

CONSTITUTION

of

**THE ROOI ELS SECURITY ASSOCIATION
("RESA")**

1. RECORDAL

- 1.1 A non-profit company ("NPC") has been registered being the Rooi Els Security Association NPC registration number 2014/109464/08 ("the Company")
- 1.2 A Memorandum of Incorporation ("MOI") was adopted by the incorporators of the Company, in accordance with Section 13(1) of the Companies Act 2008 ("the Act"), on or about 6 June 2014 ("the MOI").
- 1.3 The object of the Company as set out in the MOI (the Object") is "the oversight and management of security services provided to homeowners of Rooi Els by a contracted Security Service Provider ("SSP")."
- 1.4 The Company is a non-profit company with Members ("Members" or "Homeowners"), as envisaged in the MOI read with article 4 of schedule 1 to the Act.
- 1.5 For the purposes hereof an association of the Members is formed known as the Rooi Els Security Association ("RESA") with a bank account known as the RESA Bank Account.
- 1.6 The purpose of this Constitution is to regulate the operation of RESA and the interaction between the Company, RESA and its members.
- 1.7 This Constitution operates in conjunction with the MOI but where in conflict the provisions of the MOI (and where applicable the Act), apply.

2 GOVERNANCE

- 2.1 Governance is in terms of the MOI, read with the Act (and its schedules and regulations) and this Constitution.
- 2.2 The Directors may establish an Operating Committee for the purposes of RESA's administration ("the Operating Committee").

3 THE STATUS OF RESA

- 3.1 RESA is formed purely to represent an agreement between the members of the Company themselves and between the Members and the Company, regulating the terms of membership of RESA and the operations of the Company.
- 3.2 RESA is not a juristic body in itself capable of suing or being sued or transacting, all of which would take place through the Company.

4 **APPOINTMENT OF MEMBERS**

Members are appointed by signing an agreement in terms of which the proposed member agrees to be bound to this Constitution (read with the MOI) by reference and incorporation.

5 **QUALIFICATIONS FOR MEMBERSHIP**

5.1 Unless otherwise set out in the MOI, the appointment of members will be in the discretion of the directors, ownership of a property in Rooi Els, or being recognized by the RESA Operating Committee as a long term house lessee, being a pre-requisite.

5.2 Membership may be terminated on the basis set out elsewhere herein.

6 **GENERAL OBJECTIVES AND UNDERTAKINGS OF THE COMPANY**

The Company will:

6.1 Conclude negotiations and an agreement with a Security Service Provider ("SSP") to provide a 24-hour security service based in RESA's office in Rooi Els.

6.2 Act as an intermediary and representative between the SSP and Members and collect the monthly subscriptions of Members and guarantees to remit the SSP portion of same to the SSP monthly in terms of the SSP agreement.

6.3 Retain the RESA portion of the subscriptions in the RESA Bank Account and to preserve same exclusively for RESA expenses that will be recorded with any source documents giving rise to same for annual audit purposes.

6.4 Accept that Payment errors to the SSP made by RESA are a RESA responsibility and will not affect the Member.

6.5 Attempt to earn income from any other suitable source agreed to by its Directors and the Operating Committee in the ongoing effort to keep RESA's costs to a minimum commensurate with the service provided.

6.6 Provide well-appointed premises in Rooi Els that will serve as the RESA office (the Office") and the base from which the SSP's guards can operate.

6.7 Maintain for as long and as frequently as circumstances require, a RESA representative ("the RESA Manager") on duty in the Office who will be available to assist members with any security administration help they may require and to assist the SSP to communicate with Members.

6.8 Conduct its business as a NPC, which will include an AGM at which audited accounts will be presented to Members, Minutes will be taken, the Board of Directors will be voted on and

Matters raised as the current Board and those present feel pertinent (and generally any matter deemed to be of sufficient merit by the Members present, or as required by law, will be voted on by those present or by Proxy). Annexure A attached reflects the procedures for meetings and voting.

