



# ROYAL JOHANNESBURG

EST. 1890

## ROYAL JOHANNESBURG & KENSINGTON GOLF CLUB

### CLUB CONSTITUTION

Adopted by the Members on

21 October 2015

Updated in November 2018 and 22 September 2021

FOLLOWING THE 130<sup>TH</sup> ANNUAL GENERAL MEETING

## Contents

1	Definitions .....	3
2	Interpretation.....	4
3	Name and objects .....	5
4	Constitution and rules.....	5
5	Membership .....	6
	5.1 Categories.....	6
	5.2 Voting rights.....	12
	5.3 Admission.....	12
	5.4 Limit.....	13
	5.5 Register .....	13
	5.6 Entrance fees.....	14
	5.7 Subscription fees.....	14
	5.8 Alteration and reinstatement .....	15
	5.9 Rights.....	16
	5.10 Suspension and expulsion.....	16
6	Members' meetings .....	17
	6.1 Requirement to hold meetings .....	17
	6.2 Calling of meetings .....	17
	6.3 Notice of meetings .....	18
	6.4 Conduct of meetings.....	18
	6.5 Quorum for meetings.....	19
	6.6 Resolutions .....	19
	6.7 Business at Annual General Meetings.....	20
	6.8 Prohibitions on public gatherings.....	21
7	Board .....	21
	7.1 Composition .....	21
	7.2 Responsibilities .....	24
	7.3 Chairperson and CEO .....	25
	7.4 Authority .....	26
	7.5 Meetings.....	27
	7.6 Removal of Board Members.....	29
	7.7 Indemnification .....	30
8	Capital Fund .....	31
	8.1 Assets comprising the fund .....	31
	8.2 Management of the fund.....	32
	8.3 Investment of the fund.....	32
	8.4 Payments from the fund.....	33
9	Capital Fund Committee .....	33
	9.1 Composition.....	33
	9.2 Removal of Capital Fund Committee Members .....	35
	9.3 Authority .....	35
	9.4 Meetings.....	36
	9.5 Fund records.....	38
	9.6 Reporting.....	38
	9.7 Indemnification .....	39
10	Accounts.....	39
11	Guests .....	39
12	Dissolution and liquidation .....	39
13	General.....	39

## 1 Definitions

In this constitution the words set out hereunder will have the meanings assigned to them except if the context clearly indicates otherwise –

- 1.1 **Annual General Meeting** means a Members' Meeting, other than a Special General Meeting, to be held each year to consider the business referred to in article 6.7;
- 1.2 **Board** means the board of persons appointed by the Members to maintain oversight and control over the management and affairs of the Club and carry out the other responsibilities imposed upon the Board in terms of this Constitution;
- 1.3 **Board Member** means a member of the Board;
- 1.4 **Capital Fund** means the capital fund of the Club as constituted in article 8;
- 1.5 **Capital Fund Committee** means the committee responsible for the Capital Fund as constituted in article 9;
- 1.6 **Capital Fund Committee Member** means a member of the Capital Fund Committee;
- 1.7 **CEO** means the chief executive officer of the Club appointed from time to time by the Board who shall have the responsibility of, *inter alia*, overseeing the day-to-day management of the Club;
- 1.8 **Chairperson** means the chairperson of the Club referred to in article 7.1.1.1 appointed from time to time by the Members;
- 1.9 **Club** means the Royal Johannesburg and Kensington Golf Club, a *universitas*;
- 1.10 **Clubhouse** means the clubhouse of the Club from time to time designated by the Board;
- 1.11 **Company** means the Johannesburg Golf Club Limited with registration number 1909/003284/06;
- 1.12 **Constitution** means this constitution of the Club which is the sole constitution applicable to the Club and all its Members;
- 1.13 **Facility Entitlements** means the use of the Clubhouse and facilities offered by the Club other than golfing facilities;
- 1.14 **Golfing Entitlements** means the use of the golfing facilities offered by the Club;
- 1.15 **Member** means a member of the Club elected as such under this Constitution;
- 1.16 **Members' Meeting** means either an Annual General Meeting or a Special General Meeting;

- 1.17 **Ordinary Resolution** means a resolution adopted with the support of more than 50% of the voting rights exercised on the resolution by the Members at a Members' Meeting;
- 1.18 **Property** means any property owned by the Club and/or Royal Johannesburg Ltd including the property on which the Club's golf courses are situated, or any part thereof;
- 1.19 **Rules** means rules of the Club adopted by the Board and approved by the Members by way of Ordinary Resolution;
- 1.20 **Special Resolution** means a resolution adopted with the support of 75% or more of the voting rights exercised on the resolution at a Members' Meeting;
- 1.21 **Special General Meeting** means any Members' Meeting, other than an Annual General Meeting, which may be convened and held between any two Annual General Meetings;
- 1.22 **Vice Chairperson** means the vice chairperson referred to in article 7.1.1.2 appointed from time to time by the Members.

## 2 Interpretation

In this Constitution, unless the context requires otherwise –

- 2.1 any reference to the singular includes the plural and *vice versa*;
- 2.2 any reference to a natural person includes a legal person and *vice versa*;
- 2.3 any reference to a gender includes the other genders;
- 2.4 any reference to an "article" is a reference to an article of this Constitution;
- 2.5 any reference to a "day" is a reference to any Gregorian calendar day including a Saturday, Sunday, or official public holiday in the Republic of South Africa;
- 2.6 any reference to a "business day" is a reference to every Gregorian calendar day other than a Saturday, Sunday, or official public holiday in the Republic of South Africa;
- 2.7 where any number of days is prescribed, such number will exclude the first and last day, unless the last day falls on a non-business day, in which case the last day will be the next succeeding business day;
- 2.8 the use of the word "including" followed by a specific example or specific examples is not to be construed as limiting the meaning of the general wording preceding it;

2.9 if the due date for performance of any act in terms of this Constitution is a day which is not a business day then the due date for performance of the relevant obligation shall be the immediately preceding business day; and

2.10 article headings have been inserted for convenience only and shall not be considered in its interpretation.

### 3 **Name and objects**

3.1 The name of the Club shall be "*the Royal Johannesburg and Kensington Golf Club*".

3.2 The objects of the Club shall be to –

3.2.1 erect, develop, improve, operate, and maintain golf courses and related or unrelated sports and other facilities on the Property;

3.2.2 enter into and generally act in terms of an agreement with the Company in terms whereof it is granted an indefinite right to use the Property;

3.2.3 hold the shares of the Company;

3.2.4 enter into contracts, sue and be sued in its own name;

3.2.5 hold licenses for the carrying on of business and raise, invest, and manage funds to achieve its objects; and

3.2.6 generally further the interests of the Club for the benefit of the Members.

3.3 The Club shall have all the powers which are necessary for it to achieve the forementioned objects.

### 4 **Constitution and rules**

4.1 This Constitution may only be amended –

4.1.1 in compliance with a Court order, which amendment need only be effected by a Board resolution;

4.1.2 if a Special Resolution to amend it –

4.1.2.1 is proposed by –

4.1.2.1.1 the Board; or

4.1.2.1.2 at least 20 Members; and

4.1.2.2 is adopted at a Members' Meeting;

- 4.1.3 in executing a Board resolution dealing only with an amendment which is necessary to correct a patent error in spelling, punctuation, reference, grammar, or similar defect appearing on the face of this Constitution provided that a notice of the amendment is given in the same manner as rule notifications are required to be brought to the Members' attention under article 4.2 or at a Members' Meeting.
- 4.2 The Board may make, amend, or repeal any necessary or incidental rules relating to the governance of the Club, the use of the Club's facilities, the conduct of Members or any other matter of interest to the Club, not addressed in this Constitution, by –
- 4.2.1 forwarding a copy of the rules to Members by way of electronic mail which shall be deemed to have been received at the time and date reflected the corresponding automated delivery notification; or
- 4.2.2 displaying a notice of the Rules or any amendments thereto or repeals thereof in the Clubhouse which notice shall state how a copy of the Rules may be obtained by Members.
- 4.3 A rule contemplated in article 4.2 –
- 4.3.1 must be consistent with this Constitution; and
- 4.3.2 takes effect on a date that is the later of –
- 4.3.2.1 10 business days after the rule is sent to Members or notice thereof is displayed in the Clubhouse; or
- 4.3.2.2 the date, if any, specified in the rule.

