

FIVE ASSEGAIS

COUNTRY ESTATE

APPENDIX CS 1.1 CONSTITUTION

¹ INTERPRETATION

- 1.1 In this constitution, unless inconsistent with or otherwise indicated by the context -
- 1.1.1 "the committee" means the committee members for the time being of the country club or, as the case may be, the committee members assembled at a meeting of committee members at which a quorum is present;
- 1.1.2 "the conditions of use" means the conditions of use relating to the share blocks in the share block company, as amended from time to time;
- 1.1.3 "the/this constitution" means the constitution of the country club embodied in this document;
- 1.1.4 "corporate holder" means any holder which is not a private holder and includes, but is not limited to, companies, close corporations, trusts, partnerships, syndicates and the like;
- 1.1.5 "the country club" means Leopard Creek Country Club, an universitas personarum not for gain established by the original members;
- 1.1.6 "the country club company" means FIVE ASSEGAIS COUNTRY ESTATE Registration Number 2000-005745-07, a public company registered as such in the Republic of South Africa of 16th Floor, 1066, 35 Pritchard Street, Johannesburg, South Africa;
- 1.1.7 "the country club plan" means the plan attached to the conditions of use as Appendix CS1.2;
- 1.1.8 "the country club property" means the property constituting the country club portion as defined in the conditions of use;
- 1.1.9 "the developer" means FIVE ASSEGAIS COUNTRY ESTATE Registration Number 2000-005745-07, a private company registered as such in the Republic of South Africa of 16th Floor, 1066, 35 Pritchard Street, Johannesburg, South Africa, also defined as "the seller" in the conditions of use;
- 1.1.10 "founder members" means the founder members of the country club as defined in 7.3;
- 1.1.12 "guest" in relation to a member means any person entering upon the golf course at the invitation of the member and includes, but is not limited to, family, friends, invitees, employees, agents and the like of the member.
- 1.1.13 "holder" means the registered holder of a residential share block and includes both corporate holders and private holders;
- 1.1.14 "management agreement" means such management agreement relating to the management of the affairs of the country club as is in force between the country club and a manager from time to time;
- 1.1.15 "manager" means a person appointed as manager of the country club in terms of this constitution;
- 1.1.16 "member" and "country club member" means a member of the country club, including an original member, a founder member and an ordinary member;
- 1.1.17 "nominated occupant" in relation to a holder means a person nominated by the holder in terms of clause 4 of the conditions of use;
- 1.1.18 "the ordinary members" means the ordinary members of the country club as defined in 7.4;
- 1.1.19 "ordinary resolution" means a resolution passed by a simple majority of the country club members attending and voting at a general meeting of members of which at least 14 days' notice was given;
- 1.1.20 "the original members" means the original members of the country club as defined in 7.2;
- 1.1.21 "private holder" means any holder who is a natural person;
- 1.1.22 "the property" means portion 1&2 BERMONDSEY 391 JT A and Portion 9 Boschhoek
- 1.1.23 "residential share block" means a number of shares in the share block company (each residential share block being constituted by the shares in the share block company set out in Appendix CS1.4 to the conditions of use) which entitles the registered holder of those shares, to exercise the rights of use in respect of the residential site bearing the same number as the registration number of the share block, including such rights of use;
- 1.1.24 "residential site" means a residential site as defined in the conditions of use;
- 1.1.25 "the Five Assegais" means the development comprising 20 units on the farm Bermondsey & Boschhoek,
- 1.1.26 "rules" means rules regarding the conduct of members made by the committee, as amended from time to time;
- 1.1.27 "the share block company" means FIVE ASSEGAIS COUNTRY ESTATE Registration Number 2000-005745-07, a share block company registered as such in the Republic of South Africa of 16th Floor, 1066, 35 Pritchard Street, Johannesburg, South Africa;
- 1.1.28 "special resolution" means a resolution passed by a majority of not less than three fourths of the votes of the Country club members attending and voting at a general meeting of members of which at least 14 days' notice, specifying the proposed special resolution, was given;
- 1.1.29 "unanimous resolution" means a resolution passed unanimously by the country club members attending and voting at a general meeting of members of which at least 14 days' notice, specifying the proposed unanimous resolution, was given;
- 1.1.30 any reference to the singular includes the plural and vice versa;
- 1.1.31 any reference to natural persons includes legal persons and vice versa;
- 1.1.32 any reference to a gender includes, the other genders.
- 1.2 The clause headings in this constitution have been inserted for convenience only and shall not be taken into account in its interpretation.
- 1.3 Words and expressions defined in any sub-clause shall, for the purposes of the clause of which that sub-clause forms part, bear the meaning assigned to such words and expressions in that sub-clause.

