

PRIVATE AND CONFIDENTIAL

**NATIONAL CHAMBER OF MILLING
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

COPY OF THE

PROPOSED NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

**CENTURION
16 March 2007**

**J F DE VILLIERS
Executive Director**

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

Memorandum of Association

of a Company not having a share capital

1936/008920/08

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1. Name

(a) The name of the Company is

NATIONAL CHAMBER OF MILLING
(ASSOCIATION INCORPORATED UNDER SECTION 21)

(b) The name of the Company in the other official language of the Republic is

NONE

(c) The shortened form of the name of the Company is

NONE

2. Purpose describing the main business

The main business which the Company is to carry on is to:

- “2.1 facilitate the formulation of standards and requirements pertaining to matters affecting the flour and maize milling industry,
- 2.2 prepare and recommend uniform statistical and other records relating to the flour and maize milling industry;
- 2.3 issue information relative to the flour and maize milling industry;
- 2.4 encourage and facilitate the settlement of disputes affecting the flour and maize milling industry by conciliatory methods.
- 2.5 generally promote and advance the communal interests of the members of the Company.”

3. Main object

The main object of the Company is:

“to promote, encourage and otherwise assist in the interest of the wheat and maize milling industry in general, and all obligations in respect thereof and, without limiting the generality thereof, as is further and in more detail described under Article 2 above.”

4. Ancillary objects excluded

The specific ancillary objects if any, referred to in section 33(1) of the Act, which are excluded from the unlimited ancillary objects of the Company

The company will have the same unlimited ancillary objects as if it had been incorporated pursuant to Section 32 of the Companies Act No. 61 of 1973 (as amended) and none of the unlimited ancillary objects referred to in Section 33(1) of that Act is excluded from the objects of the company.

5. Powers

5.1 The specific power or part of any specific power of the company, if any, which is excluded from the plenary powers set out in Schedule 2 to the Act is power(s).

5.2 The specific powers or part of any specific powers of the company set out in Schedule 2 to the Act which are qualified under Section 34 of the Act are:-

5.2.1 the power set out in paragraph (k) which is amended to read as follows -

"To form and have an interest in any company or companies having the same or similar objects to the company for the purpose of acquiring the undertaking of all or any of the assets or liabilities of the company or companies or for any other purpose which may seem, directly or indirectly, calculated to benefit the company, and to transfer to any such company or companies the undertaking of all or any of the assets or liabilities of the company;"

5.2.2 the powers set out in paragraph (1) which is amended to read as follows -

"To amalgamate, affiliate or co-operate with other companies having the same or similar objects to the company;"

5.2.3 the power set out in paragraph (m) which is amended to read as follows -

"To take part in the management, supervision and control of the business or operation of any other company or business having the same or similar objects as the company and to enter into partnerships having the same or similar objects as the company;"

5.2.4 the power set out in paragraph (n) which is amended to read as follows -

"to remunerate any person or persons in cash for services rendered in its formation or in the development of its business;"

5.2.5 the power set out in paragraph (o) which is amended to read as follows -

"to make donations provided that no donation shall be made to members or directors;"

5.2.6 the power set out in paragraph (r) which is amended to read as follows -

"to pay gratuities and pensions and establish pension schemes in respect of its bona fide employees."

6. Conditions

Any special conditions which apply to the Association and the requirements, if any, additional to those prescribed in the Act for their alteration

6.1 The income and property of the company whencesoever derived shall be applied solely towards the promotion of its main object and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever, to the members of the company or to its holding company or subsidiary; provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the company or to any member thereof in return for any services actually rendered to the company.

6.2 Upon its winding-up, deregistration, or dissolution, the assets of the company remaining after the satisfaction of all its liabilities shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object to be determined by the members of the company on or before the time of its dissolution or, failing such determination, by the Court. Such other association or institution shall themselves be exempt from tax.

7. *Pre-incorporation contracts (if any)*

There are no pre-incorporation contracts.

8. *Financial year-end*

The financial year end of the Company shall be 31 December each year.

9. Guarantee

- 9.1 The liability of members is limited to the amount referred to in 9.2 hereunder.
- 9.2 Each member undertakes to contribute to the assets of the company in the event of its being wound up either while he is a member or within one year thereafter, for the purpose of payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs, charges and expenses of the winding-up and for adjustment of the rights of the contributories amongst themselves, an amount not exceeding R2-00 (Two Rand).

