

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT 1973

ARTICLES OF ASSOCIATION OF A COMPANY

NOT HAVING A SHARE CAPITAL

Section 60(1)
Regulation 18

REGISTERED MEMBER OF THE COMPANY:

THE SOUTH AFRICAN HANG GLIDING AND PARAGLIDING ASSOCIATION

2005/028858/08

**The South African Hang Gliding And Paragliding Association
(Association Incorporated Under Section 21)**

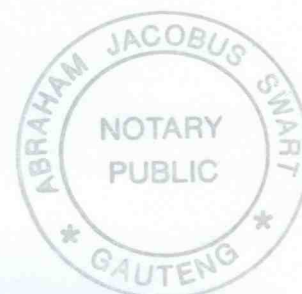
- A. The Articles of Table A contained in Schedule I to the Companies Act, 1973, as amended, shall not apply to the Company.
- B. The Articles of the Company are as follows:

1. **DEFINITIONS**

In these Articles, unless the context otherwise indicates - 'THE ACT' shall mean the Companies Act No. 61 of 1973, as amended from time to time,

"THE BOARD" shall mean the Board of Directors of Incorporated Under Section 21) established by Article 9.

"THE COMPANY" shall mean (Association Incorporated Under Section 21).



"DIRECTOR" shall mean a member of the Board of Directors of (Association Incorporated Under Section 21).

"MEMBERS" shall mean the subscribers to the Memorandum of Association and such other persons as the Directors shall admit to membership in accordance with these Articles.

"MEMORANDUM" shall mean the Memorandum of Association of (Association Incorporated Under Section 21).

"THESE PRESENTS" shall mean the Memorandum and Articles of association and By-Laws of (Association Incorporated Under Section 21).

Words importing the masculine gender include females.

When a provision of The Act is referred to, the reference is to such a provision as amended by statute.

Words in the singular include the plural and words in the plural include the singular.

Expressions defined in the Act shall have their meanings so defined.

2. MEMBERSHIP

2.1 The subscribers of the Memorandum of Association shall be members of the Company.

2.2 The Board may by resolution in its sole discretion:

2.2.1 Elect any person as a member

2.2.2 Refuse to admit any person as a member

2.2.3 Suspend as existing member.



and the Board shall not be obliged to give reasons for a resolution in terms of this Article.

- 2.3 The Company shall retain at its registered office a Register of Members of the Company as provided in Section 105 of The Act. The Register of Members shall be open to inspection as provided in Section 113 of the Act.
- 2.4 No person elected in terms of Article 2.2.1 above shall become a Member unless and until his name has been entered in the Register of Members.
- 2.5 Should a member wish to withdraw from the Company he shall give written notice to the Company at its registered office of his intention so to do, and he shall cease to be a Member thirty days after receipt by the Company of such notice. He shall, nevertheless, for a period after he ceases to be a member, remain liable in terms of the undertaking set out in Clause VIII of the Memorandum of Association.
- 2.6 The rights of a Member shall be personal, shall not be transferable, and shall terminate
- 2.6.1 on his death
- 2.6.2 on his becoming of unsound mind
- 2.6.3 on his suspension, or
- 2.6.4 on his ceasing to be a Member in terms of Article 2.5

3. GENERAL MEETINGS

- 3.1 A Meeting of the Company shall be either the Annual General Meeting or a Special General Meeting.



3.2 The Annual General Meeting shall be held:

3.2.1 in the case of the first such meeting, within a period of 18 (eighteen) months after the date of incorporation of the Company;

3.2.2 thereafter within not more than nine months after the end of every ensuing financial year of the Company; and

3.2.3 within not more than 15 months after the date of the last preceding such meeting of the Company.

3.3 A Special General Meeting may be held at any time and may be called by two or more members representing not less than 25% (twenty five percentum) in number of the members.

4. NOTICE OF GENERAL MEETINGS

4.1 An Annual General Meeting, and a General Meeting called for by the passing of a Special Resolution, shall be called by not less than 21 (twenty-one) clear days notice in writing. Any other General Meeting shall be called by at least 14 (fourteen) clear days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and on the day for which it is served or deemed to be served and on the day for which it is given, and shall specify the place, the day and the hour of the meeting and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to all such persons as are, under these Articles entitled to receive such notices from the Company;

provided that a meeting of the Company shall, notwithstanding the fact that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is to be agreed by a majority of the members having the right to attend and vote at the meeting, being a majority holding not less than NINETY FIVE PERCENT (95 %) of the total voting rights of all members.