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- 1.4 Should the meaning and interpretation of this constitution and the rules at any time be in doubt, the meaning and interpretation placed upon it by the committee shall be final and binding upon all members.
- 1.5 This constitution shall be governed and be construed and interpreted in accordance with the law of the Republic of South Africa.

PART I INTRODUCTION

- 2.1 FIVE ASSEGAIS COUNTRY ESTATE Registration Number 2000-005745-07 has been established by the original members.
- 2.2 The country club is an universitas personarum established not for gain and having legal personality.
- 2.3 The business and affairs of the country club are to be managed by the committee.
- 2.4 The head office of the country club shall be at the address of the country club company.
- 2.5 The financial year of the Country club shall end on the last day of February.

OBJECT OF THE COUNTRY ESTATE

- 3.1 The object of the country club shall be to lease the Country club property from the country club company, to maintain the golf course and all ancillary facilities on the country club property and to bring about the optimal use and enjoyment by the members of the country club and all its facilities.
- 3.2 The country club shall not discriminate against anyone on grounds of race, gender, religion or culture.

4 LEGAL STATUS OF THE COUNTRY ESTATE

- 4.1 The country club is an universitas personarum, being a voluntary association of its members for the time being in the form of a corporate body having perpetual succession and the power to own and hold property (immovable, movable, corporeal or incorporeal) in its own name, independently of its members, as well as the power to sue and be sued in its own name.
- 4.2 Membership shall not in any circumstances give to any member any right, title, interest, claim or demand in or to any of the money, property or assets of the country club, but only confer upon such member the right and privilege of entering in and upon the country club and the improvements on the country club and of using the same subject to such charges and restrictions as the committee may determine from time to time.
- 4.3 Neither the country club company nor the country club nor any of their committee members, officers or employees shall be responsible for any loss or damage which a member may sustain by reason of any act or omission on the part of the country club company or the country club, their committee members, officers or employees, or otherwise howsoever, whether any such act or omission relates to the performance or non-performance by the country club company or the country club or the committee members of their duties in terms of the constitution or otherwise.

5 POWERS OF THE COUNTRY ESTATE

- 5.1 The country club may exercise the powers conferred upon it by or under this constitution including the power -
- 5.1.1 to institute, conduct, defend, settle or abandon any legal proceedings either by or against the country club or its officers;

- 5.1.2 to purchase, lease, or in any other way acquire movable or immovable property for the country club which the committee may deem desirable or necessary for the purposes of the country club;
- 5.1.3 to appoint or remove or discharge any employee and fix the remuneration and terms of employment of all employees;
- 5.1.4 to open one or more banking accounts in the name of the Country club and to operate on and overdraw such accounts and to draw, accept, endorse, make and execute cheques, bills of exchange, promissory notes or any other negotiable instruments necessary for the conduct of the business of the country club provided that all such cheques and other negotiable instruments shall be signed by such persons as are approved by the committee from time to time;
- 5.1.5 to make, vary and repeal rules for the regulation of all the affairs of the country club and its members, officials and employees, provided that such rules do not conflict with any of the provisions of this constitution or any resolutions passed by the country club in general meeting;
- 5.1.6 to raise or borrow money for the country club and in particular by the issue of debentures or debenture stock and as security for any money so raised or borrowed, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the country club;
- 5.1.7 to invest and deal with any money of the country club not immediately required for the purposes of the country club and to vary or realise such investments from time to time;
- 5.1.8 to appoint auditors of the country Club and to fix their remuneration;
- 5.1.9 to provide for the maintenance of financial records and the keeping of proper books of account of the country club;
- 5.1.10 to authorise by ordinary resolution any two members of the committee to sign powers of attorney, agreements or other documents on behalf of the country club;
- 5.1.11 to establish or support associations, institutions, trust funds and any other schemes calculated to benefit the Country club or its employees or their dependants and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects;
- 5.1.12 to grant consents to persons, not being members of the country club, to use the country club's property upon such terms as the committee may deem fit, or to refuse such consent, and to arrange terms of reciprocity with any other country club;
- 5.1.13 to hold golf competitions and tournaments, and to set aside the country club's grounds, or any part thereof, for any special purpose whatsoever;
- 5.1.14 to deal with any condition or circumstance arising for which specific provision is not made in this constitution, the rules or in resolutions of a general meeting of members;
- 5.1.15 to maintain, clean, repair, replace, repaint or restore all of the improvements on the country club property;
- 5.1.16 to levy and collect subscriptions from the members as contemplated in this constitution;
- 5.1.17 to establish and maintain one or more reserve funds to provide money to the country club to pay any expenses incurred by the country club in the exercise of its powers or the performance of its duties;