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16 March 2007

J F DE VILLIERS
Executive Director

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT, 1973

ARTICLES OF ASSOCIATION

OF A COMPANY NOT HAVING A SHARE CAPITAL

(Section 60 (1); Regulation 18)

1936/008920/08

Name of Company

NATIONAL CHAMBER OF MILLING

(ASSOCIATION INCORPORATED UNDER SECTION 21)

("the Company")

- A. The Articles of Table A contained in Schedule 1 to the Companies Act, 1973, shall not apply to the Company.
- B. The Articles of the Company are as follows:-

1. DEFINITIONS

In these Articles, unless the context indicates otherwise -

- 1.1 expressions defined in the Companies Act, 1973, shall have the meanings given to them in that Act;
- 1.2 words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females;
- 1.3 words importing persons shall include corporate bodies;
- 1.4 the following words and expressions shall have the following meanings, namely -
 - 1.4.1 "the Act" means the Companies Act, Act 61 of 1973;
 - 1.4.2 "auditor" means the auditor for the time being of the company appointed under Article 11.4;
 - 1.4.3 "the company" means the National Chamber of Milling (Incorporated);
 - 1.4.4 "directors" means the directors for the time being of the company or, as the case may be, the directors assembled at a board meeting.
 - 1.4.5 "the industry" means the wheat and dry maize milling industry in the Republic of South Africa;

- 1.4.6 "member" means an ordinary, associate or honorary member as defined in Articles 2.2, 2.3 and 2.4;
- 1.4.7 "memorandum" means the Memorandum of Association of the company;
- 1.4.8 "month" means any of the twelve periods into which a year is divided;
- 1.4.9 "the office" means the registered office for the time being of the company;
- 1.4.10 "rules" or "regulations" means any rules, by-laws or regulations made in accordance with the Articles;
- 1.4.11 "in writing" or "written" includes typewriting, printing, lithography and electronic transmission;

2. MEMBERSHIP

2.1 Classes

Members of the company shall be divided into three classes, namely -

- 2.1.1 ordinary members;
- 2.1.2 associate members; and
- 2.1.3 honorary members.

2.2 **Ordinary members**

2.2.1 Ordinary members are those persons, partnerships, associations, close corporations or companies which -

2.2.1.1 are actively and directly engaged in the industry;

2.2.1.2 are not eligible for associate membership; and

2.2.1.3 have been admitted as such by the directors; or

2.2.1.4 were ordinary members at the date of registration of the Articles by the Registrar of Companies, and were eligible as set out above.

2.2.2 Classes of ordinary members actively and directly engaged in wheat and maize milling:

2.2.2.1 "large milling member" is an ordinary member which during the previous financial year, according to the returns made under Article 4.1, either itself or through associate members which are subsidiaries of that ordinary member milled 17,5% or more of total membership throughput of uncleaned wheat and dry maize milled for commercial purposes during that financial year;

2.2.2.2 "medium milling member" is an ordinary member which during the previous financial year, according to the returns made under Article 4.1, either itself or through associate members which are subsidiaries of that ordinary member milled 2,5% or more but less than 17,5% of total

membership throughout of uncleaned wheat and dry maize milled for commercial purposes during that financial year;

2.2.2.3 "small milling member" is an ordinary member which is not a large milling member or a medium milling member.

2.3 **Associate members**

Associate members are those companies which -

2.3.1 are actively and directly engaged in the industry;

2.3.2 are subsidiaries (as defined in Section 1 of the Act) of companies eligible for ordinary membership; and

2.3.3 have been admitted as such by the directors; or

2.3.4 were ordinary members -

2.3.4.1 eligible as set out in 2.3.1 and 2.3.2 at the date of registration of these Articles by the Registrar of Companies; or

2.3.4.2 which became at any time eligible as set out in 2.3.1 and 2.3.2, whereupon any such member shall forthwith cease to be an ordinary member and shall become an associate member.

2.4 **Honorary members**

Honorary members are those persons, partnerships, associations or companies which -

2.4.1 have rendered outstanding or meritorious service to the company or the industry or who have expert knowledge and experience in the industry; and

2.4.2 have been elected as such by the company in general meeting.