5. The accidental omission to give notice of any meeting to any particular member or members shall not invalidate any Resolution passed at any such meeting.

5a. 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, four members present in person, shall be a quorum.

6. **PROCEEDINGS AT GENERAL MEETINGS**

6.1 The Chairman of the Board shall preside at every General meeting. In the absence of the Chairman, his powers and duties shall devolve upon the Vice Chairman. In the event of both the Chairman and the Vice Chairman being absent from the General Meeting, the Members present shall elect a presiding officer from among their number.

6.2 The Annual General Meeting shall deal with and dispose of all matters prescribed by the Act, including:

6.2.1 the receiving and consideration of the Annual Financial Statements;

6.2.2 the consideration and approval of the Report of the Board;

6.2.3 the appointment and level
of remuneration of an Auditor;

6.2.4 the election of the Directors for the following year;

6.2.5 the consideration of any other matter of which due notice has been given.

6.3 A member who intends to bring a motion before a General meeting shall, not less than 21 (twenty one) days before the day appointed for the said General Meeting, serve upon the Company at its registered office a notice in writing signed by himself and one other member containing the proposed resolution. Upon receipt of such notice, the Secretary shall, in any case where the notice is

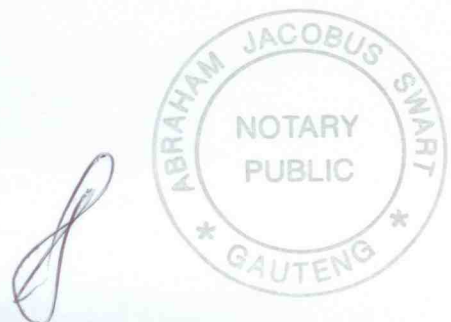


received before the notice of the General Meeting is issued include it in the notice of the General Meeting, and shall in any other case issue as quickly as possible to the members notice that such resolution will be proposed.

- 6.4 The Chairman may with the consent of any General Meeting at which a Quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and 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. When a meeting is adjourned, the provisions of Article 192(2) of the Act shall apply mutatis mutandis to such adjournment.

7. VOTING AT GENERAL MEETINGS

- 7.1 Each member present at a General Meeting shall be entitled to a vote and shall have 1 (one) vote. No Member may be represented at a general meeting by a proxy.
- 7.2 At a General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll has (before or on the declaration of the result of the show of hands), been demanded by at least three Members present in person and entitled to vote, or by a Member or Members representing not less than one tenth of the total number of Members having the right to vote at a General Meeting, and unless a poll is so demanded, by a declaration by the Chairman that a Resolution has on a show of hands, been carried, or carried unanimously or a particular majority, or lost an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for the poll may be withdrawn.
- 7.3 If poll is duly demanded it shall be taken in such a 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.



7.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall be entitled to a second or casting vote.

7.5 A poll demanded on the election of a Chairman or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the Meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll is demanded.

8. **MANAGEMENT OF THE COMPANY**

The business of the Company shall be managed by the Board who may exercise all the powers of the Company as are not by the Act or by these Presents required to be exercised by the Company in General Meeting. The Board shall exercise such powers subject to the provisions of the Act and these Presents.

9. **BOARD OF DIRECTORS**

9.1 The Board shall consist of not less than 2 (two) Members, but a maximum of 7 (seven) Members.

9.2 Should the number of Directors for any reason be reduced below 3 (three), the continuing Director may act for the purpose of increasing the number of Directors in terms of Article 10.3

10. **ELECTION OF DIRECTORS**

10.1 The election of Directors shall be by ballot. However, if the candidates validly nominated for election to the Board are not more in number than 3 (three) the candidates nominated shall be deemed to have been duly elected.

10.2 Unless the candidate for election to the board be a retiring director, a nomination of a member for the election of the board shall:



10.2.1 be made in writing;

10.2.2 be signed by at least two Members other than the candidate;

10.2.3 be given to the Secretary not less than 21 (twenty-one) days before the day appointed for the Annual General Meeting at which the election is to take place; and

10.2.4 be accompanied by a written statement signed by the candidate indicating his willingness to stand for election.