## 5 Membership

### 5.1 Categories

The Members shall be categorised as follows, and will have the following rights, privileges, and entitlements subject to the corresponding limitations, namely –

CATEGORY	SUB-CATEGORY	QUALIFICATION CRITERIA	RIGHTS, ENTITLEMENTS, & PRIVILEGES	LIMITATIONS
PLATINUM	LIFE	Persons who have been members for an uninterrupted	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	None

		period of 50 years or more		
	HONORARY LIFE	Persons admitted as such for some special benefit or service rendered to the Club as put forward by the board	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	None
	HONORARY	Persons admitted as such for reason of holding some public office, or having conferred some special benefit to the game of golf or to the Club, as awarded by the board. Reviewed on an annual basis	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	None
	SENIOR	Persons who are older than 65 years with 20 years' service to the Club	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> <li>• Entitlement to a 20% reduced rate of subscription regardless of the number of years of services over 20</li> </ul>	None
GOLD	ORDINARY	Persons older than 35 years of age	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	None
	6-DAY	Persons older than 25 years of age	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Limited Golfing Entitlements</li> </ul>	May not play golf on Saturdays

	5-DAY	Persons older than 25 years of age	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Limited Golfing Entitlements</li> </ul>	May not play golf on Saturdays or Sundays
	5-DAY AM	Persons older than 25 years of age	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Limited Golfing Entitlements</li> </ul>	<p>May only play golf on the Club's morning time sheet on weekdays excluding South African public holidays</p> <p>Excludes the use of the Club's gym</p>
	SENIOR INTERIM	Persons older than 30 but younger than 35 years of age	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	None
	INTERIM	Persons older than 20 but younger than 30 years of age	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	None
	CORPORATE	Persons older than 20 years who are nominated by a corporate Member	<ul style="list-style-type: none"> <li>• Voting rights</li> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	<p>None</p> <p>Excludes the use of the Club's gym</p>
SILVER	STUDENT & GRADUATE	Persons older than 20 but younger than 30 years who are registered as fulltime students at a university or college or persons completing contracts of articles or housemanship	<ul style="list-style-type: none"> <li>• Facility Entitlements</li> <li>• Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• May not play golf on Saturdays except by prior arrangement with the management of the Club in accordance with the Rules</li> <li>• Excludes the use of the Club's gym</li> </ul>



	JUNIOR	Persons younger than 20 years of age	<ul style="list-style-type: none"> <li>• Facility Entitlements</li> <li>• Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• May not play golf on a Saturday except by prior arrangement with the management of the Club in accordance with the Rules</li> <li>• Excludes the use of the Club's gym</li> </ul>
	COUNTRY	Persons older than 20 years whose normal place of permanent residence is more than 120km away from the Club and who give the CEO proof acceptable to the Board of their place of permanent residence status evidencing category entitlement	Limited Golfing Entitlements	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• Cannot normally hold a handicap at the Club</li> <li>• May not participate in Club trophy events</li> <li>• May not purchase a playing ticket</li> <li>• Are limited to 12 golf rounds within a membership year at membership rate subject to prior authorisation by the Club's golf department to book on Saturdays and Sundays</li> </ul>
	RESIDENTIAL	Persons who are permanent residents of the sectional title units or free hold residences developed on the Property	Facility Entitlements including Gym and dining facilities	No voting rights
	SOCIAL	Persons older than 25 years of age	Facility Entitlements.	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• May only use the Clubhouse facilities excluding the Club's Gym</li> </ul>

	GOLF PROFESSIONAL	Persons those who are registered as golf professionals with the Professional Golf Association	<ul style="list-style-type: none"> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• Excludes the use of the Club's gym</li> </ul>
	GAUTENG SENIOR	Persons who are paid up members of the Gauteng Senior Golfer's Society or the Gauteng Senior Ladies Golf Society who are not Members, who are full members of another SAGA/SALGU affiliated club and who are approved in writing for this category of membership by the CEO	<ul style="list-style-type: none"> <li>• Facility Entitlements</li> <li>• Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• May only play golf on the following days between the following times: <ul style="list-style-type: none"> <li>○ Men: Thursdays and Tuesdays in the morning field or the allocated Gauteng Seniors Day</li> <li>○ Ladies: Fridays and Tuesdays in the morning field or the allocated Gauteng Seniors Day</li> </ul> </li> <li>• Excludes the use of the Club's gym</li> </ul>
	MERIT	Persons who are awarded this category of membership by the Board, which category is open to sporting people or educational institutions with no subscriptions payable and with a "pay to play" option. Reviewed on an annual basis.	<ul style="list-style-type: none"> <li>• Facility Entitlements</li> <li>• Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• Excludes the use of the Club's gym</li> </ul>
	MASTER'S GOLF SOCIETY	Persons who are paid up members of the Master's	<ul style="list-style-type: none"> <li>• Facility Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• No voting rights</li> </ul>

		Golf Society, who are not already Members, and who are members with an official golf handicap at another SAGA affiliated club	<ul style="list-style-type: none"> <li>Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>May not play golf as Members on Saturdays</li> <li>Excludes the use of the Club's gym</li> </ul>
	NON-PERMANENT	Persons who temporarily reside outside of South Africa	<ul style="list-style-type: none"> <li>Limited Facility Entitlements</li> <li>Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>No voting rights</li> <li>Rights, privileges, and entitlements may only be exercised for a period not exceeding 6 consecutive months in each calendar year</li> </ul>
	9-HOLE	Persons older than 20 years of age	<ul style="list-style-type: none"> <li>Facility Entitlements</li> <li>Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>No voting rights</li> <li>May not participate in Club trophy events</li> <li>May only play golf on Weekdays subject to availability during course maintenance periods decided by the Board between 06h30 and 07h00 or after 15h00 (or after the field has turned), and who may not play golf on a Saturday or Sunday before 15h00 (or before the field has turned)</li> <li>Excludes the use of the Club's gym</li> </ul>
	9-HOLE JUNIOR	Persons younger than 20 years of age	<ul style="list-style-type: none"> <li>Facility Entitlements</li> <li>Limited Golfing Entitlements</li> </ul>	<ul style="list-style-type: none"> <li>No voting rights</li> <li>May not participate in Club trophy events</li> <li>May only play golf on Weekdays subject to availability or during course maintenance</li> </ul>

				<p>periods decided by the Board between 06h30 and 07h00 or after 15h00 (or after the field has turned), and who may not play golf on a Saturday or Sunday before 15h00 (or before the field has turned)</p> <ul style="list-style-type: none"> <li>• Excludes the use of the Club's gym</li> </ul>
	GYM	Persons older than 16 years of age	Limited Facility Entitlements	<ul style="list-style-type: none"> <li>• No voting rights</li> <li>• May only use the Club's gym and locker room facilities</li> </ul>
	FAMILY	Up to 4 persons who are directly related to one another provided that 2 of them take up membership in the Gold Category and 2 in the Silver Category	<p>The rights, privileges, and entitlements as the classes of Membership taken up.</p> <p>Discounts on Membership Fees determined by the Board.</p>	The same limitations as the classes of Membership taken up

## 5.2 Voting rights

All categories of Members, except Silver Members, will have a right to vote on any matter to be decided by the Members.