3. **ADMISSION TO MEMBERSHIP**

3.1 **Application**

Applications for ordinary or associate membership shall be in writing addressed to the directors giving such particulars as they may require.

3.2 **Ordinary members**

Subject to any instructions given or regulations laid down by the company in general meeting from time to time, the directors may admit an applicant for ordinary membership provided three-quarters in number of the directors present at the meeting at which the application is considered vote in favour.

3.3 **Associate members**

Subject to any instructions given or regulations laid down by the company in general meeting from time to time, an applicant for associate membership may be admitted provided a majority in number of the directors present at the meeting at which the application is considered vote in favour.

4. **MEMBERSHIP LEVIES OR SUBSCRIPTIONS**

4.1 **Returns by members**

Within fourteen days of the end of each month ordinary and associate members shall make written returns to the company specifying -

4.1.1 the total tonnage of uncleaned wheat and/or dry maize milled as well as products sold for commercial purposes during the previous month by or on behalf of such member; and

4.1.2 any other statistical information specified from time to time by resolution of members.

4.2 **Imposition**

4.2.1 The company in general meeting may at any time or from time to time impose a levy upon ordinary and associate members, being a function of tonnages returned under Article 4.1, in accordance with a recommendation of the directors.

- 4.2.2 The company in general meeting may at any time impose a subscription upon all members, or any class of members which may differentiate between different classes of members calculated upon such basis as may be specified, in accordance with a recommendation of the directors.
- 4.2.3 Notice of any proposed levy or subscription shall appear on the agenda of the general meeting at which it is resolved that such levy or subscription be imposed.

5. TERMINATION OF MEMBERSHIP

5.1 By resolution of directors

Should any member -

- 5.1.1 being an ordinary or associate member, cease to be actively and directly engaged in the industry; or
- 5.1.2 fail to pay his membership levy or subscription within 30 days after notice informing him that such levy or subscription is overdue and requiring payment; or
- 5.1.3 be in breach of any of these Articles (except those relating to payment of membership subscriptions) and continue to be in breach 14 days after notice specifying such breach;

then the directors may resolve that such member's membership be terminated, which termination shall thereby take immediate effect but

without prejudice to the right of the company to claim membership levies which have already fallen due.

5.2 **Resignation**

Any member may give notice in writing of his intention to resign his membership, and on expiration of a period of six months from receipt of such notice by the company shall cease to be a member.

5.3 **Honorary members**

An honorary member shall cease to be a member upon the earliest to occur of insolvency, or assignment of his estate for the benefit of creditors, or death.

5.4 **Discretion of the board**

Subject to any directions from time to time given by the company in general meeting, the directors may at any time and at their discretion by notice in writing, with reasons, require a member to withdraw from the company and the member so required shall cease to be a member 30 days after receipt of such notice. Provided that the directors shall have afforded the member an opportunity to make representations to the board.

5.5 **Death or legal disability**

Membership will terminate on the death or grant of an order of sequestration, curatorship, liquidation or judicial management of a member.

6. TRANSFER OF MEMBERSHIP

No member may transfer his interest in the company.

7. REGISTER OF MEMBERS

The company shall maintain and make available for inspection at its registered office a register of members of the company as provided by the Act.

8. GENERAL MEETINGS

8.1 Annual general meeting

8.1.1 The company shall hold an annual general meeting in each year at a time and place determined by the directors. Such meeting will, if possible, be held within three months after completion of the audited financial statements of the company.

8.1.2 Subject to Section 179 of the Act, not more than fifteen months shall elapse between any two annual general meetings, and an annual general meeting shall be held within nine months after the end of each financial year of the company.

8.2 Other general meetings

8.2.1 The company may hold general meetings other than annual general meetings at any time.

8.2.2 The directors, whenever they think fit, may convene a general meeting other than an annual general meeting, and shall convene such a meeting if and when required to do so in accordance with the provisions of Section 181 of the Act.

8.3 **Notice of general meetings**

8.3.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than 21 clear days' notice in writing and any other general meeting shall be called by not less than 14 clear days' notice in writing.

8.3.2 The notice shall specify the place, the date and the hour of the meeting and shall be given in the manner hereinafter provided -

8.3.2.1 to every member except to members who have not supplied to the company an address within the Republic of South Africa for the giving of notices to them; and

8.3.2.2 to the auditor.

