

**REPUBLIC OF SOUTH AFRICA  
COMPANIES ACT, 1973**

**ARTICLES OF ASSOCIATION OF A COMPANY  
NOT HAVING A SHARE CAPITAL AND NOT ADOPTING SCHEDULE I**

**HEALTH QUALITY ASSESSMENT  
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

**Registration Number 2000/025855/08**

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**1. PRELIMINARY**

The Standard Articles of Association as contained in Table "A" or "B" of Schedule I of the Act shall not be applicable to this Company; whose Articles of Association shall be as set out hereunder.

**2. INTERPRETATION**

In these Articles, unless the context shall clearly otherwise indicate:

- 2.1 "the Act" means the Companies Act, 1973 (Act 61 of 1973) (as amended);
- 2.2 "the Company" means this Company;
- 2.3 "the Executive Committee" means the Executive Committee appointed in terms of Article 23;
- 2.4 "Secretary" means any person duly appointed from time to time to perform the duties of the Secretary of the Company;
- 2.5 "Republic" means the Republic of South Africa;
- 2.6 "the Office" means the Registered Office of the Company;
- 2.7 "the Directors" means the Directors for the time being of the Company or, the Directors as a Board;
- 2.8 "Duly Certified" in relation to copies, shall mean and denote a copy certified by an appropriate Public Officer or Notary Public; or such other form or certification as the Directors may from time to time in their sole discretion accept;
- 2.9 "HQA" means Health Quality Assessment (Association incorporated under section 21) registration number 2000/025855/08;
- 2.10 "Members" means Members from time to time of the Company as provided for in Articles 4 and 5;
- 2.11 Words and expressions contained in these Articles shall bear the same meanings mutatis mutandis as are assigned respectively to them by the Act, as amended from time to time;
- 2.12 Expressions with reference to writing, shall be construed as including reference to printing, lithography, photography and other means of representing or reproducing words in visible form;
- 2.13 Words importing the singular shall include the plural; words importing the masculine, feminine or neuter shall include the others of such genders; and words importing persons shall include bodies corporate; and vice versa in each instance.

**3 MEMBERSHIP**

Unless otherwise determined the rights and obligations of all Members shall rank pari passu.

**4 ADMISSION TO MEMBERSHIP**

- 4.1 The initial Members of the Company shall be the subscribers to the Memorandum and Articles of Association.

**4.2** Further Members may be admitted by the Board of Directors in its sole and absolute discretion, subject to any such qualifications and obligations applicable to the class of membership concerned. The Board of Directors may likewise decline to admit to membership, or a particular class of membership, any intended member, notwithstanding his willingness and ability to fulfil the appropriate qualifications and obligations attaching thereto.

## **5 CATEGORIES OF MEMBERSHIP**

**5.1** HQA has the following categories of membership:

### **5.1.1 Full Members**

Members who are medical schemes or medical scheme administrators and who have paid the annual full membership fee prescribed after membership has been granted to them in terms of Article 4 and who possess the following powers and privileges:

**5.1.1.1** The right to vote at General Meetings;

**5.1.1.2** The right to participate in the proceedings and debates at General Meetings;

**5.1.1.3** The right to have a representative elected a Director of the Company and/or a Member of one of its committees and/or an official of the Company;

**5.1.1.4** The right to participate and the right to enjoy the benefits of the general activities of the Company.

### **5.1.2 Founding Members**

Members who are the first Members of the Company, who have paid the founding membership fee and who enjoy the same privileges as full Members provided that they annually pay the membership fee for Full Members as determined in Article 5.2.

### **5.1.3 Affiliated Members**

Members that are professional or educational or other institutions and/or associations and/or societies and who can associate them with the objectives and the provisions of the Memorandum and Articles of Association of the Company and who have paid the annual affiliated membership fee prescribed after membership has been granted to them in terms of Article 4 and who possess all the rights and privileges of Full Members except the right to vote at General Meetings, and the right to have a representative elected an official of the Company and/or a Member of one of its Committees.

