

Memorandum

To	South African Property Owners Association NPC	Date	9 July 2020
From	Norton Rose Fulbright South Africa Inc	Direct line	+27 11 301 3513

SAP473: Summary of amendments to memorandum of incorporation (MOI)

Please note that clause references are references to clause numbers in the amended MOI.

1 Amendment number 1 (clause 1.1.8):

1.1 The following new definition of “Disaster” is included in the MOI:

“Disaster means a progressive or sudden, widespread or localised, natural or human-caused occurrence, which –

1.1.8.1 causes or threatens to cause death, injury, disease, damage to property, damage to infrastructure, damage to the environment, disruption of the life or functioning of a community or society; and

1.1.8.2 is of a magnitude that exceeds the ability of the community or society to cope”.

1.2 The definition of “Disaster” is used only once in the MOI, in the new clause 23.4 referred to below.

2 Amendment number 2 (clause 23.3):

2.1 In terms of the existing MOI, the board shall comprise a maximum number of 15 directors.

2.2 This clause has been amended to provide that the board shall comprise a maximum number of 10 directors.

3 Amendment number 3 (clause 23.3):

3.1 In terms of the existing MOI, the board consists of (in addition to the President, Immediate Past President and CEO):

(1) 4 (four) National Councillors elected at a National Council Meeting to be held immediately after an Election Annual General Meeting (i.e. on the same day and at the same venue and immediately following the closure of the Election Annual General Meeting), who shall hold office for a period of 2 (two) years until the Election Annual General Meeting following their appointment, but will be eligible for re-election; and

(2) a maximum of 8 (eight) suitably qualified individuals appointed by the Board, who shall hold office for not more than 2 (two) years until the Annual General Meeting immediately following their appointment, but will be eligible for re-appointment. This appointment shall be subject to review annually.

3.2 This clause has been amended to remove paragraphs 3.1(1) and 3.1(2) above. Instead, this clause will provide that the board will consist of (in addition to the President, Immediate Past President and CEO) a maximum of **7 (seven)** suitably qualified individuals appointed by the Board, who shall hold office for not more than 2 (two) years until the Annual General Meeting immediately following their appointment but will be eligible for re-appointment. This appointment shall be subject to review by the Board’s Nominations Committee which may be guided by the nominations policy.

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4 Amendment number 4 (clause 23.4):

The following new clause has been inserted, allowing for the extension of initial Board terms by one year, for any reason whatsoever, including as a result of a “Disaster”:

“As an exception, the President, the President Elect, the Immediate Past President and the remaining Board members may be requested by the Board for any reason whatsoever, including an emergency situation or Disaster situation, to serve an additional period of 1 (one) year on the Board, in addition to their initial terms, set out at clauses 22.7, 23.3.4 and 23.9, in order to ensure operational continuation of the Company.”

5 Amendment number 5 (clause 23.5):

Clause 23.5.4 has been extended to allow the Board, in its sole discretion, to replace any director who resigns from their position in terms of the nominations policy of SAPOA.

6 Amendment number 6 (clause 23.5):

The following new clause has been inserted at 23.5.8 of the amended MOI, providing an additional disqualification criterion for directors of SAPOA, accordingly, any person is disqualified from being a director, if the director concerned:

“brings the Company and / or the Board into disrepute and the majority of the Board votes in favour of his removal”.