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- 5.1.18 to maintain and care for the golf course and to perform all necessary work to maintain the golf course in a tidy and attractive condition;
 - 5.1.19 to pay any taxes and assessments, if any, levied by any governmental authority on the country club;
 - 5.1.20 to enforce the provisions of this constitution and the rules and any resolutions adopted by the general meeting from time to time and to pay all expenses incidental to such enforcement, including reasonable attorneys' fees;
 - >.1.21 to obtain and maintain in force all policies of insurance required to cover the assets of the country club;
 - 5.1.22 to contract with others for the management, maintenance, operation, construction or restoration of the country club and the golf course or any portion thereof;
 - 5.1.23 to grant use privileges of the amenities of the country club gratuitously from time to time as the committee may determine as in the best interests of the country club;
 - 5.1.24 to enter into any contract or perform any act whereby the objects of the country club are carried into effect or which may be necessary for or incidental or conducive to the attainment of any objects of the country club or which are calculated, directly or indirectly, to enhance the value of the services which the country club may render towards the achievement of its objects.
- 5.2 The committee may employ a professional manager to manage the operation and affairs of the country club. The committee shall have the right to assign to such manager any of the rights, powers and Obligations of the country club described in this constitution.

6 T1-IF COUNTRY ESTATE COMPANY

- 6.1 It is recorded that the country club company is and will at all times be the owner of the share block in the share block company which represents the exclusive right to use the country club property.
- 6.2.1 The capital of the Country club company shall consist of three separate classes of shares namely ordinary shares, "A" redeemable preference shares and "B" redeemable preference shares, all ranking pari passu except as otherwise set out in this clause and in the articles of association of the country club company.
- 6.2.2 The "A" shares and "B" shares shall not be transferable.
- 6.2.3 A maximum of 250 ordinary shares, a maximum of 268 "A" shares and a maximum of 1 072 "B" shares shall be issued by the country club company.
- 6.3.1 The ordinary shares in the country club company shall be held by the original members.
- 6.3.2.1 The "A" shares in the Country club company shall only be held by natural persons who subscribed for those shares as part of the original acquisition of residential share blocks in the share block company from the seller or share blocks or similar entitlements from the developer of the Riverside Reeds development.
- 6.3.2.2 The "B" shares in the Country club company shall only be held by the nominated occupants or other similar nominees nominated at the time of the original acquisition of residential share blocks or similar entitlements contemplated in 6.3.2.1 and by persons subsequently invited to membership of the country club by the committee of the country club.

- 6.4.1 The "A" share and 3 "B" shares Or the 4 "B" shares held by a holder who disposed of his residential share block shall, upon transfer of the share block to the purchaser, be redeemed by the country club company for cash at an amount equal to the Original issue price of the shares concerned provided that the purchaser of the residential share block (or his nominated occupants) have subscribed for 4 "B" shares pursuant to invitations to membership of the country club issued by the committee.
- 6.4.2 The "A" share held by a holder or nominated occupant shall be redeemed by the country club company once -
- 6.4.2.1 that holder ceases to be the owner of at least a 25% share in a residential share block provided that a "B" share shall simultaneously be issued to the holder in Substitution therefor; or
- 6.4.2.2 that nominated occupant ceases to be a nominated occupant provided that a "B" Share shall simultaneously be issued to the holder concerned (or to his nominated occupant) in substitution therefor.
- 6.4.3 Any "A" Or "B" share shall be redeemed by the country club company for cash at the Original issue price of the share concerned at the written request of the holder of the share concerned, provided that another nominated occupant of the holder concerned has subscribe,] for a "B" share pursuant to an invitation to membership of the country club issued by the committee.
- 6.4.4 Upon the redemption of an "A" share, such share shall not be re-issued nor shall a further "A" share be issued.

6.5 The country club shall lease the Country club property from the country club company at a rental to be agreed upon between the country club and the country club company.

6.6 The country club company will not carry on any business other than owning the share block giving the right to the exclusive use of the country club property and letting the country club property to the country club.

PART II THE

MEMBERS MEMBERSHIP

- 7.1 The country club shall have original members, founder members and ordinary members.
- 7.2 Johann Peter Rupert and the developer are the original members of the country club. The developer shall remain an original member indefinitely and the other Original member shall be entitled to transfer his original membership to a person Of his choice by written notice to the country club.
- 7.3 The holders of the "A" shares in the country club company shall be the founder members of the country club. There shall be a maximum of 268 founder members. Founder membership shall not be transferable. Founder members shall have such privileges as the original members may determine from time to time in their sole discretion which shall include preferences in respect of tee-off times.
- 7.4 The holders of the "B" shares in the country club company shall be the ordinary members of the country club.

8 NEW MEMBERS

- 8.1 All members of the country club may nominate candidates for membership as ordinary members of the country club by written notice to the committee.