**5.2** The different categories of membership fees will be annually determined by the Board of Directors. All membership fees are annually due and payable in advance on the first day of January. Failure to pay these membership fees within

90 (ninety) days from the due date, will result in the automatic termination of membership.

- 5.3** Members may only be admitted once as a Member in any of the categories of membership. Full Members qualifying in more than one category of full membership such as medical schemes and medical scheme administrators shall indicate on application whether they would like to be admitted as medical schemes or medical scheme administrators.

## **6. CESSATION OF MEMBERSHIP**

Membership of the Company shall be terminated and the member shall forfeit all claims to the rights and privileges of membership:

- 6.1** If the subscription payable by the Member as determined in terms of Article 5.2 has not been paid in full on the due date;
- 6.2** Upon receipt by the Company at the Office of notice in writing to this effect from the Member concerned;
- 6.3** Upon the issue of a final Order of Sequestration or Liquidation of the Member concerned;
- 6.4** Upon the sentence of the Member after conviction of any crime in a court of law;
- 6.5** Upon the death of any Member or upon any Member being declared insane or incapable of managing his own affairs;
- 6.6** In the event of non-compliance by a Member with any such obligations as may attach to his membership, upon the expiration of a period of 90 (ninety) days reckoned from the date of written notice by the Company to the Member concerned, requiring the remedying of such default; Save that the Board of Directors shall be entitled to extend the period of grace allowed to a particular Member to such extent and for such reasons as it may in its sole and absolute discretion deem appropriate;
- 6.7** Upon the passing of a resolution to this effect by a duly convened General Meeting of the Company;
- 6.8** In the event of the conduct of a Member harming the honour and interests of the Company as determined by the Board after an investigation into the conduct of that Member and a report by an independent arbitrator appointed by the Board of Directors for that purpose.

## **7. OBLIGATIONS OF MEMBERS ON CESSATION**

Anything to the contrary hereinbefore contained or implied notwithstanding, the cessation of membership shall in no way release a Member from any obligation undertaken by him prior to the cessation of membership as a result of either:

- 7.1** The provisions of clause 8 of the Memorandum of Association of the Company;  
or

- 7.2** Any further or ancillary guarantee, commitment or obligation which such Member may have undertaken as a condition attaching to a particular class of membership or by virtue of any other cause.

## **8. NON-TRANSFERABILITY OF MEMBERSHIP**

Membership may not be assigned or transferred unless the Board of Directors shall otherwise determine, and in that event, subject to such conditions and in such manner as the Board in its sole discretion may deem appropriate.

## **9. REGISTER OF MEMBERS**

The Company shall maintain at the Office, a register of Members as provided in Section 105 of the Act. The register of Members shall be open to inspection, as provided in Section 113 of the Act.

## **10. ALTERATION OF MEMORANDUM AND ARTICLES**

The Company may by Special Resolution alter the provisions of its Memorandum including its objects and powers as well as the Articles of Association.

## **11. GENERAL MEETINGS**

- 11.1** The Company shall hold its first Annual General Meeting within 18 (eighteen) months after the date of its incorporation, and shall thereafter in each year hold an annual general meeting: provided that not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting and that of the next, and that an Annual General Meeting shall be held within 9 (nine) months after the expiration of the financial year of the Company.
- 11.2** Other General Meetings of the Company may at any time be convened by the Directors.
- 11.3** The Directors shall convene a General Meeting upon written request of 30% (thirty percent) of Full Members of the Company addressed to the Chairperson of the Board of Directors accompanied by a detailed description of the reason(s) and motivation for such a request.
- 11.4** Annual General Meetings and other General Meetings shall be held at such time and place as the Directors may appoint or at such time and place as may be stipulated in respect of meetings convened under Section 179(4), 181, 182 or 183 of the Act.

## **12. NOTICE OF GENERAL MEETINGS**

- 12.1** An Annual General Meeting and a meeting called for the passing of a Special Resolution shall be called by not less than 21 (twenty one) clear days' notice in writing and any other general meeting shall be called by not less than 14 (fourteen) clear days' notice in writing.