10.3 The Board shall have the power at any time, and from time, to appoint a Member as a Director, either to fill a casual vacancy or as an addition to the Board, subject to the provisions of Clause 9.1 A Director so appointed shall hold office until the next following Annual General Meeting of the Company and shall then be eligible for election without nomination.

11. ALTERNATE DIRECTORS

The Board may nominate a Member to act as alternate to a Director whilst the Director is absent or unable for any reason to act as a Director, An Alternate Director shall act subject to the terms, qualifications and conditions applicable to a Director.

12. ROTATION OF DIRECTORS

Each Director shall retire from office at an Annual General Meeting subsequent to that at which he was elected but shall be eligible for re-election.

13. REMOVAL AND DISQUALIFICATION OF DIRECTORS

13.1 A Director shall cease to be a Director if

13.1.1 by notice in writing to the company he resigns his office



- 13.1.2 he ceases to be a member;
- 13.1.3 he is absent without the prior or subsequent official leave of the board from two consecutive meeting's notice of which he has been given;
- 13.1.4 he becomes insolvent;
- 13.1.5 he becomes of unsound mind;
- 13.1.6 he is directly or indirectly interested in any contract with the company and fails to declare to the board the nature of his interest or;
- 13.1.7 without the consent of the board holds an office of profit under the company.
- 13.2 The Company may by ordinary resolution remove any Director before the expiration of his period of office.
- 13.3 Subject to the provisions of Section 234 to 241 inclusive of the Act, a Director shall not vote in respect of any contract or proposed contract with the Company in which he is interested, or any matter arising therefrom,

14. **PROCEEDINGS**

- 14.1 The Board may meet, adjourn and otherwise regulate its meetings, as it shall think fit provided that it shall meet at least twice a year.
- 14.2 A Meeting of the hoard shall be convened at any reasonable *time* upon request by a Director and such Meeting shall be held Within 14 (fourteen) days of the date of request. Notice of a Meeting of the Board shall be given orally or in writing to all Directors a reasonable period of time before such a meeting.



- 14.3 The quorum for a Meeting of the Board shall be three Directors present and entitled to vote. No business shall be transacted by the board unless a quorum of members is present at the time when the Meeting precedes to business.
- 14.4 At the Meeting of the Board following the Annual General Meeting, the Directors shall elect from among their numbers a Chairman, Vice Chairman, a Secretary and a Treasurer. A vacancy in any of such office before the term of *office* has expired may be filled by the Board from among its numbers and such appointment shall hold good until the next following Annual General Meeting.
- 14.5 The Chairman of the Board shall preside at every Board Meeting. In the absence of the Chairman his powers and duties shall devolve upon the Vice-Chairman. In the event of both the Chairman and the Vice-Chairman being absent from a Board Meeting; the Directors present shall elect a presiding officer from among their number.
- 14.6 Each Director present at a meeting of the Board shall be entitled to vote and shall have one vote.
- 14.7 Questions arising at a Meeting of the Board shall be decided by a majority of the votes recorded. In a case of an equality of votes the Chairman of the Meeting shall have a second (or casting) vote.

15. **COMMITTEES**

- 15.1 The Board may appoint committees from among the Members and may a Quorum thereof and delegate any of its powers to any such committees, and make any rules for regulating the proceedings of the committees. The Chairman or his nominee from time to time shall be ex-officio a Member of all Committees.
- 15.2 Subject to the approval of the Board, each such committee shall have the right to co-opt such person as it may think fit to be a member of such Committees.



16. SECRETARY

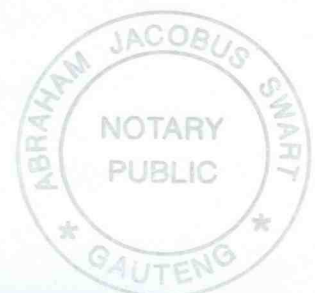
16.1 The Board may appoint an Executive Officer of the Company who shall be a Secretary of the Company and who shall act as Secretary of the Board.

16.2 The Secretary shall not be a Director.

17. GENERAL PROVISIONS

17.1 All acts done by the Board, or any person acting as a Director shall, notwithstanding that it afterwards be discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid or that they or any or them are disqualified, be as valid as if every such person had been duly appointed and were qualified to be a Director.