8.3.3 A meeting of the company shall, notwithstanding the fact that it is called by shorter notice than is specified in this Article, be deemed to have been duly called if it is so agreed by a majority in number of members having a right to attend and vote at the meeting, being a majority holding not less than ninety-five percent of the total voting rights of all members.

8.3.4 Accidental omission to give notice of the meeting to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings of any meeting.

8.4 **Proceedings at general meetings**

8.4.1 Annual general meetings shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements, the annual reports of directors, the appointment of directors, the election of the chairman and vice chairman, 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.

8.4.2 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, 5 members present holding a majority of the voting rights of all members shall be a quorum. A partnership, association or company present by representative duly appointed, shall be deemed a member personally present for the purpose of this Article.

8.4.3 The chairman of the directors shall preside at any general meeting, or should he be absent or unwilling to serve, the vice-chairman, or should both be absent or unwilling to serve the members present shall choose as chairman -

8.4.3.1 one of the directors; or

- 8.4.3.2 if no director is present or willing to serve, then one of the members present.
- 8.4.4 If within ten minutes of the time appointed for a meeting a quorum is not present, the meeting, if convened by requisition, shall be dissolved; but in any other case shall stand adjourned to a day not earlier than seven days and not later than twenty-one days after the date of the meeting, and if ten minutes after the time appointed for the adjourned meeting a quorum is not present, those members who are present shall be a quorum.
- 8.4.5 Subject to Section 192 of the Act, the chairman of any general meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the same from time to time or from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 8.4.6 Where a meeting has been adjourned as provided in 8.4.4., the company shall, within three days after the adjournment publish in a newspaper circulating in the province where the registered office of the company is situate, a notice stating -
- 8.4.6.1 the date, time and place to which the meeting was adjourned;
- 8.4.6.2 the business before the meeting when it was adjourned; and
- 8.4.6.3 the ground for the adjournment.

8.4.7 At any general meeting a resolution put to the vote of the meeting 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 chairman or the members referred to in Section 198 (1) (b) of the Act.

8.4.8 If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Scrutineers shall be elected by the chairman to determine the result of the poll.

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

8.5 **Votes**

8.5.1 On a show of hands every ordinary member present in person (including a partnership, association or company present by representative duly appointed) at a general meeting shall have one vote.

8.5.2 On a poll, every ordinary member present in person as specified above, or by proxy, shall have votes determined as follows -

8.5.2.1 an ordinary member which is a large milling member shall have 12 votes;

8.5.2.2 an ordinary member which is a medium milling member shall have 6 votes; and

8.5.2.3 an ordinary member which is a small milling member shall have 1 vote if during the previous financial year, according to returns made under Article 4.1, either itself or through associate members which are subsidiaries of that ordinary member milled 1% or more but less than 2,5% of total membership throughput of uncleaned wheat and dry maize milled for commercial purposes during that financial year;

an ordinary member which is a small milling member which during the previous financial year, according to returns made under Article 4.1, either itself or through associate members which are subsidiaries of that ordinary member milled less than 1% of total membership throughput of uncleaned wheat and dry maize milled for commercial purposes, shall have 1 vote limited collectively to 5 votes together with all other small milling members milling less than 1% of total membership throughput as determined above. Should this class of small milling members exceed five in number, the 5 votes assigned to this group shall be split and allocated to each small milling member of this class equally pro rata to the total number of small milling members milling less than 1% of total membership throughput.

8.5.3 Subject to any instructions given by the company in general meeting from time to time, should any ordinary member have been admitted after the beginning of the previous financial year, the directors shall declare in terms of the resolution admitting such new member whether such member be a large milling member, a medium milling member or a small milling member.

8.5.4 An associate member and an honorary member shall have no vote at a general meeting of the company.

- 8.5.5 Subject to Section 189 of the Act, votes may be given on a poll either personally or by proxy, and the instrument appointing a proxy shall be in writing signed by the appointer or his agent duly authorised in writing, or, if the appointer is a partnership, association or company, by an officer or agent duly authorised and shall be in a form determined by the directors.
- 8.5.6 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed shall be deposited at the registered office of the company not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, subject to the provisions of Section 189 of the Act, at such other places and within such time as the directors may from time to time direct.
- 8.5.7 Unless it specifically provides otherwise, no instrument appointing a proxy shall be valid after the expiration of one month from date of execution.
- 8.5.8 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of principal or revocation of proxy, unless an intimation in writing of death or revocation has been received by the company before the meeting.