**12.2** The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company; provided that a meeting of the Company shall comply with the provisions of Sections 186 and 189 of the Act, and provided that, notwithstanding the fact that it is called by shorter notice than that specified in this Article, it shall be deemed to have been duly called, if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting, being a majority holding not less than 95% (ninety five per cent) of the total voting rights of all such Members.

### **13. PROCEEDINGS AT GENERAL MEETINGS**

**13.1** The Annual General Meeting shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements, the election of Directors and the appointment of an auditor, and may deal with any other business laid before it. All business laid before any other General Meeting shall be considered special business.

**13.2** Any member that wishes to lay business before any general meeting shall submit notice of such business together with a motivation, signature of a secundus and at least 30% (thirty percent) of signatures of Full Members of the Company by 30 April of each year in the case of an Annual General Meeting and 60 (sixty) days before any other General Meeting.

**13.3** No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, a quorum shall be constituted if there shall be present at such meeting at least 3 (three) Members

**13.3.1** In person if the Member is a natural person; or

**13.3.2** Represented by a natural person if the Member is a body corporate.

**13.4** If within half an hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to such date as the Chairperson of the meeting may decide provided it shall be within 21 (twenty one) days of the original meeting, and if at such adjourned meeting a quorum is still not present within half an hour after the time appointed for such meeting, the Members present in person shall be a quorum.

**13.5** Where a meeting has been adjourned as aforesaid, the Company shall, upon a date not later than 3 (three) days after the adjournment, publish in a newspaper

circulating in the province where the registered Office of the Company is situated a notice stating:

**13.5.1** The date, time and place to which the meeting has been adjourned;

**13.5.2** The matter(s) before the meeting when it was adjourned; and

**13.5.3** The ground(s) for the adjournment.

**13.6** The Chairperson, if any, of the Board of Directors shall preside as Chairperson at every General Meeting of the Company.

**13.7** If there is no such Chairperson, or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for the holding of the meeting, or is unwilling to act as Chairperson, the Vice-Chairperson shall act as Chairperson. If the Chairperson and Vice-Chairperson are both not present within 15 (fifteen) minutes after the time appointed for the holding of the meeting or they are both unwilling to act as Chairperson, then Members present shall elect one of their number to act as Chairperson.

**13.8** Subject to Section 192(2) of the Act the Chairperson may, with the consent of any meeting at which a quorum is present, (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place. When a meeting is adjourned, the provisions of Articles 19 and 20 shall *mutatis mutandis* apply to such adjournment.

**13.9** At any General Meeting a resolution put to the vote of the Members shall, except in the case of a special resolution, be decided by a majority of votes. Every resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or the Members so qualified as referred to hereunder, and, unless a poll is so demanded, a declaration by the Chairperson that a resolution has, on a show of hands been carried unanimously or by a particular majority or negatived, and an entry to that effect in the book containing the minutes of the proceedings 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. The demand for a poll may be made by not less than 3 (three) Members present or represented in the case of body corporates at the meeting, and having the right to vote at such a meeting.

The demand for a poll may be withdrawn.

**13.9.1** If a poll is duly demanded, it shall be taken in such manner as the Chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting.

**13.9.2** In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting shall be entitled to a second or casting vote.

**13.9.3** A poll demanded on any question shall be taken at such time as the Chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded

**13.10** Unless a meeting is required to be held in compliance with the Act, a resolution signed by or on behalf of all Members of the Company shall be as valid and effectual as if passed at a duly convened general meeting of the Company.

#### **14. VOTES OF MEMBERS**

Subject to any differential or special right or restrictions for the time being attached to any class of membership:

**14.1** On a show of hands, every member present in person shall be entitled to 1 (one) vote.

**14.2** On a poll, every member present in person shall be entitled to 1 (one) vote.

The aforesaid rights may likewise be exercised by the authorised representative of any member, who may be a Body Corporate.

#### **15. PROXIES**

No member shall be allowed to be represented by a proxy.