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- 8.2 The committee shall consider all nominations submitted to it in terms of 8.1 and shall in its sole discretion determine which nominations may be circulated.
- 8.3 All names approved by the committee for circulation shall be circulated to all members of the country club, allowing for responses to be submitted to any member of the committee within 30 days after the date of the circular.
- 8.4 After the closing date for responses, the committee shall in its sole discretion decide whether to extend an invitation to ordinary membership of the country club to the person nominated.
- 8.5 If a nominated person whom the committee has decided to invite to ordinary membership of the country club, provides proof to the satisfaction of the committee that
- 8.5.1 he is the owner of a residential share block or that he is the nominated occupant of such an owner; or
- 8.5.2 he is the owner of or the holder of a share block or other similar title to a residential site in the Riverside Reeds development or that he is the nominated occupant or other similar nominee of such owner,
- the committee may extend an invitation to that nominated person to become an ordinary member of the country club subject to the condition that the nominated person subscribes for 1 or more "B" shares in the country club company at a price determined by the committee. The admission of a nominated person to membership of the country club shall at all times be in the sole discretion of the committee.
- 8.6 No waiting list of candidates for ordinary membership of the country club shall be held by the committee and the committee shall be entitled to give precedence in the election to membership of the country club to any person in the sole discretion of the committee.

CERTIFICATES A7-4L) REGISTER OF MEMBERS

- 9.1 The country club shall keep a register of members at its head office and shall enter therein -
- 9.1.1 the names and addresses of the members;
- 9.1.2 in respect of each member -
- 9.1.2.1 the date on which his name was entered in the register as a member; and
- 9.1.2.2 the date on which he ceased to be a member, if applicable.
- 9.2.1 The country club shall issue a certificate of membership to each member. The country club may from time to time issue new certificates of membership in substitution for existing certificates of membership.
- 9.2.2 Such certificate shall -
- 9.2.2.1 be issued under the authority of the committee in a form determined by it;
- 9.2.2.2 bear the signature of one committee member.
- 9.2.3 If a certificate is defaced, lost or destroyed it may be replaced provided that the committee may, as it deems fit, determine terms as to indemnity.

10 DUTIES OF MEMBERS A

- member shall -
- 10.1 use and enjoy the country club in such manner as not unreasonably to interfere with the use and enjoyment thereof by any other members or other persons lawfully on the country club property;

- 10.2 not use the country club or permit it to be used in such manner as may cause a nuisance to other members or other persons lawfully on the country club property;
- 10.3 not use the country club or permit it to be used in such a manner or for such purpose as shall be injurious to the reputation of the country club;
- 10.4 not contravene or permit the contravention of any law, by-law, ordinance, proclamation, statutory regulation or the conditions of any licence relating to or affecting the country club or the conditions of title applicable to the country club property;
- 10.5 not cause any damage to or make any alterations to the facilities of the country club;
- 10.6 faithfully observe the conditions of use and the rules;
- 10.7 ensure compliance with the conditions of use and the rules by any guest of the member.

11 DEFAULT OF MEMBERS AND THEIR GUESTS

If any member or his guest, in the opinion of the committee, commits any breach of the provisions of this constitution or the rules, or is guilty of dishonesty, improper or unworthy conduct, or is guilty of conduct unbecoming or prejudicial to the country club's interests, whether within or outside the precincts of the country club, the committee shall have the power -

- 11.1 to caution the member concerned; or 11.2 to expel the member concerned; or
- 11.3 to suspend the member concerned for such period and upon such terms as the committee may deem fit; or
- 11.4 to call upon the member concerned to appear before the committee and there explain his or his guest's conduct, and should such member fail to appear before the committee, to expel or otherwise deal with such member as provided in this constitution; or
- 11.5 to deny the guest entry to the country club for such period as the committee may determine.

12 MEETINGS OF MEMBERS

- 12.1 Annual general meetings shall be held once every year by not later than 31 December in respect of the preceding financial year.
- 12.2 All general meetings other than the annual general meeting shall be called general meetings.
- 12.3 All general meetings including the annual general meeting shall be held at such place as the committee may direct.
- 12.4 The committee may, whenever it thinks fit and shall upon the request in writing made by a minimum of forty members, convene a general meeting provided that if the committee should fail to call a meeting so requested within 14 days of the request, the members concerned shall be entitled themselves to call the meeting.
- 12.5 At least 14 days' notice of every general meeting specifying the place, the date and the hour of the meeting and, in the case of special business (as defined in 13.1) the general nature of such business shall be given to all members.
- 12.6 The manager shall have the right to attend the meetings hereto referred to and to speak at such meetings, but shall not, in his capacity as such, be entitled to vote thereat.
- 12.7 The notice referred to in 12.5 shall be deemed to have been sufficiently given and delivered if delivered in accordance with 22.4.
- 12.8 The notice referred to in 12.5 shall be accompanied by the documents referred to in 22.3 when it is given in respect of an annual general meeting.
- 12.9 Inadvertent omission to give the notice referred to in 12.5 to any person entitled to such notice shall not invalidate any proceedings at any such meeting.

