

SPECIAL RESOLUTION BY

PARYS GOLF AND COUNTRY ESTATE HOME OWNERS' ASSOCIATION NPC

(Registration number: 2005/008016/08)

(Hereinafter referred to as "the Company")

BOARD'S DEBT CEILING AS CONTEMPLATED IN ARTICLE 7.5.1 OF THE COMPANY'S MOI

At the Annual General Meeting of the Company has held on 14 November 2020 at Parys, a Special Resolution was adopted to approve numerous changes to the Memorandum of Incorporation (MOI) of the Company. The ring-fenced provisions that limit the power of the Board in terms of monies borrowed and capital expenditure, were also amended with the requisite 85% majority.

The two provisions now read as follows:

- The Board's power to borrow monies shall be limited to an amount not to exceed an aggregate debt ceiling as approved by way of a special resolution by the Members at a prior General Meeting of the Association;
- The Board's power to approve capital expenditure or to approve the disposal of fixed assets in excess of R1 000 000 (one million Rand) per transaction shall be subject to the prior approval by way of a special resolution of the Members at a General Meeting of the Association.

This will now be the first opportunity for the Members to set such an aggregate debt ceiling, and thereby limit the mandate of the Board to take on debt.

The Board **NOTED** that the monies borrowed (Current and Non-current Financial Liabilities) as reflected in the Company's Consolidated Balance Sheet for the year that ended on 28 February 2021, stood at R6 123 229.

The Board further **NOTED** that the total Revenue, including Other Income as reflected in the Consolidated Income Statement, stood at R19 081 219. The Board is of the opinion that a debt gearing ratio of 40% of this amount would be a very reasonable aggregate debt ceiling for the Company

As such the Board hereby **RECOMMENDS** that the Members adopt the following Special Resolution (requiring at least 75% of the voting rights exercised on the Resolution):

- **ACCEPT** the 40% debt gearing ratio as recommended by the Board; and
- **APPROVE** a first aggregate debt ceiling of R7,6 million, which is roughly R1,5 million more than the current debt level.