#### **16. APPOINTMENT OF DIRECTORS**

**16.1.** Unless and until otherwise determined by the Company in general meeting, there shall be not less than 2 (two) and not more than 10 (ten) Directors of the Company.

**16.2.** The Board of Directors shall be constituted as follows:

**16.2.1.** Six (6) Directors elected by the Members of the Company from the Full Members of the Company; and

**16.2.2.** Four (4) Directors appointed by the Board of Directors.

**16.3.** All the Directors irrespective of whether they have been elected, appointed or coopted in terms of Articles 16 and/or 19 shall have voting rights.

**16.4.** Members who are body corporates shall only be allowed to have one Director representing them.

**16.5.** The first Directors, unless appointed at a General Meeting of the Company, shall be appointed in writing by a majority of the subscribers to the Memorandum of Association until the first Annual General Meeting of the Company when they will retire from office in terms of Article 18.3.

**16.6.** Subsequent appointments of Directors, including the filling of casual vacancies, shall, subject to the provisions of Article 19, be appointed by the Members of the

Company at an annual general meeting if those Directors are required to be appointed by the Members of the Company in terms of Article 16.2.1.

- 16.7.** A Director appointed by the Board of Directors in terms of article 16.2.2 shall not be required to be a member or represent a member in order to be appointed as a Director of the Company.
- 16.8.** The Directors may act, notwithstanding any vacancy in their number, but if and for so long as their number is reduced below the minimum number of Directors required to act as such for the time being, the continuing Director/s may act only:
- 16.8.1.** To increase the number of Directors to the required minimum; or
- 16.8.2.** To summon a General Meeting for that purpose, provided that if there is no Director able or willing to act then any Member may convene a General Meeting for that purpose.

## **17. APPOINTMENT OF CHAIRPERSON AND VICE CHAIRPERSON**

- 17.1.** The Board of Directors shall appoint a Chairperson and Vice Chairperson from amongst the Directors at its first meeting after the Board has been constituted in the case of the first Directors of the Company and thereafter each year at the first meeting of the Board of Directors after the Annual General Meeting.
- 17.2.** The Chairperson, or in his absence, the Vice Chairperson, or their alternates, shall be entitled to preside over all meetings of Directors.

## **18. ROTATION OF DIRECTORS**

- 18.1.** All Directors will be appointed for a term of 3 (three) years subject to Article 18.3.
- 18.2.** All Directors, whether appointed by general meeting or co-opted by the Board, shall retire from office at the end of the 3 (three) year period for which they were appointed subject to Article 18.3.
- 18.3.** The first Directors shall retire from the Board of Directors on the following basis:
- 18.3.1.** Three (3) Directors shall retire at the first annual general meeting following their appointment;
- 18.3.2.** Three (3) Directors shall retire at the second annual general meeting following their appointment;
- 18.3.3.** Four (4) Directors shall retire at the third annual general meeting following their appointment.
- 18.4.** The first Directors shall retire alphabetically in accordance with their surnames.
- 18.5.** A retiring Director shall be eligible for
- 18.5.1.** Re-election if he is a Full Member of the Company or
- 18.5.2.** Re-appointment by the Board of Directors

- 18.6.** The Company at the meeting at which an elected Director retires in the manner set out above, may fill the vacated office by electing a person who is a Full Member of the Company thereto in terms of Article 16.2.1 and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless he is not a Full Member of the Company or unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such retiring Director shall have been put to the meeting and lost.

## **19. CO-OPTION OF DIRECTORS**

- 19.1.** The Board of Directors may at any time co-opt any other person as a Director, either to fill a vacancy or as an addition to the Board provided the total number of Directors shall at no time exceed the maximum number of Directors stipulated above.
- 19.2.** The Director appointed to fill a vacancy shall be subject to the retirement at the same time as if he had become a Director on the day on which the Director in whose stead he is appointed was last elected a Director.

## **20. DIRECTORS' REMUNERATION AND REIMBURSEMENT**

The Directors shall:

- 20.1.** Not be entitled to receive any remuneration for their services as Directors, subject to the provisions of Article 27.10 hereof;
- 20.2.** Be entitled to reimbursement of all travelling, subsistence, and other expenses properly incurred by them in the execution of their duties in or about the business of the Company only upon the instruction of and with authorisation or approval by the Board of Directors in advance.