13 ANNUAL GENERAL MEETINGS

- 13.1 All business at any general meeting other than business referred to in 13.2.1 and 13.2.2 shall be special business.
- 13.2 The following business shall be transacted at an annual general meeting -
 - 13.2.1 the election of committee members;
 - 13.2.2 the consideration of the audited financial statements and report referred to in 22 in respect of the preceding financial year;
 - 13.2.3 the approval of the budget and the annual subscription;
 - 13.2.4 any special business of which due notice was given in terms of 12.

14 GENERAL MEETINGS

- 14.1.1 No business shall be transacted at any general meeting unless a quorum of members is present in person or by proxy at the time the meeting proceeds to business.
 - 14.1.2 A quorum at a general meeting shall be ten members present in person or by proxy and entitled to vote.
 - 14.1.3 If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within 30 minutes of the time appointed for the meeting, the members present in person or by proxy and entitled to vote shall be a quorum.
- 14.2.1 The chairman, if any, of the committee shall preside as chairman at every general meeting of the country Club unless otherwise resolved by the members of the country Club at such meeting.
- 14.2.2 If there is no such chairman, or if at any meeting the chairman of the committee is not present within 15 minutes after the time appointed for the holding of the meeting or if he is unwilling to act as chairman, the members present shall elect one of their number to be chairman.
- 14.3.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless, either prior to or on the declaration by the chairman of the result of the show of hands, a poll is demanded by any person entitled to vote at such meeting.
- 14.3.2 Unless a poll is so demanded a declaration by the chairman that a resolution has, on a show of hands, been carried shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded in favour of or against such resolution.
 - 14.3.3 A demand for a poll may be withdrawn.
- 14.4 A poll, if demanded, shall be taken in such a manner as the chairman thinks fit and the result of the poll shall be deemed to be the resolution of the meeting at which such poll was demanded.
- 14.5 On a poll or on a show of hands each member present in person or by proxy and voting at the meeting shall be entitled to one vote.
- 14.6 Except in cases where a special resolution or a unanimous resolution is required under the constitution, a member shall not be entitled to vote at any general meeting if
 - 14.6.1 the annual subscription or the levy payable by him to the country club or the share block company or the controlling body of the Riverside Reeds development have not been duly paid; or
 - 14.6.2 he has persisted in breach of any of the rules notwithstanding written warning by the committee or the manager to refrain from breaching the rules, notwithstanding any contrary provisions contained in this clause.

- 14.7.1 An instrument appointing a proxy shall, subject to the provisions hereof, be in writing under the hand of the appointer or his agent duly appointed in writing and shall be deposited at the head office of the country Club or such other place as may be specified from time to time by the committee, not less than 48 hours before the time for the holding of the meeting at which the person named in the instrument proposes to vote and in default of compliance herewith the instrument of proxy shall not be treated as valid.
- 14.7.2 A proxy must be a member.

PART III
THE COMMITTEE

15 MEMBERSHIP OF THE COMMITTEE

- 15.1 There shall be a committee consisting of five committee members of whom -
 - 15.1.1 three shall be appointed by the original members;
 - 15.1.2 two shall be appointed by the founder and Ordinary members.
- 15.2 The first committee members of the country club shall be
 - 15.2.1 Johann Peter Rupert and two persons nominated by him as appointees of the original Members; and
 - 15.2.2 the appointees of the founder members and ordinary members elected at the first general meeting of the country club.
- 15.3 Notwithstanding anything to the contrary contained in this agreement, the committee members mentioned in 15.2.1 shall until the appointment of the committee members mentioned in 15.2.2 be entitled to act as the committee of the country club.
 - 15.4.1 The committee members referred to in 15.2.1 shall hold office until removed by the original members by notice in writing to the country club.
 - 15.4.2 The original members shall be entitled to appoint a committee member in place of a committee member removed in terms of 15.4.1 by written notice to the country club.
- 15.5 Save for the committee members appointed pursuant to 15.2.1 and 15.4.2, the committee members shall be elected at each annual general meeting and shall hold office until the next succeeding annual general meeting, but shall be eligible for re-election.
- 15.6 Nominations by member(s) for the election of the committee members at any annual general meeting shall be given in writing, accompanied by the written consent of the persons nominated, so as to be received at the head office of the country club no later than 48 hours before the meeting provided that should there be no or insufficient duly accepted nominations before the meeting, nominations may be called for and accepted at the meeting.
- 15.7 The committee members may fill any vacancy in their number provided that they shall observe the provisions of 15.1 and any committee member so appointed shall hold office until the next annual general meeting when he shall retire and be eligible for reelection as though he had been elected at the previous annual general meeting.

