

# Hermanusdoorns Shareblock Limited

## MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THE FARM ON

06 August 2016 AT 11H30

### 1. Welcome

The Chairman opened the meeting at 11h30 by welcoming all shareholders present and extending a special welcome to new shareholders.

### 2. Apologies

Dawie Botha  
Willie Botha  
John Rees  
Jeanette Venter

### 3. Notice Convening Meeting and Quorum

There being 55 of the 90 shareholders present in person or by proxy, the Chairman declared that as there was a quorum, proceedings could continue.

The number of people present in person or by proxy was 28 votes needed to carry an ordinary resolution and 42 needed to carry a special resolution.

The Chairman explained that voting would be done by way of show of cards with each card corresponding to one share and one vote.

Bill Benecke and Gavin Ford volunteered from the floor to act as referee and assist in vote counting.

### 4. Chairman's Report

4.1 The Chairman welcomed new shareholders as there had been a sale of a number of shares since the previous AGM.

4.2 A minute's silence was held to pay respect to a few shareholders or their family members who had passed away since the last AGM:

- Therese Kriel
- Val Meiring

The Chairman paid special tribute to Therese Kriel for her hard work in establishing the garden at the entrance to the farm despite resistance from the previous farm manager. The board would sponsor a Remembrance Plaque to be erected in the gardens for recognition of her efforts.

4.3 The Chairman gave a detailed presentation of the previous year's activities divided into a number of headlines:

- Financial Position
- Stakeholder Issues
- Corporate Governance
- Infrastructure & Asset Management
- Human Capital
- Service Provision
- Fauna & Flora

The detailed presentation would be made available on the website.

#### 4.3.1 Financial Position

The presentation:

- Reflected the financial status of the company which indicated that it was still in a good position despite the higher than normal capital expenditure incurred during the year in replacing both the entire northern boundary fence as well as acquiring a new bakkie.
- Reflected that the company is well managed and that the expenses are under control.
- The focus had primarily been on operational efficiency and infrastructure improvement

The focus had once again been on the 5 key expenses that account for 90% of the cost base:

- Salaries
- Utilities
- Vehicles
- Maintenance
- Capex

Of concern was the fact that the trend line on late levies had reversed over the past financial year.

Late levies at 31 March 2016 were higher than a year earlier – R 364k vs R 272k. The “name & shame” policy would continue as shareholders had ample notice of the levy structure for the next financial year and invoices were raised early, (December), to ensure that they were paid in advance of the start of the financial year – 1 March.

The levy for the 2017/18 financial year was indicated to increase 3.5% to R 25 250 pa for non-residents. For the last 4 years the increase had remained below the inflation rate.

Cleaning and laundry charges would increase by 3.7% to R 140 excluding VAT, while alarm monitoring would increase by 2.4 % to R 2 300 pa and electricity usage by 6% to R 1.96 per kWh.

This would be effective 1 September 2016 (alarm monitoring 1 August), and would be the first increase for 3 years.

Capital expenditure was higher this year at R 863k, mainly due to the replacement of the full boundary fence and the purchase of a new bakkie and would be brought back to a normalized value of approximately R 600k.

#### 4.3.2 Stakeholder Issues

The formation of game syndicates as approved at the 2015 AGM was put on hold until further notice. There was a risk of tax liability and various opinions on how they should be set up.

There was improved security with the addition of an additional strand on the front fence. There was however another burglary a few weeks prior to the AGM and 2 infra-red cameras had been purchased as a test for installation at the eastern corner where they seemed to have come in.

Good progress was being made on the implementation of suggestions for improvement arising from the last shareholders’ survey with actions still on-going.

The chairman thanked Mariska Munnik for bringing to the board’s attention an issue in all new shareholder certificates issued since September 2014. Share certificates would be re-issued once CIPC had made changes to the template, which was expected by the end of October.

#### 4.3.3 Corporate Governance

There was a continuous effort to comply with all Corporate Governance issues, and various processes and procedures had been formalized

The tabling of Special Resolution 2 was part of the process of strengthening Corporate Governance.

#### 4.3.4 Infrastructure and Asset Management

The major efforts on Infrastructure and Asset Management were:

- New fence on northern boundary
- Upgrade of Waterbok Pan

- Continuous road improvement and Sekelbos eradication
- Rebuilding of dam next to windmill including repairing the windmill with the intention of installing a solar pump
- Work begun with the development of a Tank Farm in the mountain
- Vehicle purchase and engine repair to Vlakvark
- Dam sealing with geo-fabric and bitumen

#### 4.3.5 Human Capital

Training and skills development were ongoing with multi-skilling a priority.

The headcount excluding management was 9 staff (3 female and 6 male) and 4 management including Annatjie.

#### 4.3.6 Flora & Fauna

A key concern was the possible onset of the 7-year cycle of declining rainfall and the effect on existing herds. Feed had been purchased for the first time since 2002.

A game capture programme was beginning imminently.

Bush clearing was continuing.

The new veld assessment undertaken by Frits van Oudtshoorn was received in July and was in the process of being reviewed.

### 5. **Ordinary Business**

#### a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 8 August 2015.

The resolution was put to the vote.

Proposed: Mr S. Twiggs  
Seconded: Mr D. du Toit

There were no abstentions or votes against, and the resolution carried.