## **21. ALTERNATE DIRECTORS**

- 21.1.** Each Director shall have the power to nominate any person, from the organisation he represents to act as Alternate Director in his place during his absence or inability to act as such, provided that the appointment of such Alternate Director shall be approved by the Board, whose consent may not be unreasonably withheld. Upon such appointment being made, the Alternate Director shall, in all respects, be subject to the terms, qualifications, and conditions existing with reference to the other Directors of the Company.
- 21.2.** 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. The appointment of an Alternate Director shall be revoked, and the Alternate Director shall cease to hold office, whenever the Director who appointed him ceases to be a Director; or should such Director or the Alternate himself, give

notice to the Secretary of the Company that such Alternate has ceased to represent the Director concerned.

## **22. POWERS AND DUTIES OF DIRECTORS**

- 22.1.** The business of the Company shall be managed by the Directors who may pay on behalf of the Company, all expenses incurred in promoting and incorporating the Company which includes the remuneration of the Company Secretary and other costs required for the Office of the Company, and may exercise all such powers of the Company as are not by the Act, or by these Articles, required to be exercised by the Company in General Meeting. Without in any way derogating from the generality of the foregoing, the Directors shall be entitled to exercise on behalf of the Company all and any of the Common Powers of companies itemised in Schedule 2 of the Act, subject only to any contrary stipulation contained from time to time in the Memorandum or Articles of the Company.
- 22.2.** The Board of Directors shall not grant any medical scheme or medical scheme administrator any special privilege in the management of the Company business.
- 22.3.** The Board of Directors shall annually publish a health care audit report in pursuance of the Company's main business.
- 22.3.1.** The health care audit report shall contain an objective measurement of quality in the funding industry, the criteria of which shall be determined by the Board of Directors from time to time;
- 22.3.2.** Only Full Members shall be entitled to be measured for purposes of inclusion in the health care audit report; and
- 22.3.3.** The conducting of the health care audit and the subsequent compilation and publication of the report emanating from the audit will be out-sourced by the Board of Directors to an independent institution after following a transparent selection process.

## **23. EXECUTIVE COMMITTEE**

- 23.1.** The Board of Directors may elect an Executive Committee to conduct the day-to-day business of the Company.
- 23.2.** The Executive Committee shall consist of the Chairperson, Vice chairperson and 3 (three) other Members of the Board of Directors appointed by the Board of Directors.
- 23.3.** The Executive Committee shall meet as required from time to time to dispatch with the business.

## **24. BORROWING POWERS**

The Directors' borrowing powers shall be limited in accordance with the annually approved budget, and they shall be entitled to borrow money and to mortgage or bind the undertaking

and property of the Company or any part thereof, whether outright or as security for any debt, liability or obligation of the Company or of any third party within the approved budget limits.

## **25. DISCLOSURE OF INTERESTS**

**25.1.** Every Director shall comply with the provisions of Sections 234 to 240, inclusive, of the Act. Without derogating from the generality of the foregoing, every Director shall declare any interest, direct or indirect, material or otherwise, which such Director has in any contract or arrangement which at the time of such declaration has been proposed or has been entered into by the Company with any person whomsoever. For the purpose of this Article a Director shall be deemed to have an interest in any contract between the Company and any company or partnership in which such Director is a member, Director or partner. Every interest to be declared in terms of this Article shall be declared and minuted in the manner and at the time prescribed by Sections 235 and 239 of the Act.

**25.2.** In no case shall a Director having an interest which requires to be declared in terms of Article 40, vote as a Director upon any question relating to such transaction, and if he does so his vote shall not be counted. That prohibition shall not apply to:

**25.2.1.** Any indemnity in favour of the Directors or any of them; or

**25.2.2.** Any contract whereby security is given in respect of advances made by the Directors or any of them to the Company; or

**25.2.3.** Any contract or arrangement with a company or partnership of which the Directors or any of them are Members, Directors or partners.