16 ALTERNATE COMMITTEE MEMBERS

- 16.1 A committee member may appoint another member, reasonably acceptable to his fellow committee members, to act as his alternate during his absence or inability to act as a committee member.

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16.2 An alternate committee member shall have the power and be subject to the duties of the committee member by whom he was appointed.

16.3 An alternate committee member shall cease to hold office if the committee member appointing him ceases to be a committee member or if his appointment is revoked by the committee member who appointed him.

17 DISQUALIFICATION OF COMMITTEE MEMBERS 17.1 A

committee member shall cease to hold office as such if -

17.1.1 he resigns his office by notice in writing to the country club;

17.1.2 he is or becomes of unsound mind;

17.1.3 he surrenders his estate as insolvent or his estate is sequestered;

17.1.4 he is convicted of an offence which involves dishonesty;

17.1.5 in the case of a committee member appointed by the founder members and ordinary members, he is removed from his office in terms of a resolution of a general meeting of the country club;

17.1.6 in the case of a committee member appointed by the original members, the original members lodge a notice at the head office of the country club terminating his appointment;

17.1.7 he is or becomes disqualified from being appointed or acting as a director of a company;

17.1.8 he ceases to be a country club member.

17.2 The country club may at a general meeting remove any committee member appointed by the founder members and ordinary members before the expiry of his term of office and appoint another committee member in his place to hold office for the unexpired part of the term of office of the committee member so removed, provided that the intention to vote upon his removal from office was specified in the notice convening the meeting.

18 REMUNERATION OF COMMITTEE MEMBERS

18.1 The Country Club shall reimburse the committee members all disbursements and expenses actually and reasonably incurred by them in carrying out their duties and exercising their powers.

18.2 The country club may remunerate committee members at such rate as may be approved by the country club in general meeting provided always that an alternate committee member appointed by a committee member shall look for his remuneration, if any, to the committee member appointing him and not to the country club unless the country club is instructed in writing by the committee member to pay any portion of his remuneration to such alternate committee member.

19 ACTS OF COMMITTEE

19.1 Any act performed by the committee shall, notwithstanding that it is after the performance of the act discovered that there was some defect in the appointment or continuance in office of any committee member, be as valid as if such committee member had been duly appointed or had duly continued in office.

19.2 Every committee member, agent or other officer or employee of the country club shall be indemnified by the country club against all costs, losses, expenses and claims which he may incur or become liable for by reason of any act done by him in the discharge of his duties, unless such costs, losses, expenses or claims are caused by the gross negligence, wilful default or fraudulent act of such person and it shall be the duty of the committee members to pay such indemnity out of the funds of the country club.

20 MEETINGS OF COMMITTEE

20.1 Subject to the provisions of 20.2, the committee members may give notice convening meetings, meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

20.2 A committee member may at any time convene a meeting of the committee by giving to the other committee members not less than 14 days' written notice of a meeting proposed by him, which notice shall specify the reason for calling such a meeting provided that in cases of urgency such shorter notice as is reasonable in the circumstances may be given.

20.3 At a meeting of the committee, three committee members, one of whom shall be a committee member appointed by the original members and one of whom shall be a committee member appointed by the founder and ordinary members shall be a quorum.

20.4 If the number of Committee members falls below the number necessary to form a quorum, the remaining committee members may continue to act but only for the purpose of appointing an additional committee member in terms of 15.7.

20.5 If at any meeting of the committee a quorum is not present within 30 minutes of the appointed time of the meeting, such meeting shall stand adjourned to the next business day at the same time and the committee members then present shall form a quorum.

20.6 At the commencement of the first meeting of the committee after each annual general meeting, the committee members shall elect a chairman who shall hold office as such until the end of the next ensuing annual general meeting of the country club and who shall not have a casting vote.

20.7 If any chairman elected in terms of 20.6 vacates his office as chairman the committee members shall elect another chairman who shall hold office as such for the remainder of the period of office of the first-mentioned chairman.

20.8 If any chairman vacates the chair during the course of a meeting or is not present or is for any other reason unable to preside at any meeting, the committee members present at such meeting shall elect another chairman for such meeting.

20.9 All matters at any meeting of the committee shall be determined by a majority of the votes of the committee members present and voting.

20.10 No committee member shall be disqualified from voting in respect of any contract or proposed contract or any litigation or proposed litigation with the Country club by virtue of any interest he may have therein provided that he declares at the meeting the nature and extent of his interest which must thereupon be noted in the records of the meeting.

20.11 A resolution in writing signed by all the committee members for the time being shall be as valid and effective as if it had been passed at a meeting of the committee members duly convened and held.