## 5.3 Admission

5.3.1 In order for a person to be admitted as a Member –

5.3.1.1 that person (**the applicant**) shall complete and submit to the CEO an application form approved by the Board (**the application**);

5.3.1.2 the application must be proposed by a Member –

5.3.1.2.1 who personally knows the applicant; and

5.3.1.2.2 who has been a Member for at least 12 months;

5.3.1.3 the CEO shall cause a notice of the applicant's application to be displayed in the Clubhouse for a period of at least 21 days which notice shall call upon Members to, within 28 days of the date of the notice, lodge with the CEO any objections which they may have to the applicant's admission as a Member;

5.3.1.4 the applicant must not have applied for membership in the preceding 6 months;

5.3.1.5 the applicant must not have a criminal record;

5.3.1.6 if there are any objections received under article 5.3.1.3, the Board must have approved the application by way of a resolution supported by at least 75% of all votes cast thereon at a Board meeting after considering the application and any objections received under article 5.3.1.3, provided that the Board may interview the applicant and/or request further information from the applicant before the application is put to vote.

5.3.2 Once the requirements of article 5.3.1 have been satisfied, the CEO shall –

5.3.2.1 where there is a vacancy in the category of membership applied for, enter the applicant's name into the register of Members under such category against payment by the Member of the entrance fee and the annual subscription applicable to that category;

5.3.2.2 where there is no vacancy in the category of membership applied for, place the applicant's name on the waiting list for such category to be entered into the register of Members under such category once a vacancy occurs and against payment by the Member of the entrance fee and the annual subscription applicable to such category;

5.3.2.3 provide the applicant with access to a copy of the Rules.

5.3.3 No applicant will receive preference over any other applicant except where the Board determines that it is in the best interest of the Club to grant an applicant preference.

#### 5.4 **Limit**

The Board shall determine the limits to the maximum number of Members allowed within each category of membership.

#### 5.5 **Register**

A register of Members shall be kept at the Club's premises, which shall always be open for inspection by Members with the consent of the CEO which will not be unreasonably withheld.

## 5.6 Entrance fees

The Board shall from time to time determine –

- 5.6.1 any entrance fee payable by an applicant for each category of membership and shall have the right to decrease the entrance fee on an *ad hoc* basis; and
- 5.6.2 any entrance fee payable by a Member who transfers from one category of membership to another,

provided that the immediate family of an Ordinary Member may join the club without having to pay an entrance fee. The term “immediate family” includes the Member’s spouse and dependents up to the age of 21 years including dependents up to the age of 30 years who are full-time students.

## 5.7 Subscription fees

- 5.7.1 The subscription fees payable for each category of membership and their manner of payment shall, subject to article 5.7.4, be determined by the Board from time to time provided that any increase to subscription fees in excess of 10% shall be approved by the Members by way of Ordinary Resolution before it becomes effective.
- 5.7.2 Honorary Members, Honorary Life Members, and Life Members shall be exempt from the payment of subscriptions fees.
- 5.7.3 The Board may –
  - 5.7.3.1 remit the whole or part of the subscription fees due by any Member for such period and on such terms and conditions as the Board deems fit;
  - 5.7.3.2 grant a settlement discount on subscription fees on such terms and conditions as the Board deems fit; and
  - 5.7.3.3 grant reductions in subscription fees to Ordinary Members, who have been Members for a continuous period of at least 20 years, upon them attaining the age of 65 years on such terms and conditions as the Board deems fit, in addition to any reductions dealt with under the relevant categories of membership in article 5.1.
- 5.7.4 All subscription fees are due and payable annually in advance on the first day of each of the financial years of the Club provided that Members may with the written permission of the Board, grant the Club an unconditional and irrevocable direct debit order authorisation in a form approved by the Board which allows the Club to debit the account of the Member for the annual subscription fee, provided that –

5.7.4.1 the Club will only debit the account of the Member monthly in advance in an amount equal to one twelfth of the subscription fee due by such Member; and

5.7.4.2 the Member will be responsible for ensuring that the Club has up to date and correct information.

5.7.5 If a Member fails to make payment of subscription fees or any other amount of money owed to the Club (regardless of the cause of indebtedness) or if any debit order is dishonored –

5.7.5.1 before the due date for payment, all outstanding subscription fees shall immediately become due and payable, and all rights and privileges of such Member (including voting rights) shall be suspended without further notice until such time as the outstanding subscription fees are settled; and

5.7.5.2 within a period of 60 days from their due date for payment, the Member shall be removed from the register of Members without further notice.

5.7.6 The Board shall cause a list of all Members who are in arrears on their subscription fees to be displayed in the Clubhouse.

## 5.8 **Alteration and reinstatement**

A Member may, on written application to the CEO; transfer from one category of membership to another for which the Member is eligible provided that –

5.8.1 there will be a waiting period of 2 years before a Member may be considered for admission into the Gauteng Senior Membership category;

5.8.2 Junior, Student, Interim, and Senior Interim Members shall, on the determination by the Board based on status and age, automatically progress to the next higher level of membership applicable, without having to pay an additional entrance fee;

5.8.3 other categories of membership will be liable to pay the difference between the entrance fee applicable to their existing category of membership and that to which they choose to transfer in the year in which transfer is effected;

5.8.4 persons who were Members and who relinquish their membership for any reason, may be re-admitted on such terms and conditions as the Board may deem fit; and

5.8.5 a Member wishing to downgrade his or her membership may only do so with the written consent of the CEO, except where the downgrade request is made during any renewal period unless with the written consent of the Board.

## 5.9 Rights

Members do not have any proprietary right, interest, claim, or demand in or to any asset(s) of the Club, but have the right and privilege of entering in and being upon and using the buildings and grounds and facilities of the Club, subject to –

- 5.9.1 such charges and reasonable restrictions as the Board may from time to time impose;
- 5.9.2 such restrictions placed on their category of membership in this Constitution; and
- 5.9.3 the Rules.

## 5.10 Suspension and expulsion

5.10.1 If any Member, in the opinion of the Board, has committed a breach of the Rules or is guilty of conduct which is objectionable, improper, or dishonest or which is detrimental or prejudicial to the interests of the Club or the Members, whether committed within the precincts of the Club or elsewhere, a meeting of the Board shall be convened, at which such Member shall be given a reasonable opportunity to make representations to the Board.

5.10.2 Should such Member fail to attend the meeting or fail to give a satisfactory explanation to the Board, the Board shall have the power to –

5.10.2.1 caution such Member;

5.10.2.2 suspend such Member for such period and upon such terms as the Board may deem fit;

5.10.2.3 expel such Member, who shall thereafter be ineligible for re-election to the membership of the Club; and/or

5.10.2.4 impose such sanction, fine, or penalty as it deems acceptable.

5.10.3 Any Member cautioned, suspended, or expelled by the Board in terms of article 5.10.2 shall have the right to request that the decision of the Board be referred to the Members for determination at a Members' Meeting provided that –

5.10.3.1 the request shall be in writing setting out the reasons therefore and shall be delivered within a period of 30 days from the date of the Board's decision under article 5.10.2;

5.10.3.2 the Board may demand, as a condition to convening a Special General Meeting, that the Member pay a deposit to the Board sufficient in its opinion to cover the costs of calling a Special General Meeting (**the deposit**);



5.10.3.3 the Board shall, within a period of 30 days from the date of receipt of the deposit, convene a Special General Meeting to vote on such decision by way of an Ordinary Resolution;

5.10.3.4 pending the Special General Meeting, the decision of the Board shall remain of full force and effect;

5.10.3.5 if the Members overturn the decision of the Board the deposit paid under article 5.10.3.2 will be refunded to the Member; and

5.10.3.6 the decision of the Members shall be final and binding on the Club and the Member.

5.10.4 A Member expelled in terms of this Constitution forfeits all subscriptions paid to the Club.

## 6 **Members' meetings**

### 6.1 **Requirement to hold meetings**

The Club shall hold –

6.1.1 an Annual General Meeting each year no later than the expiry of a period of 4 months after the end of each financial year of the Club; and

6.1.2 a Special General Meeting where:

6.1.2.1 written and signed demands are received from Members in terms of article 6.2.1.2 [*written and signed demands by Members to convene a Members' Meeting*]; or

6.1.2.2 the Board is required by this Constitution to refer a matter to the Members for their decision.