**25.3.** The Company in General Meeting may suspend or relax to any extent the provisions contained in this Article.

**25.4.** Nothing contained in this Article shall be construed so as to debar any Director as a member from taking part in and voting upon all questions submitted to a meeting of Members.

## **26. DISQUALIFICATION AND REMOVAL OF DIRECTORS**

The office of Director shall be vacated if the Director:

**26.1** Ceases to be a Director or becomes prohibited from being a Director by virtue of any provision of the Act; or

**26.2** Resigns from his office by notice in writing to the Company; or

**26.3** Is removed from office by ordinary resolution of the Company of which special notice is duly given in terms of this Act; or

**26.4** Is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare his interest and the nature thereof in the manner required by the Act; or

- 26.5** Ceases to be the authorised representative of a Member of a particular class, entitled by reason of such membership to nominate a Director or to have a Director elected or appointed from its stead; or
- 26.6** Dies.

## **27. PROCEEDINGS OF DIRECTORS**

- 27.1** The Directors may meet together for the despatch or business, adjourn and otherwise regulate their meetings as they deem fit.
- 27.2** At all meetings of Directors, the quorum necessary for the transaction of business shall be 4 (four) Directors provided that should less than 2 (two) Directors hold office as such at a particular time, then and only in such event shall, all the Directors constitute a quorum until the election or appointment of other Directors.
- 27.3** A Director may at any time, and the Secretary upon the requisition of a Director, shall convene a meeting of Directors.
- 27.4** Each Director present or represented at a meeting shall be entitled to exercise 1 (one) vote. Where a person is Alternate to more than one Director, or where an Alternate Director is also a Director in his personal capacity, he shall have a separate vote, on behalf of each Director whom he is representing in addition to his own vote as a Director, if applicable.
- 27.5** Subject to Article 27.6 questions arising at any meeting of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairperson shall have a second or casting vote.
- 27.6** The adoption of the report and the subsequent publication thereof as contemplated in Article 22.3 shall be decided by a majority of votes subject to 75% (seventy five per cent) of the Directors with voting rights being present at the Board meeting where the final report is discussed and adopted. In the case of an equality of votes, the Chairperson shall have a second or casting vote.
- 27.7** Subject to the Act, a resolution in writing signed by all the Directors for the time being present in the Republic of South Africa and being not less than are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not present in the Republic, but has an Alternate who is, the resolution must be signed by that Alternate. The resolution may consist of several documents, each signed by one or more Directors or their Alternates in terms of this Article. Notwithstanding anything to the contrary herein contained every resolution of Directors in order to be valid and effectual shall require the signature of the Chairperson or the Vice Chairperson or their alternates.
- 27.8** The Directors may delegate any of their powers to Committees consisting of such Member or Members of their body as they may deem fit.

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- 27.8.1** Any Committee so formed shall be entitled to co-opt Members in accordance with any rules, restrictions or procedures that may be imposed on it by the Directors.
- 27.8.2** Any Committee so formed shall, in the exercise of the powers delegated to it, conform to any rules, restrictions or procedures that may be imposed on it by the Directors.
- 27.9** The Company may from time to time appoint one or more persons to the office of Managing Director and Deputy Managing Director for such period and at such remuneration and conditions as it may think fit, and subject to such terms and conditions in pursuance of any agreement entered into in any particular case. A Director so appointed shall be a member of the Board of Directors during his term of office, but shall have no voting rights. A Director so appointed shall not whilst holding such office be subject to retirement by rotation or be taken into account in determining the rotation or retirement of Directors. The Directors may from time to time entrust to or confer upon any Managing Director for the time being such of the powers and authorities vested in them as they may think fit including the appointment of staff as determined necessary from time to time and may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions as might be expedient, and they may confer such powers and authorities either collaterally or to the exclusion of, or in substitution for, all or in addition to the powers and authorities of the Directors.
- 27.10** All acts done by any meeting of the Directors or a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and as qualified to be a Director.
- 27.11** The Directors shall cause to be kept such accounting records as are prescribed by Section 284 of the Act, in order to fairly present the state of affairs and business of the Company and to explain the transactions and financial position of its trade or business.
- 27.12** The accounting records shall be kept at the Office of the Company or at such other place or places as the Directors think fit, and shall always be open to inspection by the Directors.
- 27.13** The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them shall be open to inspection by Members not being Directors, and no member (not being a Director) shall have any right of inspecting any accounting records or document of the Company except as conferred by the Act or authorised by the Directors of the Company in General Meeting.