21 FUNCTIONS, POWERS AND DUTIES OF THE COMMITTEE

21.1 The duties and powers of the country Club shall, subject to the provisions of this constitution and to any restriction imposed Or direction given at a general meeting of the members, be performed or exercised by the committee members of the country club holding office, acting as a committee.

21.2 Subject to any restriction imposed or direction given at a general meeting of the country club, the powers of the committee shall include the following -

21.2.1 to appoint for and on behalf of the country club such agents and employees as they deem fit in connection with the exercise and performance of any or all of the powers and duties of the country club;

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- 21.2.2 to delegate to one or more of the committee members such of their powers and duties as they deem fit and at any time revoke such delegation;
- 21.2.3 to make rules from time to time insofar as they relate to the use of the country club, provided that such rules shall -
- 21.2.3.1 not conflict with the conditions of use or this constitution;
- 21.2.3.2 not alter any special rights of the original or founder members;
- 21.2.3.3 apply equally to all ordinary members as a class and to all founder members as a class.
- 21.3 The committee may not make loans on behalf of the country club to members or to themselves.
- 21.4 Unless otherwise determined by the committee, no instrument signed on behalf of the country club shall be valid and binding unless it is signed by two committee members.
- 21.5 The committee shall do all things reasonably necessary for the enforcement of the rules.
- 21.6 The committee shall from time to time appoint an auditor of the country club and fix his remuneration.

PART IV FINANCE

22 FINANCIAL STATEMENTS AND REPORT

- 22.1 The committee shall cause to be prepared and shall lay before every annual general meeting for consideration audited financial statements consisting of an income statement and a balance sheet, prepared in conformity with generally accepted accounting practice, which statement shall fairly present the finances and transactions of the country club for and the state of affairs of the country club as at the end of the financial year concerned.
- 22.2 The committee shall further cause to be prepared and shall lay before every annual general meeting for consideration a report signed by the chairman reviewing the affairs of the country club during the past year.
- 22.3 The committee shall cause copies of the audited financial statements and report referred to in 22.1 and 22.2 to be delivered to each member at least 14 days before the date of the annual general meeting at which they are to be considered.
- 22.4 Delivery in terms of 22.3 shall be deemed to have been effected if the documents are sent by prepaid post as a letter properly addressed to the member at his address reflected in the register of members.

23 ANNUAL BUDGET AND SUBSCRIPTION

- 23.1 Each year, the committee shall prepare an annual budget of the country club for the succeeding financial year, which budget shall estimate the amount of expenses that are anticipated to be incurred during such year and the annual subscription which will be payable by members in respect of that year.
- 23.2 A copy of the proposed budget together with a notice of the amount of the proposed annual subscription shall be sent to each member together with the notice convening the annual general meeting.
- 23.3 The budget and the annual subscription shall be subject to the approval of the members by way of an ordinary resolution passed at the annual general meeting of the country club.
- 23.4 Notwithstanding anything to the contrary contained in this clause, the budget and annual subscription for the year preceding the first annual general meeting of the country club shall be prepared and determined by a committee but shall not require the approval of the members.

- 23.5 If the annual budget determined by the committee, as approved by the members, proves inadequate for any reason during the course of the financial year to which it applies, the committee shall prepare an amendment to such budget, which shall be submitted to the members and be subject to their approval by way of an ordinary resolution.
- 23.6 Unless otherwise determined by the committee, each member shall pay the annual subscription, as approved by the members, to the country club by no later than the end of the first month of the financial year concerned.
- 23.7 All subscriptions received by the country club including, without limitation, any excess subscriptions, shall be held for the benefit of the members to be applied to the payment of the expenses of the country club.
- 23.8 Any surplus remaining after such application shall in the discretion of the committee be applied either to reduce the subsequent year's subscriptions or to fund one or more reserve accounts of the country club.
- 23.9 Any arrear subscriptions shall bear interest at a rate 2% in excess of the published prime overdraft rate of ABSA Bank Limited in Johannesburg from time to time, calculated from the due date until the date of payment.
- 23.10 If any member has not paid the subscription or any other money due within 2 months after the due date thereof, such member shall be liable to have his or her name posted on the notice board of the country club as being in arrear, provided that such member shall first have received a notice calling upon him or her to pay any arrear subscription within 14 days, and if such member does not pay the amount due within 1 month from the date of his or her name being posted as aforesaid, the committee shall be entitled to suspend or terminate such membership, but such membership may be reinstated by the committee in its discretion and on such terms as the committee may decide.
- 23.11 Any minute of a committee meeting stating that any member subject to the notice referred to in the preceding sub-paragraph has had such notice sent, and that such member's name has been duly posted on the notice board, shall be conclusive evidence that such notice was duly and properly given, and that such posting had duly and properly taken place.