### 6.2 **Calling of meetings**

6.2.1 The Board –

6.2.1.1 may call a Members' Meeting at any time of its own accord; and

6.2.1.2 shall call a Members' Meeting if one or more written and signed demands for such a meeting are delivered to the CEO, and –

6.2.1.2.1 each such demand describes the specific purpose for which the meeting is proposed; and

6.2.1.2.2 in aggregate, demands for substantially the same purpose are made and signed by at least 20 Members.

6.2.2 At any time before the start of a Members' Meeting contemplated in article 6.2.1.2 –

6.2.2.1 a Member who submitted a demand for that meeting may withdraw that demand; and

6.2.2.2 the Club must cancel the meeting if, as a result of one or more demands being withdrawn, the number of Members continuing to demand the meeting, in aggregate, fall below the minimum number required by article 6.2.1.2.2 to call the meeting.

6.2.3 Any failure to hold a Members' Meeting as required by this article does not affect the existence of the Club, or the validity of any action taken by the Club.

### 6.3 Notice of meetings

6.3.1 The Board shall deliver a notice of each Members' Meeting to all the Members, at least 14 business days before the meeting is to begin.

6.3.2 A notice of a Members' Meeting must be in writing, and must include –

6.3.2.1 the date and time for the meeting;

6.3.2.2 the general purpose of the meeting, and any specific purpose contemplated in article 6.2.1.2 [*written and signed demands from Members describing the purpose for which the meeting is proposed*], if applicable;

6.3.2.3 a copy of any proposed resolution of which the Board has received notice (except any resolution submitted under article 6.7.2 which shall be published in accordance with article 6.7.3), and which is to be considered at the meeting, and a notice of the percentage of voting rights that will be required for that resolution to be adopted; and

6.3.2.4 in the case of an Annual General Meeting, the abridged financial statements of the Club.

6.3.3 Failure to send notice to one or more Members not exceeding 20 shall not invalidate any Members' Meeting.

6.3.4 Notices may be sent electronically to such fax or email addresses selected by Members for the purposes of receiving communications from the Club.

### 6.4 Conduct of meetings

6.4.1 All Members' Meetings will take place at the Club.

6.4.2 The Chairperson will chair all Members' Meetings, or in the Chairperson's absence the Vice Chairperson, or in the Vice Chairperson's absence such person appointed by Ordinary Resolution (the **chairperson**).

- 6.4.3 Any Members present in person and who are entitled to exercise voting rights must, on a show of hands or voting by way of secret ballot, have only one vote. In the case of a tied vote the Chairperson will have a second casting vote.
- 6.4.4 All votes at a Members' Meeting shall be taken by a show of hands unless a secret ballot is demanded by at least 10 Members.
- 6.4.5 On a vote being –
- 6.4.5.1 taken by a show of hands, the declaration of the result of such voting by the Chairperson shall be conclusive;
  - 6.4.5.2 demanded by secret ballot, the Chairperson shall fix the mode of such ballot and his decision in this regard shall be final.
- 6.4.6 Members' Meetings may be adjourned by Ordinary Resolution.
- 6.5 Quorum for meetings**
- 6.5.1 For a Members' Meeting to begin or for any matter to begin to be decided at a Members' Meeting there must be at least 20 Members present.
- 6.5.2 If, within 30 minutes after the appointed time for a Members' Meeting to begin, the requirements of article 6.5.1 are not met the meeting shall be adjourned to the same time on the same day in the next week and at such adjourned meeting the Members then present shall constitute a quorum.
- 6.5.3 Notwithstanding the provisions of article 6.5.2, if a quorum is not present at a meeting called by Members under article 6.2.1.2 [*written and signed demand by 20 Members*] the meeting shall be dissolved.
- 6.6 Resolutions**
- 6.6.1 For an Ordinary Resolution to be adopted at a Members' Meeting, it must be supported by more than 50% of the votes exercised on the resolution.
- 6.6.2 For a Special Resolution to be adopted at a Members' meeting, it must be supported by 75% or more of the votes exercised on the resolution.
- 6.6.3 A Special Resolution is not required for a matter to be determined by the Members, except to –
- 6.6.3.1 amend this Constitution;
  - 6.6.3.2 ratify a consolidated revision of this Constitution;

- 6.6.3.3 ratify actions by the Board in excess of its authority;
- 6.6.3.4 approve the voluntary winding up of the Club;
- 6.6.3.5 authorise the release of any part of the Capital Fund to the Board under article 8.4;
- 6.6.3.6 approve the sale by the Club of any its shares in the Company;
- 6.6.3.7 approve any special resolution which is sought to be passed by the Company as is required in terms of the Company's memorandum of incorporation; and
- 6.6.3.8 approve any resolution which is sought to be passed by the Company pertaining to the acquisition of any other property.

## 6.7 **Business at Annual General Meetings**

- 6.7.1 The business to be transacted at an Annual General Meeting shall be to –
  - 6.7.1.1 confirm the minutes of the previous Annual General Meeting;
  - 6.7.1.2 receive the report of the Board on the affairs of the Club for the preceding year;
  - 6.7.1.3 receive the report of the Capital Fund Committee on the affairs of the Capital Fund for the preceding year;
  - 6.7.1.4 receive and consider the audited financial statements of the Club for the preceding year;
  - 6.7.1.5 elect Board Members in the place of those retiring in terms of article 7.1.4 or otherwise to fill any vacancy;
  - 6.7.1.6 elect Capital Fund Committee Members to the Capital Fund Committee in the place of those retiring in terms of article 9.1.3 or otherwise to fill any vacancy;
  - 6.7.1.7 appoint auditors for the ensuing financial year and to fix their remuneration; and
  - 6.7.1.8 consider any other business concerning the business or affairs of the Club, or vote on any resolution, included in the notice of the Annual General Meeting or published by the CEO under article 6.7.3.
- 6.7.2 If 20 or more Members wish to propose a resolution for consideration and voting at an Annual General Meeting, they shall each sign and lodge a notice of such resolution with the CEO at least 10 business days before the date fixed for such meeting.

6.7.3 At least 7 business days before the Annual General Meeting, the CEO shall post the contents of the proposed resolutions received under article 6.7.2 on in the Clubhouse notice board.

## 6.8 Prohibitions on public gatherings

6.8.1 If any Local, National, or Provincial governments place limitations (by way of law of general application) on the Club's ability to hold public gatherings less than the number of Members entitled to vote at a Member's Meeting, then the Club may hold a Members' meeting by such freely available electronic communication facilities that enable Members to participate in and vote at the meeting substantially in the same manner as if the meeting were held at the Club (**electronic meeting facilities**) and provided that:

6.8.1.1 the notice of the meeting (article 6.3) shall:

6.8.1.1.1 specify the electronic meeting facilities link;

6.8.1.1.2 invite Members to sign, scan, and email a proxy form to the CEO for voting purposes at the meeting using the form appended hereto as Schedule 1 no later than 72 business hours before the time scheduled for the meeting;

6.8.1.1.3 invite Members to make written submissions to the CEO to be read and dealt with at the meeting;

6.8.1.1.4 require Members to provide proof of identity for verification purposes acceptable to the Board acting reasonably.

6.8.1.2 If requested by Members holding more than 30% of the voting rights entitled to be exercised at the Members, the Board shall cause an independent audit of the meeting and verify the voting process and outcomes before any resolutions adopted are carried into effect.

6.8.2 Once made and delivered any proxy appointment given under this article is irrevocable, regardless of whether the Member giving the proxy attends the meeting.

## 7 Board

### 7.1 Composition

7.1.1 The Board shall consist of the following Members –

7.1.1.1 a Chairperson;

7.1.1.2 a Vice Chairperson;

7.1.1.3 a Treasurer;

7.1.1.4 a Men's Captain;

7.1.1.5 a Ladies Captain;

7.1.1.6 the CEO; and

7.1.1.7 up to 3 other persons elected by the Board at its discretion under article 7.1.2.