**28. MINUTES AND MINUTE BOOKS**

**28.1** The Directors shall, in accordance with the provisions of Section 242 of the Act, cause minutes to be kept of:

**28.1.1** All appointments of Officers;

**28.1.2** Names of Directors present at every meeting of the Company; and

**28.1.3** All proceedings at all meetings of the Company and of the Directors.

**28.2** Such minutes shall be signed by the Chairperson of the meeting at which the proceedings took place or by the Chairperson of the next succeeding meeting.

**28.3** The Company shall keep an attendance register, which register shall reflect the Directors and officers in terms of Section 245.

**29. INSPECTION OF MINUTES**

The minutes kept of every General Meeting and Annual General Meeting of the Company under Section 204 of the Act, may be inspected and copied as provided in Section 206 of the Act.

**30. ANNUAL FINANCIAL STATEMENTS**

**30.1** The Directors shall from time to time, in accordance with Sections 286 and 288 of the Act, cause to be prepared and laid before the Company in General Meeting such annual financial statements, group annual financial statements and group reports (if any) as are referred to in such sections.

**30.2** Not less than 21 (twenty-one) days before the date of the Annual General Meeting, copies of any financial statements which are to be laid before such meeting, shall be sent to every Member of the Company and to the Registrar, provided that this Article shall not require such copies to be sent to any person whose address the Company is unaware of.

**30.3** Financial statements may be made available in electronic format to all the Members that have agreed thereto in writing.

**31. AUDITORS**

An auditor shall be appointed, and if necessary removed and replaced, in accordance with the relevant provisions of the Act.

**32. NOTICES**

**32.1** A notice may be given by the Company to any Member either personally or by sending it by post in a prepaid letter addressed to such Member at his registered address or (if he has no registered address in the Republic) at the address (if any) within the Republic supplied by him to the Company for the giving of notices to him.

- 32.2** If receipt of notice by post is disputed by a Member, such notice shall be deemed not to have been duly given unless the Company shall produce a registered slip indicating that the notice was properly addressed and posted by registered post.
- 32.3** Any notice by registered post shall be deemed to have been served 5 (five) days after the letter containing the same was duly posted as aforesaid.
- 32.4** Notice of every General Meeting shall be given in any manner required by law or authorised by these Articles:
- 32.4.1** To every Member of the Company of a class entitled to such notice, except in the cases of notices to be given personally or sent by post to those Members who (having no registered address within the Republic) have not supplied to the Company an address within the Republic for the giving of notices to them;
- 32.4.2** To the auditor for the time being of the Company.  
No other person shall be entitled as of right to receive notices of general meetings.
- 32.5** The accidental omission to give any notice of a General Meeting or of a meeting of Directors to or the non-receipt of any such notice by any Member or Director, as the case may be, shall not invalidate any resolution passed at any such meeting.

### **33. RESERVES**

The Directors shall set aside and carry on a reserve fund all the profits of the Company, which shall be applied in promoting the Company's main object.

### **34. INDEMNITIES**

- 34.1** Subject to any contrary provision in the Act, every Director and other officer of the Company shall be indemnified out of the funds of the Company against all costs, expenses and liabilities properly incurred by him in the course of the Company's business subject to the provisions of Article 20.
- 34.2** No Director, officer or employee of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, officer or employee or for joining in any receipt or other act for conformity, or for loss or expense happening to the Company through the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom any moneys, securities or effects shall be deposited, or for any loss or damage occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office, or in relation thereto, unless the same happen through his own wrongful act, negligence, default, breach or duty or breach of trust.