9. DIRECTORS

9.1 Direction and control

The direction and control of the affairs of the company shall be vested in the directors, who may exercise all powers of the company which are not required by the Act or these Articles to be exercised by the company in general meeting.

9.2 Number and appointment

9.2.1 The number of directors shall be not less than two and not more than twenty-five.

9.2.2 The board of directors shall be appointed as follows -

9.2.2.1 ordinary members which are large milling members shall appoint two directors each;

9.2.2.2 ordinary members which are medium milling members shall appoint one director each;

9.2.2.3 ordinary members which are small milling members shall appoint one director each, provided that together they shall be entitled to appoint a maximum of four directors.

9.2.3 Failing unanimous agreement between ordinary members which are small milling members as to the director to be appointed under 9.2.2.3, a meeting shall be called of such small milling members in the same manner as the general meeting of the company mutatis mutandis, and a

resolution determining the director to be appointed on behalf of such small milling members shall be put to such meeting. The quorum for the meeting shall be a majority of the small members entitled to vote, and each small milling member shall have one vote, and resolutions shall be passed by a simple majority of votes.

9.2.4 Ordinary members entitled to appoint directors shall have the power at any time or from time to time to fill a casual vacancy.

9.2.5 The Association in general meeting may by itself or may delegate to the directors the power to make such rules as it may deem fit to govern the time when, and the manner in which, notice of nomination of any person or member as a director shall be given but until the Association in general meeting or the directors, as the case may be, shall have made such rules, nomination of directors shall be made at the annual general meeting of the Association as provided in 8.4.1.

9.2.6 The directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum fixed the continuing directors may act for the purpose of convening a general meeting, but for no other purpose.

9.3 **Chairman**

The company in general meeting shall designate annually one of the directors as chairman and one of the directors as vice-chairman, who shall be chairman and vice-chairman respectively of the directors and the company, provided that no director shall be so designated as chairman for more than three years at any time.

9.4 **Vacation of office**

9.4.1 The office of a director shall ipso facto be vacated -

9.4.1.1 if by one month's notice in writing to the company he resigns his office;

9.4.1.2 if he becomes disqualified from being appointed or acting as a director of a company in terms of the Act, or becomes of unsound mind, or compounds with his creditors, or is absent from five consecutive meetings of the directors without obtaining leave;

9.4.1.3 if he be removed from office by resolution of a general meeting of the company;

9.4.1.4 if he be removed from office by notice to the company from the ordinary member or members appointing such director;

9.4.1.5 if the large milling member or medium milling member appointing a director cease to be a member.

9.4.2 At each annual general meeting all directors shall retire, but shall be eligible for re-appointment or election.

9.5 **Alternate directors**

Each director shall have the power to -

9.5.1 appoint a person to act as alternate director in his place, and at his discretion to remove such alternate director and to appoint another in his

stead. The appointment of any alternate director shall be in writing and approved by the directors. On appointment the alternate director shall be subject to the terms of these articles governing the other directors of the company. An alternate director shall be entitled to act at all meetings and proceedings in which, and on all occasions when the director who appointed him does not act himself.

9.5.2 An alternate director, whilst acting in the place of the director who appointed him, shall exercise and discharge all the duties and functions of the director he represents.

9.5.3 An alternate director shall cease to hold office whenever the director who appointed him ceases to be a director or gives notice in writing to the company that the alternate director representing him has ceased to do so. A director retiring at any annual general meeting and being re-appointed or re-elected shall not, for this purpose, be deemed to have ceased to be a director.

9.6 Executive Director

9.6.1 The directors may from time to time appoint one or more of their body to the office of executive director, for such term and at such remuneration as they may think fit and may revoke such appointment subject to the terms of any agreement entered into in any particular case. A director so appointed shall not, while holding such office, be subject to retirement under 9.4.2 and shall not hold voting rights as conferred under 10.2.