- 6.9 Attempt to raise funds for any Capital Expenditure that has been voted for by Members, in the first instance by voluntary contributions from Members and the balance by any other legal, appropriate and practicable means agreed to by the Directors.
- 6.10 To act at all times with the best interests of Members at heart, to assist constructively and positively in any dispute with the SSP that is brought to their attention by either party, and to be open to any suggestions to improve Members' security and raise them with the membership body should the Directors and Operating Committee feel it appropriate to do so.

7 THE GENERAL OBLIGATIONS OF THE MEMBER

The Members will:

- 7.1 Pay in advance their combined SSP monthly subscription and RESA monthly charge as agreed by Members at a General Meeting, by the 25th of each month, into the designated RESA Bank Account, regardless of any service dispute that they may be having with the SSP.
- 7.2 Sign an addendum to their contract with the SSP which reflects RESA as their representative for payment of their SSP subscriptions to be made through the RESA Bank Account.
- 7.3 Continue complying with the other terms and conditions of their SSP contract.
- 7.4 Be responsible for technical charges payable in respect of Members' security equipment costs incurred and paid directly to the SSP, these payments are not part of RESA's responsibilities or costs.
- 7.5 Accept that the amount of the RESA charge will be calculated by the Directors with reference to the monthly running costs of RESA divided by the number of Members, (it is noted that at present the costs will include rent of premises, salary of a RESA manager when on site, office supplies, on site utility services, any insurance of assets, coffee, teas and toiletries, maintenance of equipment, fittings and furniture and other minor or one-off sundries).
- 7.6 Notify RESA in writing immediately of a change of home ownership, or a lease giving rise to a permanent residency, simultaneously providing the new owner's or lessee's name and full contact (including email) details.
- 7.7 Advise RESA of a change of their own email address or contact details immediately they are known or at the latest take effect.

8 THE CONTRACT WITH THE SSP

- 8.1 The Directors must negotiate and conclude a written agreement with the SSP, as envisaged in paragraph 6.1 above, in their discretion (which discretion they must exercise judicially for the benefit of the members).
- 8.2 The Members accept and agree that RESA may provide a general indemnity for any loss suffered by the SSP or a Member on the premises of a Member's property in the course of the SSP carrying out its duties.
- 8.3 The members indemnify RESA against any such losses or claims in 8.2 herein above and as might (*mutatis mutandis*) may be set out in the agreement with the SSP.

9 TERMINATION OF MEMBERSHIP

Membership can be terminated in the following circumstances:

- 9.1 Through a member giving RESA 2 (two) months written notice of its intent to terminate its membership.
- 9.2 Should a member transfer its Rooi Els property to another without taking transfer of a substitute Rooi Els property.
- 9.3 If the Directors determine that a particular membership should cease, on the basis that the member has materially breached the terms of this Constitution, or any further rules or resolutions issued in terms thereof or the MOI, including failure to pay full membership contributions, or in the event of general wilful or serious ongoing misconduct that the Operating Committee judge to be harmful to the interests of RESA in conducting its affairs. Termination of membership in these circumstances will be only be implemented once the affected member has been notified in writing of the proposed termination of membership and is given an opportunity to respond or rectify any breaches or omissions that have been identified.

10 ALTERATIONS TO THIS CONSTITUTION

This Constitution may only be amended by way of a two thirds vote of members present or by written Proxy at an annual general meeting or a Special General Meeting called for this purpose, subject thereto that in addition to any requirements of the MOI or the Act, at least 30 (thirty) days written notice of

such meeting must be given together with notification that the alteration of the Constitution is on the agenda, and inclusive of the proposed changes.

11 DURATION AND TERMINATION

11.1 The Company and RESA continues indefinitely, subject to the Company not being liquidated and subject to the provisions set out below.

11.2 RESA may be dissolved (and as a consequence the Company liquidated) upon the passing of a 75% of members vote *mutatis mutandis* as per that process which applies to the amendment of the Constitution and as set out in paragraph 10 hereinabove.

This Constitution and it's contents were adopted at a general meeting of members held on the day of 2015 and remains binding on all members and office bearers until amended at a properly constituted general or annual general meeting of members.

Confirmed as a correct record

Chairperson – RESA NPC