17.2 Subject to the provisions of the Act, the members of the Board, Auditors, Secretary and other officers for the time being of the Company, and every of them and every of their executors and Administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs charges, losses, damages and expenses which they or any of them, their or any of their Executors or Administrators shall or may incur or sustain by or by reason of any act done, concurred in or admitted in or about the execution of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own willful neglect or default respectively, and subject as aforesaid, none of them shall be answerable to the acts, receipts, neglects or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out or invested, or for any loss, misfortune or damage which may happen in execution of their respect offices or in relation thereto, unless the same shall happen by or through their own willful neglect or default respectively.



18. ACCOUNTING RECORDS

18.1 The financial year of the Company shall be **FEBRUARY EACH YEAR**.

18.2 The Company shall keep such Accounting records as are necessary fairly to present the state of affairs and business of the Company and to explain the transactional and financial position of the Company including:

18.2.1 records showing the assets and liabilities of the Company;


18.2.2 a register of fixed assets showing the respective dates of acquisition and the cost thereof, depreciation if any, the respective dates of any disposals and the consideration received in respect thereof; and

18.2.3 records containing entries from day to day in sufficient detail of all cash received and paid out of the matters in respect of which receipts and payments take place.

18.3 The books of account shall be kept at the registered office of the Company or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

18.4 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members, not being Directors, and no Member (not being a Director) shall have the right of inspecting any account or document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting.

18.5 The Directors shall in respect of every financial year of the Company cause to be made Annual Financial Statements in accordance with Section 286 of the Act and shall lay them before the Annual General Meeting of the Company in respect of that year.



18.6 A copy of the Annual Financial Statements which are to be laid before the Company in Annual General Meeting, shall not less than 21 (twenty one) days before the date of the meeting be sent to every Member of the Company. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware.

19. AUDIT

An auditor shall be appointed in accordance with the Act.

20. NOTICES

20.1 A notice may be given by the company to any member personally or by sending it by post to him at his registered address or (if he has no registered address within the Republic of South Africa) to the address if any within the Republic of South Africa supplied by him to the company for the giving of notices to him;

20.2 A notice by post shall be deemed to have been served at the time when the letter containing the notice was posted.

21. MINUTES

Minutes shall be made of all resolutions and proceedings of General Meetings of the company and of meetings of the board and committees.



REPUBLIC OF SOUTH AFRICA

COMPANIES ACT 1973

MEMORANDUM OF ASSOCIATION OF A COMPANY NOT HAVING A SHARE CAPITAL

SECTION 54 (1): REGULATION 17(3)

REGISTERED NUMBER OF THE COMPANY



FINANCIAL YEAR END: February

I. NAME:

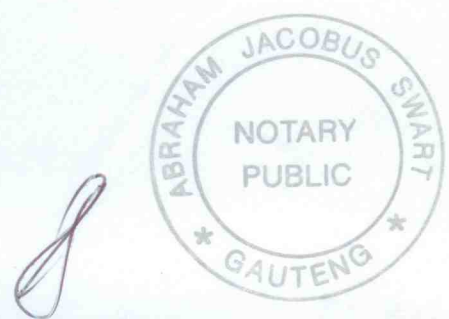
(a) The name of the Company is The South African Hang Gliding and Paragliding (Association incorporated under Section 21)

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

Die Suid-Afrikaanse Vlerksweef en Skermsweef Vereniging

(c) Shortened form of the name of the Company

SAHPA



II PURPOSE DESCRIBING THE MAIN BUSINESS -

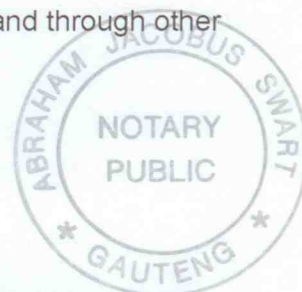
The main business which the Company is to carry on is –

- 2.1 SAHPA is an Association incorporated under Section 21 acting as the National governing and coordinating body for the sports of Hang Gliding, Paragliding, and Powered Hang Gliding, and Powered Parachutes and affiliated clubs in South Africa.
- 2.2 As the South African Representative (under delegation from the Aero Club of SA) of the International Hang Gliding Commission (CIVL), the governing and co-ordinating body of World Hang Gliding and Paragliding to act for that body with the Republic of South-Africa on all matters affecting the sport of Hang Gliding, Paragliding, Powered Hang Gliding, and Powered Parachutes within the Republic.
- 2.3 To act as the body officially recognized by the South African Government as the body responsible for Hang Gliding and Paragliding within the Republic of South Africa, and to liaise with government and other authorities where necessary to promote the objectives of SAHPA.