9.6.2 The directors may from time to time entrust to or confer upon an executive director or manager, for the time being, such of the powers and

authorities vested in them as they may think fit, 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 and with such restrictions as they think expedient, and they may confer such powers and authorities either collaterally or to the exclusion of, or in substitution for, all or any of the powers and authorities of the directors and may from time to time revoke or vary all or any of such powers and authorities.

10. PROCEEDINGS OF DIRECTORS

10.1 Meetings

10.1.1 Subject to the provisions of these Articles, the directors shall meet together for the despatch of business, adjourn and or otherwise regulate their meetings as they think fit. Two directors shall form a quorum unless the total number of directors exceed six, when the quorum shall be at least two thirds of the directors. A director who is not in South Africa shall not be entitled to any notice of meeting of directors but notice shall be given to all duly appointed alternate directors who may at the time be in South Africa.

10.1.2 A meeting of directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers or discretions by or under the Articles of the company for the time being vested in or exerciseable by the directors generally.

10.1.3 A resolution in writing signed by all the directors who may at the time be present in the town in which the registered office of the company is situate, 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 instituted. Such a resolution shall consist of one document signed by all directors present being a minimum of two.

10.2 **Votes**

Questions arising at any meeting shall be decided by votes constituting a two-thirds majority of all directors. Each director present shall have one vote.

10.3 **Chairman**

The chairman appointed under Article 9.3 shall preside as chairman at any meeting of the directors, or should he be absent or unwilling to serve, the vice-chairman appointed under 9.3 shall preside, or should both such officials not be present or unwilling to serve the directors present shall choose one of their members as chairman.

10.4 **Delegation**

10.4.1

The directors may delegate all or any of their powers to committees consisting of such persons (whether directors or members of the company or not) as they think fit. Any committee so formed shall in the exercise of the powers so delegated, conform to the rules that may be imposed on it by the directors.

Powers delegated may include the power of sub-delegation.

10.4.2 Insofar as the meetings and proceedings of any such committee are not governed by the regulations made by the directors they shall be governed by the provisions of these Articles as applicable to the directors *mutatis mutandis*.

10.5 **Acts of directors**

All acts done at any meeting of the directors or of any committee of the directors or by any person acting as a director shall notwithstanding that it shall afterwards be discovered there was some defect in the appointment of the directors or persons acting as aforesaid or that they are in some way disqualified be as valid as if such person had been duly appointed and was qualified to be a director.

11. **ACCOUNTS**

11.1 **Financial year**

The financial year of the company shall be from 1 January to 31 December in each year.

11.2 **Presentation of accounts**

The directors shall once at least in every year lay before the company in a general meeting a statement of income and expenditure, and a balance sheet in such form and containing all such particulars as are required by the Act, both made up to date not more than six months before the meeting.

11.3 **Reserve fund**

The directors may establish any reserve fund or funds for the purpose of meeting contingencies or for furtherance of any of the objects of the company and such fund may be invested as the directors think fit.

11.4 **Audit**

11.4.1 Once at least in every year the accounts of the company shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by the auditor.

11.4.2 The auditor shall be appointed and his duties regulated in accordance with the Act.

12. **NOTICES**

12.1 A notice may be given by the company to any member either by advertisement or personally, by facsimile, through electronic transmission or by sending it through the post in a prepaid letter addressed to such member at his address registered in the register of members maintained by the directors or (if he has no registered address in South Africa) at the address, if any, within South Africa supplied by him to the company for the giving of notices to him.

12.2 Any notices, if given by post, shall be deemed to have been served at the time when the letter containing the same is posted and in proving the giving of the notice sent by post it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

13. INDEMNITIES

13.1 Every director, trustee and other officer or servant of the company and the auditor shall be indemnified by the company against losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or deed done by him as such officer or servant, or in any way in the discharge of his duties including travelling expenses, and it shall be the duty of the directors, out of the funds of the company, to pay all costs.

13.2 Subject to the provisions of the Act, no director or trustee, or other officer or servant of the company shall be liable for the acts, receipts, neglects or defaults of any other director, trustee, officer or servant 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 title to any property acquired for or on behalf of the company, or for 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 wrongful act of any person with whom any moneys, securities or effects may be deposited or for any loss or damage occasioned by any error of judgement 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 happens through his own dishonesty.

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