7.1.2 The Board Members referred to in articles 7.1.1.1 to 7.1.1.5 (**the Member elected Board Members**), who shall be non-executive Board Members, shall be elected by way of Ordinary Resolution at a Member's Meeting in accordance with article 7.1.8 whereas the CEO shall be elected by the Member elected Board Members and shall hold office for an indefinite period and the person(s) contemplated in article 7.1.1.7 (the **Board elected Members**) may be elected by the Board Members (including the appointed CEO) and will serve for such period(s) as determined by the Board.

7.1.3 No person may be appointed as a Board Member if –

7.1.3.1 that person is not standing for re-election under article 7.1.4 or has not been nominated by Members under article 7.1.5 or by the Board under article 7.1.6;

7.1.3.2 a court has prohibited that person from being a director of a company, or declared the person to be delinquent in terms of section 162 of the Companies Act, 2008 or in terms of section 47 of the Close Corporations Act, 1984; or

7.1.3.3 the person –

7.1.3.3.1 is an unrehabilitated insolvent;

7.1.3.3.2 is prohibited in terms of any public regulation from being a director of a company;

7.1.3.3.3 has been removed from an office of trust on the grounds of misconduct involving dishonesty; or

7.1.3.3.4 has been convicted, in the Republic of South Africa or elsewhere, and imprisoned without the option of a fine, or fined more than the prescribed amount, for theft, fraud, forgery, perjury or an offence-

7.1.3.3.4.1 involving fraud, misrepresentation, or dishonesty;

7.1.3.3.4.2 in connection with the promotion, formation, or management of a company, or in connection with any act

contemplated in sections 69 (2) or (5) of the Companies Act, 2008; or

7.1.3.3.4.3 under the Companies Act, 2008, the Insolvency Act, 1936, the Close Corporations Act, 1984, the Competition Act, 1998, the Financial Intelligence Centre Act, 2001, the Securities Services Act, 2004, or Chapter 2 of the Prevention and Combating of Corruption Activities Act, 2004.

7.1.4 At each Annual General Meeting those Board Members excluding the CEO and the Board Elected Members (the Rotating Board Members) who have served for 2 years on the Board shall retire; however every retiring Board Member shall be able to stand for re-election without having to be nominated under article 7.1.5 provided that no Rotating Board Member may be re-elected to the same office (as held under articles 7.1.1.1 to 7.1.1.6) unless re-elected by Special Resolution. Therefore, the Chairperson may not for example be re-elected as Chairperson without a Special Resolution but may be re-elected by Ordinary Resolution as Vice Chairperson (article 7.1.1.2), Treasurer (article 7.1.1.3), Men's Captain (article 7.1.1.4), Ladies Captain (article 7.2.1.5), or additional Member elected Board Member (article 7.2.1.6).

7.1.5 At least 10 days before any Annual General Meeting, the Members shall deliver their nominations for Board Member candidates to the CEO provided that each nomination shall be –

7.1.5.1 in writing;

7.1.5.2 signed by at least 2 nominating Members;

7.1.5.3 signed by the Board Member candidate; and

7.1.5.4 accompanied by a brief *curriculum vitae* of the Board Member candidate.

7.1.6 The Board will be entitled to nominate any Member for election as a Board Member.

7.1.7 At least 7 days before any Annual General Meeting the Board will display in the Club's clubhouse –

7.1.7.1 the names of the resigning Board Members if any who will be standing for re-election under article 7.1.4;

7.1.7.2 details of any vacancies which arose on the Board since the last Annual General Meeting; and

7.1.7.3 the names of Members nominated for election as Board Members by Members and/or by the Board.

7.1.8 The manner of electing Member Elected Board Members (other than the CEO and the Board Elected Members, who shall be elected by the Member elected Board Members and the CEO) is as follows –

7.1.8.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board at that time have been fulfilled; and

7.1.8.2 in each vote to fill a vacancy –

7.1.8.2.1 each vote entitled to be exercised may be exercised once; and

7.1.8.2.2 the vacancy is filled only if a majority of the voting rights exercised support the candidate.

7.1.9 The Board has the power to fill any vacancy in Member Elected Board Members on a temporary basis until the next Annual General Meeting, or in any Board Elected Members as and when required in the Board's discretion.

## 7.2 Responsibilities

The Board's responsibilities shall include the general responsibilities of –

7.2.1 maintaining oversight of the management of the business and affairs of the Club;

7.2.2 adopting a board charter setting out its responsibilities;

7.2.3 ensuring that the Club operates in accordance with internationally recognised principles of corporate governance (**corporate governance principles**) and that the Club acts as a responsible corporate citizen;

7.2.4 acting as the focal point for, and the custodian of, corporate governance by managing its relationship with the Club's management, the Members and other stakeholders of the Club in line with the corporate governance principles;

7.2.5 providing effective and ethical leadership and ensuring that the Club's ethics are effectively managed and that it complies with all laws applicable to it;

7.2.6 advancing and protecting the Club's reputation;

7.2.7 ensuring that in conducting the business of the Club, strategy, risk, performance, and sustainability are considered as a whole;



- 7.2.8 implementing procedures aimed at ensuring the effectiveness and independence of the Capital Fund Committee;
- 7.2.9 ensuring the effectiveness of the Club's risk-based internal audit;
- 7.2.10 overseeing the Club's information technology (IT) governance;
- 7.2.11 ensuring the integrity of the Club's integrated report;
- 7.2.12 ensuring, and reporting on, the effectiveness of the Club's system of internal controls;
- 7.2.13 appointing the CEO and evaluating his/her performance;
- 7.2.14 annually evaluating the Board, its committees and individual Board Members;
- 7.2.15 delegating certain of its responsibilities to committees and/or the Club's management without abdicating its own responsibilities;
- 7.2.16 governing risk, determining levels of risk tolerance, ensuring the continual and effective performance of risk assessments, and implementing frameworks to effectively (a) anticipating unpredictable risks and (b) dealing therewith should they manifest themselves; and
- 7.2.17 ensuring that disputes are resolved as effectively, efficiently, and expeditiously as possible.

### 7.3 Chairperson and CEO

The Board shall from time to time formally determine the responsibilities of the Chairperson and the CEO provided that –

- 7.3.1 their responsibilities shall be clearly separate such that neither of them has unfettered powers of decision-making;
- 7.3.2 the Chairperson shall generally be responsible for providing overall leadership of the Board and ensuring that the Board receives accurate, timely, and clear information so as to ensure that the Board Members can discharge their responsibilities effectively and efficiently;
- 7.3.3 the CEO shall generally be responsible for the day-to-day oversight of the Club's management and formulating and recommending to the Board long-term strategies and policies and, through the approved framework of delegated authority, ensuring their effective implementation;
- 7.3.4 it shall implement appropriate succession plans for both the Chairperson and the CEO.

