Properties north of Erven 8545 and 1088 (Table Mountain Park).

Western boundary
Along the western boundary of Erven 8513, 8512, 8507, 5411, 8257, 1086, 2191, 8673, 9886 and 9885. Along the western boundary line of Darling Street. Erven 3090, 3089 and 7813. Along the western boundary line of Baviaanskloof Road and Hout Bay Main Road up to the intersection with Wood Road.

A map of the designated area can be seen here:
https://sebcidhoutbay.org/geographicalarea.html.

Schedule 2

Companies and Intellectual Property Commission
Republic of South Africa

Form CoR 36.2

About this Form

- This form is issued in terms of the Companies Act,2008, and Regulation 36 (2) of the Companies Regulations, 2011.
- The use of this Form is voluntary. If this form is issued, it is not necessary to file a copy with the Commission.
- This form is to be used for only one of the alternative purposes at a time. Use a separate form for each matter of which notice is being given.
- A notice respecting a resolution adopted in terms of section 60 must be given within 10 business days after the decision is made.
- A notice advising of rights in terms of section 164 must be given with the notice of the resolution to be voted upon.
- A notice reporting the result of a resolution, in terms of section 164, must be given within 10 business days after the vote was taken.

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address
PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

General Company Notice to Security Holders

Date: _____

From:

(Name and Registration Number of Company)

Name: _____

Registration number: _____

To: _____ *(Insert name of person receiving)*

The company advises the person named above as follows:

☐ As a holder of the beneficial interest in securities of the company, you have a right, in terms of section 39, until _____, to subscribe for additional securities of the same class before they are offered to non shareholders. Please see the attached material for particulars of this offering.

☐ The Board of Directors has adopted the attached resolution to provide financial assistance to a person, as contemplated in section 45 (2).

☐ The company has reason to believe that securities held by you may be held for the benefit of another person. In terms of section 56 (5), the company requires you to confirm or deny that fact, and if true, to disclose the relevant particulars, including the identity of any such person.

☐ In terms of section 60, the company reports the result of a shareholder decision, taken other than at a meeting, as set out in the attached statement.

☒ In terms of section 62 (1), a meeting of the shareholders[2] will be held at _____o'clock on _____ at _____ to consider the business set out on the attached agenda.

☐ The shareholders of the company are asked to consider a resolution in terms of section 37 (8) or 115 (8). Shareholders who may oppose this resolution have rights to register their dissent in terms of section 164. To exercise those rights, a shareholder must inform the company of their intent before the resolution is put to a vote.

☐ The shareholders of the company have adopted a resolution that you previously stated, in terms of section 37 (8) or 115 (8), that you would oppose. As a dissenting shareholder, you may have further rights in terms of section 164.

Signed:

_____

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

[2] Reference to shareholders shall be interpreted to mean members