III MAIN OBJECT -

The main object of the Company is –

- 3.1 To popularize, co-ordinate and administer Hang Gliding, Paragliding, Powered Hang Gliding, and Powered Parachutes in South Africa.
- 3.2 To encourage the participation in Hang Gliding, Paragliding, Powered Hang Gliding, and Powered Parachutes of all South African residents, irrespective of sex, race or religious denomination.
- 3.3 To diligently strive for the safe practice of Hang Gliding, Paragliding, Powered Hang Gliding, and Powered Parachutes in South Africa.
- 3.4 To inform, through regular articles in the official magazines of SAHPA and through other



media, the members of SAHPA and the general public of the activities of SAHPA.

3.5 To encourage participation in Hang Gliding, Paragliding, Powered Hang Gliding, and Powered Parachutes on an international level.

SAHPA committee members are elected by the SAHPA members on an annual basis. SAHPA committee members work on a voluntary basis without remuneration.

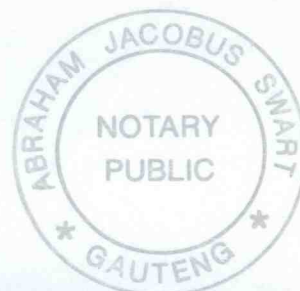
IV ANCILLARY OBJECTS EXCLUDED -

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

NONE

V POWERS-

- (a) The specific powers or part of any powers of the Company which are excluded from the plenary powers set out in Schedule 2 to the Act are power (s)
- (b) The specific powers or part of any powers of the Company set out in Schedule 2 to the Act which are Qualified -
 - (b) I Power (k) to be modified to read as follows - 'To form and to 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 that 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 or all or any assets or liabilities of the Company.



- (b) II Power (l) to be modified to read as follows - "To amalgamate with other Companies having the same or similar objects to the Company
- (b) III Power (m) to be modified to read as follows - "To take part in the management, supervision and control of the business or operations 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."
- (b) IV Power (n) to be modified 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.
- (b) V Power (o) be modified to read as follows - "To make donations provided that no donations be made to members or Directors."
- (b) VI Power (r) to be modified to read as follows - "To pay gratuities and pensions and establish pension schemes, in respect of its officers and employees."

VI. CONDITIONS:

- i. The income and property of the Company whensoever 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 whatsoever, to the members of the company or to its controlling or controlled company: 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.
- ii. 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 association or institutions having objects same or similar to its main object to be determined by the members of the Company at or before the time of its dissolution or, failing such determination, by the Court.

- iii. Members or office bearers of the company do not have rights over things that belong to the organisation.
- iv. If the company has funds that can be invested the funds may only be invested with registered financial institutions. The institutions are explained in Section 1 of the Financial Institutions (Investment of Funds) Act 1984. The company can get securities that are listed on licensed stock exchange as set out in the Stock Exchange Control Act 1985. The company may go to different banks to seek advice on the best way to look after their funds.

VII. PRE - INCORPORATION CONTRACTS (if any)

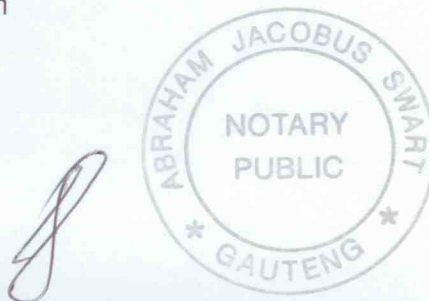
NIL

VIII. GUARANTEE CLAUSE

- i. The liability of members is limited to the amount set out in 8.11;
- ii. Each member undertakes to contribute to the assets of the Company in the event of its being wound-up while he is a member or within one year after he has ceased to be a member, for payment of the debts and liabilities of the Company contracted before he ceased to be a member, the amount of R1.00 (one rand)

ix. ASSOCIATION CLAUSE

Where More than One Person Signs the Memorandum



We, the several persons whose full names, occupations, residential, business and postal addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to become members of the company.