## 7.4 Authority

- 7.4.1 The Board has the authority to exercise all the powers and perform all the functions which are necessary to enable the Club to carry out its responsibilities effectively provided that it shall be entitled to delegate its powers to one or more persons in writing.
- 7.4.2 In addition to the general powers under article 7.4.1, the Board will have the specific powers to –
- 7.4.2.1 appoint, suspend and discharge all the employees of the Club including the CEO and to fix their remuneration and terms of employment;
  - 7.4.2.2 institute, conduct, defend, compound, or abandon any legal proceedings by or against the Club, or its officers, or otherwise concerning the affairs of the Club;
  - 7.4.2.3 subject to article 4.2 make, vary, and repeal rules for the regulation of the affairs of the Club, its officials and servants, provided that such rules do not conflict with the Constitution;
  - 7.4.2.4 hold competitions and tournaments, and to make any special arrangements therefore, and to set aside the Club's grounds, or any part thereof, for any special purposes whatsoever;
  - 7.4.2.5 arrange terms of reciprocity with other golf clubs;
  - 7.4.2.6 obtain and hold any licenses or authorities which may be required to enable the Club to exercise any of its rights or functions;
  - 7.4.2.7 co-opt, at their discretion, a member or members, for any purpose;
  - 7.4.2.8 fill such vacancies amongst their number as may occur during their term of office;
  - 7.4.2.9 purchase, lease, or in any other way acquire or dispose of movable property which the Board may deem necessary or desirable for the purpose of the Club;
  - 7.4.2.10 authorise by resolution any two members of the Board to sign on behalf of all the Members all powers of attorney, contracts, agreements or other deeds or documents requiring signature;
  - 7.4.2.11 vote from the funds of the Club such amounts as they may decide as an honorarium or bonus to officials or servants or as subscriptions to any charitable or other fund, and also to decide as to the investment or disposal of the reserve or other funds of the Club other than the Capital Fund;

- 7.4.2.12 raise and borrow money for the Club on the security or mortgage on the immovable property or other assets of the Club (other than the Capital Fund which the Board shall not be entitled to pledge or otherwise use as a security for any borrowings without being duly authorised thereto by a Special Resolution) or to purchase, sell and transfer immovable property of the Club after being duly authorised thereto by a Special Resolution;
  - 7.4.2.13 determine the maximum number of Members permitted in any category;
  - 7.4.2.14 deal with the shares of the Company subject to articles 6.6.3.6 [*Special Resolution for the sale of shares of the Company*], 6.6.3.7 [*Special Resolution to approve any special resolution of the Company*] and 6.6.3.8 [*Special Resolution approving the acquisition by the Company of other property*]; and
  - 7.4.2.15 deal with any conditions or circumstances arising for which specific provision is not provided in this Constitution.
- 7.4.3 All acts performed by the Board shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the Board Members, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member.

## 7.5 Meetings

- 7.5.1 Save as may be provided otherwise herein, the Board Members may meet for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit, provided they shall meet together at least 4 times a year at a time and venue agreed upon by a majority of the Board Members.
- 7.5.2 All meetings shall be –
  - 7.5.2.1 called by the CEO on the instructions of the Chairperson or on written request of at least 2 Board Members;
  - 7.5.2.2 chaired by the Chairperson, or failing the Chairperson, the Vice Chairperson, or failing the Vice Chairperson, such other person appointed by a majority of the Board Members present at a meeting.
- 7.5.3 The Board has the power to –
  - 7.5.3.1 consider any matter and/or adopt any resolution other than at a meeting, and accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Board Members, given in person

or by electronic communication, provided that each Board Member has received notice of the matter to be decided;

7.5.3.2 conduct a meeting entirely by electronic communication, or provide for participation in a meeting by electronic communication, provided that the electronic communication facility employed ordinarily enables all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting;

7.5.3.3 determine the manner and form of providing notice of its meetings, provided that –

7.5.3.3.1 the notice period for the convening of any meeting will be at least 7 days unless the decision of the Board is required on an urgent basis which justifies a shorter period of notice, in which event the meeting may be called on shorter notice. The decision of the Chairperson, or failing the Chairperson for any reason, the decision of any 2 Board Members as to whether a matter should be decided on an urgent basis, and the period of notice to be given, shall be final and binding on the Board Members;

7.5.3.3.2 an agenda of the matters to be discussed at the meeting shall be given to each Board Member, together with the notice referred to in article 7.5.3.3.1;

7.5.3.3.3 no meeting may be held if notice thereof and the agenda therefore is not given in accordance with articles 7.5.3.3.1 and 7.5.3.3.2;

7.5.3.3.4 unless otherwise agreed by all Board Members present at the meeting, no matter may be discussed at a meeting unless the matter has been expressly included in the agenda given in terms of article 7.5.3.3.2; and

7.5.3.3.5 proceed with a meeting despite a failure or defect in giving notice of the meeting.

7.5.4 Such resolutions adopted in terms of articles 7.5.3.1 and 7.5.3.2, inserted in the Board's minute book, shall be as valid and effective as if it had been passed at a meeting of the Board. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Board Member who signed it (unless a statement to the contrary is made in that resolution).

7.5.5 The quorum requirement for a meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting are as follows, namely –

7.5.5.1 if all the Board Members –

7.5.5.1.1 acknowledge actual receipt of the notice convening a meeting;

7.5.5.1.2 are present at a meeting; or

7.5.5.1.3 waive notice of a meeting,

the meeting may proceed even if the CEO failed to give the required notice of that meeting or there was a defect in the giving of the notice;

7.5.5.2 a majority of Board Members must be present at a meeting before a meeting may proceed;

7.5.5.3 each Board Member has 1 vote on a matter before the Board;

7.5.5.4 a majority of the votes cast in favour of a resolution is sufficient to approve that resolution;

7.5.5.5 all resolutions adopted –

7.5.5.5.1 must be dated and sequentially numbered; and

7.5.5.5.2 are effective as of the date of the resolution, unless any resolution states otherwise; and

7.5.5.6 if there is an equality of votes the Chairperson shall have a second casting vote in addition to his/her deliberative vote.

7.5.6 Any minutes of a meeting, or a resolution, signed by the Chairperson, or by the Chairperson of the next meeting of the Board, are evidence of the proceedings of that meeting, or the adoption of that resolution.

7.5.7 If within a half an hour (or such longer period as those present may agree) after the time appointed for the meeting, the requirements of articles 7.5.5.1 and 7.5.5.2 for that meeting to begin have not been satisfied, the meeting will stand adjourned to the same day of the next week at the same time and place. A majority of the Board Members present at the adjourned meeting will be deemed to satisfy the requirements of article 7.5.5.2. Written notice of such adjourned meeting shall be given to all the Board Members not less than 48 hours before such meeting is to be held.

## 7.6 Removal of Board Members

A Board Member may be removed by way of Ordinary Resolution provided that before the Members may consider such resolution, the Board Member concerned must –

7.6.1 have been given notice of the Members' Meeting and the resolution for his or her removal; and

7.6.2 be afforded a reasonable opportunity to make a presentation to the Members' Meeting before the resolution for his or her removal is put to vote.

## 7.7 Indemnification

7.7.1 The Club may –

7.7.1.1 advance expenses to a Board Member to defend litigation in any proceedings arising out of the Board Member's service to the Club; and

7.7.1.2 directly or indirectly indemnify a Board Member for expenses contemplated in article 7.7.1.1, irrespective of whether it has advanced those expenses, if the proceedings –

7.7.1.2.1 are abandoned or exculpate the Board Member; or

7.7.1.2.2 arise in respect of any liability for which the Club may indemnify the Board Member, in terms of article 7.7.2 read with article 7.7.3.

7.7.2 The Club may indemnify a Board Member in respect of any liability arising other than as contemplated in article 7.7.3.

7.7.3 The Club may not directly or indirectly indemnify a director in respect of –

7.7.3.1 any liability arising where the Board Member –

7.7.3.1.1 acted in the name of the Club, signed anything on behalf of the Club, or purported to bind the Club or authorised the taking of any action by or on behalf of the Club, despite knowing that the Board Member lacked the authority to do so;

7.7.3.1.2 exercised acquiesced in the carrying on of the Club's business despite knowing that it was being conducted recklessly, with gross negligence, with intent to defraud any person or for any fraudulent purpose;

7.7.3.1.3 was a party to an act or omission by the Club despite knowing that the act or omission was calculated to defraud a creditor, or employee of the Club, or had another fraudulent purpose;

7.7.3.2 willful misconduct or willful breach of trust on the part of the Board Member; or

7.7.3.3 any fine which is or may be imposed on the Board Member as a consequence of that director having been convicted of any offence unless the conviction is based on strict liability.