24 DEPOSIT AND INVESTMENT OF FUNDS

- 24.1 The committee shall ^{cause-all} money received by the country club to be deposited to the credit of an account or accounts with a registered bank in the name of the country club and, subject to any direction given or restriction imposed at a general meeting of the country club, such monies shall only be withdrawn for the purpose of payment of the expenses of the Country club or investment in terms of 24.3.
- 24.2 The committee may authorise the manager to administer and operate the accounts referred to in 24.1 and 24.3.
- 24.3 Any funds not immediately required for disbursement may be invested in a savings or similar account with any registered bank approved by the committee from time to time.
- 24.4 Interest on monies invested shall be used only towards payment of the expenses (including taxation, if any) of the country club or to provide for contingencies or to accumulate a reserve for future expenditure.
- 24.5 The members shall not be entitled to a refund of contributions levied upon them and duly paid by them and no portion of the profits or gains of the country club shall be distributed to any member(s) or any other person.

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PART V MISCELLANEOUS

25 RECORDS

- 25.1 The committee shall keep an up to date record of the rules and on the application of a member supply to such member a copy of the rules against payment of a reasonable charge therefor.
- 25.2 The committee shall -
- 25.2.1 keep minutes of their proceedings;
 - 25.2.2 cause minutes to be kept of all meetings of the Country club in a minute book of the country club kept for that purpose;
 - 25.2.3 include in the minute book of the country club a record Of every resolution of the country club.
- 25.3 The committee shall keep all minute books or microfilmed or other copies thereof in perpetuity.
- 25.4 On the written application of a member the committee shall make all minutes of their proceedings and of the country club or copies thereof available for inspection by such member.
- 25.5 The committee shall cause proper accounts and records to be kept so as fairly to explain the transactions and financial position of the Country club including
- 25.5.1 a record of the assets and liabilities, if any, of the country club;
 - 25.5.2 a record of all sums of money received and expended by the country club and the matters in respect of which such receipt and expenditure occurred.
- 25.6 On the application of any member the committee shall make all or any Of the Account!, and records or copies thereof available for inspection by such member.
- 25.7 The committee shall cause all accounts and records or microfilmed or other copies thereof to be retained for a period of 5 years after completion of the transaction, acts or operations to which they relate.

26 DAMAGE OR DESTRUCTION

- 26.1 As soon as possible following any damage to or destruction of any portion of the country club covered by any insurance maintained by the country Club, the committee shall proceed with the filing and adjustment of all claims arising under such insurance as a result Of such damage or destruction and shall Obtain reliable and detailed estimates of the cost of repairing or restoring such portion of the country club to substantially the same condition in which it existed prior to the occurrence of such damage or destruction.
- 26.2 In the event that damage or destruction was caused by the intentional or gross negligent act or omission of a member or his guest, the cost of such repair or the amount of such deficiency shall be the personal liability of and shall be paid by such member.
- 26.3 Any damage to or destruction of any portion of the country club shall be repaired, reconstructed or rebuilt unless the members resolve by a special resolution within 90 days after the occurrence of such damage or destruction not to repair, reconstruct or rebuild the same.
- 26.4.1 All of the work of repairing, reconstructing or rebuilding any portion of the country club, shall be the responsibility of the country club, and shall be performed under the supervision of the committee. In discharging such supervisory responsibility, the committee shall be authorised, but shall not be obliged, to employ as its agent or con

sultant such building supervisors <,r architects as the committee shall determine. Any fees which shall be payable to any such building supervisor or architect employed by the committee shall be an expense of the country club.

26.4.2 Any repair, reconstruction or rebuilding of any portion of the country club shall be substantially in accordance with the plans and specifications for the damaged or destroyed part of the country club prior to the occurrence of such damage or destruction, or in accordance with such different plans and specifications as may be approved b} the committee and by the members by way of a special resolution.

26.4.3 The cost of repairing, reconstructing or rebuilding such portion Of the country club shall be paid out of any insurance proceeds which may be paid to the country club on account of such damage or destruction. If the insurance proceeds, together with any amount as may be available from any reserve funds maintained by the country Club for such purpose, are not sufficient to defray such costs of such repair, reconstruction or rebuilding, the committee shall levy an assessment against all of the members to raise the excess funds necessary to defray such costs, which assessment shall not be subject to approval by the members.

27 AMENDMENT

- 27.1 The constitution may, save as set Out in 27.2, be amended or added to by way of a special resolution.
- 27.2 The provisions of the constitution contained in 3, 6, 7 and 8 may be amended or added to only if the original members agree to the amendment or addition.

28 DISSOLUTION

- 28.1 The country club shall be an association with perpetual succession but the members may by way of an unanimous resolution dissolve the country club.
- 28.2 On the dissolution of the country club, any excess of assets over liabilities shall be distributed to the members in equal shares.