#### b. Ordinary Resolution 2

Resolved as Ordinary Resolution 2 to receive and adopt the Company's annual financial statements for the year ended 29 February 2016 together with the reports of the directors and auditors.

Proposed: Mr D. du Toit  
Seconded: Mr P. Groenewald

There were no abstentions or votes against, and the resolution carried.

#### c. Ordinary Resolution 3

Resolved as Ordinary Resolution 3 to re-appoint Russell James and Company Incorporated (Incorporating Core Chartered Accountants (SA)) as auditors to the Company until conclusion of the next Annual General Meeting.

Proposed: Mr M. Perrie  
Seconded: Mr. S. Twiggs

There were no abstentions or votes against, and the resolution carried.

d. Ordinary Resolution 4

Resolved as Ordinary Resolution 4 to ratify the appointment of Mr D Harriss as a Director of the Board

Proposed: Mr M. Perrie  
Seconded: Mr. S. Twiggs

There were no abstentions or votes against, and the resolution carried.

**6. Special Business**

To consider, and if deemed fit, to pass with or without modification the following resolutions, which are proposed as special resolutions:

The meeting then proceeded with the consideration of the three special resolutions before it.

a. Special Resolution 1

i. Preamble to Special Resolution 1

The authority for Directors to buy back shares has to be renewed annually.

Resolved as Special Resolution 1 to authorise the Board to buy back shares as they deem fit, in the best interests of the company.

ii. The Effect of Special Resolution 1

The effect of Special Resolution 1 is that for each share thus purchased, the issued shares would reduce by one and the Share Capital would reduce by R1000. The Purchase offer for each share will be taken through the income statement as an expense.

Proposed: Mr M. Perrie  
Seconded: Mr. D. Goodyer

Votes For: 55  
Votes Against: 0  
Abstain: 0

The resolution was adopted.

b. Special Resolution 2

i. Preamble to Special Resolution 2

The current definition of "Property and Buildings" in Clause 1.6.15 of the MOI is incorrect:

- The remaining portion 650 of the farm Hermanusdoorns already includes the consolidation of the remaining portion 4 of the farm Manamane.
- Not all buildings erected on the farm are for common use. Buildings erected by shareholders on their allocated sites are for the exclusive use of the shareholder and do not form part of the common property.

Resolved as Special Resolution 2 to authorise the Board to amend the definition of "Property and Buildings" in Clause 1.6.15 of the MOI to read:

#### 1.6.15 “Property and

##### Buildings”

means the immovable property described below and known as “Hermanusdoorns” or “the farm”, together with the common use buildings erected on the immovable property. This excludes any buildings erected by the shareholder on the site allocated to the shareholder for the shareholder’s exclusive use:

- The remaining portion 650 of the farm Hermanusdoorns in the registration division KQ Northern Province;
- The farm La Rive 592 in the registration division KQ Northern Province;

#### ii. The Effect of Special Resolution 2

The effect of Special Resolution 2 is to correct the current definition of “Property and Buildings” in the MOI both with respect to the immovable property and with respect to the buildings.

The resolution was put to the vote.

Proposed: Mr M. Perrie  
Seconded: Mr. A. Gildenhuys

Votes For: 55  
Votes Against: 0  
Abstain: 0

The resolution carried and was passed.

#### c Special Resolution 3

#### iii. Preamble to Special Resolution 3

There have been requests by a few shareholders for permission to land helicopters on the farm.

Resolved as Special Resolution 3 to grant permission for the landing of helicopters on the farm in an area specifically designated by the board, so as to cause minimal disruption and inconvenience to other shareholders as well as to the flora and fauna.

#### iv. The Effect of Special Resolution 3

The effect of Special Resolution 3 is that permission has been granted for helicopters to land in a specifically designated area of the farm.

As no shareholders present in the meeting were prepared to propose and second the motion, it was proposed and seconded by two directors.

Proposed: Mr M. Perrie  
Seconded: Mr. J. Hill

Votes For: 2  
Votes Against: 53  
Abstain: 0

The resolution was not adopted.

## **7. Election of Directors**

Mr A. Du Plessis and Mr C. Ross were due for retirement and made themselves available for re-election.

Voting was by secret ballot and both directors were re-elected.

## **8. General**

Mr Groenewald thanked the board for their efforts. The attitude on the farm was awesome and it was a pleasure to visit.

Mr van Zyl implored all shareholders to respect all roads marked as private as being private. There were numerous occasions where vehicles arrived at his house and turned around as it was a dead end without greeting or apologizing when he was outside.

The date for the 2017 AGM would be Saturday 12 August 2017.

The Chairman thanked the retiring directors for their service and the Financial Reporting Committee for their input and assistance. He gave special thanks to the farm management and staff for their hard work.

Mr du Plessis thanked the Chairman for all his hard work and time put into the affairs of the farm.

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There being nothing more to discuss, the Chairman invited everyone to join for a light lunch consisting of a kudu potjie which was once again superbly prepared and presented by the farm management.

Meeting closed at 12h15.

Proposed: Mr S. Twiggs  
Seconded: Mr D. Goodyer

**HERMANUSDOORNS WEB SITE: [www.hermanusdoorns.co.za](http://www.hermanusdoorns.co.za)**