7.7.4 The Club may purchase insurance to protect –

7.7.4.1 a Board Member against any liability or expenses for which the Club is permitted to indemnify a Board Member in accordance with article 7.7.2; or

7.7.4.2 the Club against –

7.7.4.2.1 any expenses –

7.7.4.2.1.1 that the Club is permitted to advance to a Board Member in accordance with article 7.7.1.1 (advances to defend litigation in any matters arising out of the Board Member's service to the Club); or

7.7.4.2.1.2 for which the Club is permitted to indemnify a Board Member in accordance with article 7.7.1.2 (indemnification for advances article 7.7.1.1); or

7.7.4.2.2 any liability for which the Club is permitted to indemnify a Board Member in accordance with article 7.7.2.

7.7.5 The Club is entitled to claim restitution from a Board Member for any money paid directly or indirectly by the Club to or on behalf of that Board Member in any manner inconsistent with this article.

## 8 Capital Fund

### 8.1 Assets comprising the fund

The Capital Fund shall be comprised of the following, namely –

8.1.1 any proceeds, less expenses, paid to the Club as a consequence of –

8.1.1.1 the proceeds of the fund as at the date of adoption of the first version of this Constitution by the Members;

8.1.1.2 a sale by the Club of any of its shares in the Company;

8.1.1.3 any dividend declared by the Company; or

8.1.1.4 the liquidation of the Company following a sale by it of any of its assets;

8.1.2 save for monies transferred by the Board for short term investments, any monies permanently transferred to the Capital Fund from time to time by the Board; and

8.1.3 the income derived from time to time from the investment of the monies referred to in articles 8.1.1 and 8.1.2 under article 8.3.

## 8.2 Management of the fund

The Capital Fund shall be managed and administered by the Capital Fund Committee.

## 8.3 Investment of the fund

8.3.1 The Capital Fund Committee shall from time to time select and appoint one or more fund managers to invest and oversee the investment of the Capital Fund under the direction and supervision of the Capital Fund Committee (**fund manager**).

8.3.2 The fund manager shall, in the opinion of the Capital Fund Committee, be a reputable company or other investment institution which has as its sole or main business the investment of funds on behalf of clients with the object of ensuring capital growth in addition to security and a good return.

8.3.3 The Capital Fund Committee shall invest or permit the investment of the Capital Fund only in the following investments –

8.3.3.1 securities listed on a registered domestic stock exchange;

8.3.3.2 collective investment schemes or other investment products regulated by the Financial Sector Conduct Authority or the Prudential Authority;

8.3.3.3 overseas investments of a nature similar to the above

8.3.3.4 domestic bonds issued by prime public sector borrowers;

8.3.3.5 overseas equities listed on a recognized international exchange;

8.3.3.6 overseas bonds with a Moody's rating of not less than AA;

8.3.3.7 cash and money market instruments; or

8.3.3.8 such other investment approved by the Board.

8.3.4 Short selling or investment in derivative instruments for purpose other than the hedging of risk is prohibited.

8.3.5 The Capital Fund Committee's primary objective shall be to ensure that the Capital Fund maintains its value in real terms taking into account the primary objective of the Club as defined in articles 3.2.1 to 3.2.6. To that end the Capital Fund Committee shall from time to time and in consultation with the fund managers and the Board establish:

8.3.5.1 prudent criteria aimed at avoiding excessive exposure of the Capital Fund to any one investment or category of investments; and



8.3.5.2 such investment targets and performance checks as it considers appropriate.

#### 8.4 **Payments from the fund**

No portion of the Capital Fund shall be paid to the Board or any other person except with approval of the Members by way of a Special Resolution.

### 9 **Capital Fund Committee**

#### 9.1 **Composition**

9.1.1 The Capital Fund Committee shall consist of 5 Members –

9.1.1.1 the chairperson of the Capital Fund (**Fund Chairperson**); and

9.1.1.2 4 other Members.

9.1.2 No person may be appointed to the Capital Fund Committee if –

9.1.2.1 that person is a Board Member;

9.1.2.2 that person is not standing for re-election under article 9.1.3 or has not been nominated by Members under article 9.1.4 or by the Capital Fund Committee under article 9.1.5;

9.1.2.3 a court has prohibited that person from being a director, or declared the person to be delinquent in terms of section 162 of the Companies Act, 2008 or in terms of section 47 of the Close Corporations Act, 1984; or

9.1.2.4 the person –

9.1.2.4.1 is an unrehabilitated insolvent;

9.1.2.4.2 is prohibited in terms of any public regulation to be a director of a company;

9.1.2.4.3 has been removed from an office of trust, on the grounds of misconduct involving dishonesty; or

9.1.2.4.4 has been convicted, in the Republic of South Africa or elsewhere, and imprisoned without the option of a fine, or fined more than the prescribed amount, for theft, fraud, forgery, perjury or an offence:

9.1.2.4.4.1 involving fraud, misrepresentation or dishonesty;

- 9.1.2.4.4.2 in connection with the promotion, formation, or management of a company, or in connection with any act contemplated in sections 69 (2) or (5) of the Companies Act, 2008; or
  - 9.1.2.4.4.3 under the Companies Act, 2008, the Insolvency Act, 1936, the Close Corporations Act, 1984, the Competition Act, 1998, the Financial Intelligence Centre Act, 2001, the Securities Services Act, 2004, or Chapter 2 of the Prevention and Combating of Corruption Activities Act, 2004.
- 9.1.3 At each Annual General Meeting, 2 of the Capital Fund Committee Members shall resign in rotation on a first in first out basis or such other basis as agreed between a majority of the Capital Fund Committee Members; however every retiring Capital Fund Committee Member shall be able to stand for re-election without having to be nominated under article 9.1.4.
- 9.1.4 At least 10 days before any Annual General Meeting Members shall deliver their nominations for Capital Fund Committee Member candidates to the CEO provided that each nomination shall be –
- 9.1.4.1 in writing;
  - 9.1.4.2 signed by at least 2 nominating Members;
  - 9.1.4.3 signed by the Capital Fund Committee Member candidate; and
  - 9.1.4.4 be accompanied by a brief *curriculum vitae* of the Capital Fund Committee Member candidate.
- 9.1.5 The Capital Fund Committee will be entitled to nominate any Member for election as a Capital Fund Committee Member.
- 9.1.6 At least 7 days before any Annual General Meeting the Board will, together with the notice contemplated under article 7.1.7 [*display in clubhouse of names and vacancies re the election of Board Members*] display in the Club's clubhouse –
- 9.1.6.1 the names of the resigning Capital Fund Committee Members who will be standing for re-election under article 9.1.3;
  - 9.1.6.2 any vacancies which arose on the Capital Fund Committee since the last Annual General Meeting; and

9.1.6.3 the names of Members nominated for election as Capital Fund Committee Members by Members and /or by the Capital Fund Committee.

9.1.7 The manner of electing Capital Fund Committee Members is as follows –

9.1.7.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Capital Fund Committee at that time have been fulfilled; and

9.1.7.2 in each vote to fill a vacancy –

9.1.7.2.1 each voting right entitled to be exercised may be exercised once; and

9.1.7.2.2 the vacancy is filled only if a majority of the voting rights exercised support the candidate.

9.1.8 The Capital Fund Committee has the power to fill any vacancy in its number on a temporary basis until the next Annual General Meeting.

## 9.2 **Removal of Capital Fund Committee Members**

A Capital Fund Committee Member may be removed by way of Ordinary Resolution provided that before the Members may consider such resolution, the Capital Fund Committee Member concerned must –

9.2.1 have been given notice of the Members' Meeting and the resolution for his or her removal;

9.2.2 be afforded a reasonable opportunity to make a presentation to the Members' Meeting before the resolution for his or her removal is put to vote.

## 9.3 **Authority**

The Capital Fund Committee shall, subject to the provision of this Constitution, have the power to –

9.3.1 manage and administer funds comprising the Capital Fund;

9.3.2 vary, change, transpose, or otherwise deal with the assets of the Capital Fund, having due regard to the advice of the fund managers appointed by the Capital Fund from time to time;

9.3.3 open and operate a banking account or accounts in the name of the Club;

9.3.4 apply such portion of the income of the Capital Fund as it considers reasonable in the circumstances for the payment of the charges of fund managers and to incur and pay any other expenses necessary for the conduct of the Capital Fund;

9.3.5 pay all or any levies, expenses, costs, imposts, taxes, or duties which are payable by the Club;

- 9.3.6 appoint one or more sub-committees;
- 9.3.7 generally to do all such acts as the Capital Fund Committee deems necessary or expedient in managing the Capital Fund for the benefit of the Club and its Members; and
- 9.3.8 appropriate such funds as are necessary to the club's operating account as it deems necessary to achieve the Club's objects in article 3.2.

#### 9.4 Meetings

- 9.4.1 Save as may be provided otherwise herein, the Capital Fund Committee Members may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that they shall meet together at least 4 times a year at a time and venue mutually agreed upon.
- 9.4.2 All Capital Fund Committee meetings shall be –
  - 9.4.2.1 called by the Fund Chairperson who shall be obligated to call a meeting on the request of at least 2 Capital Fund Committee Members;
  - 9.4.2.2 chaired by the Fund Chairperson, or failing him, such other person appointed by a majority of the Capital Fund Committee Members present at a meeting.
- 9.4.3 The Capital Fund Committee has the power to –
  - 9.4.3.1 consider any matter and/or adopt any resolution other than at a meeting, and accordingly, any decision that could be voted on at a meeting of the Capital Fund Committee may instead be adopted by the written consent of a majority of the Capital Fund Committee Members, given in person or by electronic communication, provided that each Capital Fund Committee Member has received notice of the matter to be decided;
  - 9.4.3.2 conduct a meeting entirely by electronic communication, or provide for participation in a meeting by electronic communication, provided that the electronic communication facility employed ordinarily enables all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting;
  - 9.4.3.3 determine the manner and form of providing notice of its meetings, provided that –
    - 9.4.3.3.1 the notice period for the convening of any meeting will be at least 7 days unless the decision of the Capital Fund Committee is required on an urgent basis which justifies a shorter period of notice, in which event the meeting may be called on shorter notice. The decision of the Fund

Chairperson, or failing the Fund Chairperson for any reason, the decision of any 3 Capital Fund Committee Members as to whether a matter should be decided on an urgent basis, and the period of notice to be given, shall be final and binding on the Capital Fund Committee Members;

- 9.4.3.3.2 an agenda of the matters to be discussed at the meeting shall be given to each Capital Fund Committee Member, together with the notice referred to in article 9.4.3.3.1;
- 9.4.3.3.3 no meeting may be held if notice thereof and the agenda therefore is not given in accordance with articles 9.4.3.3.1 and 9.4.3.3.2; and
- 9.4.3.3.4 unless otherwise agreed by all Capital Fund Committee Members present at the meeting, no matter may be discussed at a meeting unless it has been expressly included in the agenda given in terms of article 9.4.3.3.2; and
- 9.4.3.3.5 proceed with a meeting despite a failure or defect in giving notice of the meeting.

9.4.4 Such resolutions adopted in terms of articles 9.4.3.1 and 9.4.3.2, inserted in the Capital Fund Committee's minute book, shall be as valid and effective as if it had been passed at a meeting of Capital Fund Committee. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Capital Fund Committee Member who signed it (unless a statement to the contrary is made in that resolution).

9.4.5 The quorum requirement for meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting are as follows, namely –

9.4.5.1 if all the Capital Fund Committee Members –

- 9.4.5.1.1 acknowledge actual receipt of the notice convening a meeting;
- 9.4.5.1.2 are present at a meeting; and
- 9.4.5.1.3 waive notice of a meeting,

the meeting may proceed even if the Fund Chairperson failed to give the required notice of that meeting or there was a defect in the giving of the notice;

9.4.5.2 a majority of Capital Fund Committee Members must be present at a meeting before a meeting may proceed;

- 9.4.5.3 each Capital Fund Committee Member has 1 vote on a matter before the Capital Fund Committee;
- 9.4.5.4 a majority of the votes cast in favour of a resolution is sufficient to approve that resolution;
- 9.4.5.5 all resolutions adopted –
  - 9.4.5.5.1 must be dated and sequentially numbered; and
  - 9.4.5.5.2 are effective as of the date of the resolution, unless any resolution states otherwise;
- 9.4.5.6 if there is an equality of votes the Fund Chairperson shall not have a second casting vote in addition to his deliberative vote and the matter shall be referred to the Members for decision by way of an Ordinary Resolution.

9.4.6 Any minutes of a meeting, or a resolution, signed by the Fund Chairperson, or by the Fund Chairperson of the next meeting of the Capital Fund Committee, are evidence of the proceedings of that meeting, or the adoption of that resolution.

9.4.7 If within a half an hour (or such longer period as those present may agree) after the time appointed for the meeting, the requirements of articles 9.4.5.1 or 9.4.5.2 for that meeting to begin have not been satisfied, the meeting will stand adjourned to the same day of the next week at the same time and place. A majority of the Capital Fund Committee Members present at the adjourned meeting will be deemed to satisfy the requirements of article 9.4.5.2. Written notice of such adjourned meeting shall be given to all the Capital Fund Committee Members not less than 48 hours before such meeting is to be held.

## 9.5 Fund records

- 9.5.1 The Capital Fund Committee shall ensure that proper books of account of the Capital Fund are kept which shall be audited each year by the Club's auditors.
- 9.5.2 A statement of assets of the Capital Fund and of the way its assets and the income therefrom have been dealt with shall be prepared by the Capital Fund Committee for each financial year and submitted to the Members at every Annual General Meeting.

## 9.6 Reporting

The Capital Fund Committee shall provide a comprehensive written report on its activities and the financial status of the Capital Fund to the Members at every Annual General Meeting.

## 9.7 Indemnification

The provisions of article 7.7 [*Indemnification of Board Members*] shall apply, with the necessary changes, to the Capital Fund Committee and the Capital Fund Committee Members.

## 10 Accounts

Proper books of account shall be kept by the Board and the Capital Fund Committee, and the Board shall cause to be prepared annual financial statements of the Club for the preceding year to be audited by the Club's auditors.

## 11 Guests

No person residing within a radius of 80 kilometers of the Club may be introduced by a Member to the Club premises on more than four occasions in any one month or as the Board may otherwise decide, and then only in the company of the Member introducing and on payment of such fees as the Board may from time to time determine. The names of all guests shall be entered in the Visitor's Book kept for such purpose.

## 12 Dissolution and liquidation

12.1 The Club may be dissolved by a Special Resolution.

12.2 Upon winding-up or liquidation of the Club, all its assets remaining after the satisfaction of its liabilities shall be given or transferred to some or other golf club, having objects like those of the Club.

12.3 Upon winding-up or liquidation of the Club, none of its assets remaining after the satisfaction of its liabilities shall be distributed to any Member.

## 13 General

13.1 All notices and Rules posted on the notice board in the Clubhouse shall be considered due notice to every Member, however each Member shall be obligated to ensure that the Club is provided with updated details of their email addresses for the purposes of receiving any notices by way of email.

13.2 No person, except under written agreement approved by the Liquor Licensing Board, shall have any share of the profits from the sale of liquor in the Club.

13.3 This Constitution and the Rules shall be binding on all Members, the Board Members, and the Capital Fund Members.

13.4 One copy of this Constitution and the Rules shall be supplied to each Member of the Club, free of charge, on application.

13.5 The Club accepts and is bound by the Rules of Golf and the Rules of Amateur Status, together with such amendments or additions thereto as may from time to time be adopted by the Royal and Ancient

Golf Club of St. Andrews (the South African Golf Association/Central Gauteng Golf Union) and the decisions which may from time-to-time issue on the interpretations of the Rules of Golf and the Rules of Amateur Status.

- 13.6 In case of doubt as to the meaning of the Constitution or Rules, the interpretation of the Board shall be final and binding upon members.
-