



Hermanusdoorns Shareblock Limited

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THE FARM ON

10 August 2019 AT 11H00

1. Welcome

The Chairman opened the meeting at 11h00 by welcoming all shareholders present.

2. Apologies

Dylan Harriss
Jan Swanepoel
Hannes Venter
Loren Goslin
Dawid Mostert
Riaan van Lingen
Peter van der Ben

Apologies were also tendered on behalf of the auditor, Mr Christo Maritz who was unwell and unable to attend.

3. Notice Convening Meeting and Quorum

There being 52 of the 82 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 needed to carry an ordinary resolution was 27 votes with 39 votes 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.

Willie Vos and Sampie Stols volunteered from the floor to act as referee and assist in vote counting.

4. Chairman's Report

4.2 The Chairman welcomed new shareholders that had joined since the last AGM:

- Herman Marais and family
- Just Sell Trust (Marius Visser)

4.3 The Chairman gave a detailed presentation of the previous year's activities grouped under the following headings:

- Financial Position
- Infrastructure & Asset Management
- Human Capital
- Fauna & Flora

The detailed presentation would be made available on the website after the meeting.

4.3.1 Financial Position

The presentation:

- Reflected the financial status of the company which indicated that it was in a sound state and continued to grow stronger each year.
- Reflected that the company is well managed and that the expenses are under control despite some unusual expenses in the last year occasioned by the fire in November and increased personnel costs due to additional medical aid costs and the hiring of additional staff. The personnel cost trend was still in line with the trend re-set in 2013.
- The focus had primarily been on infrastructure improvement as was the case in the previous year.

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

- Salaries
- Utilities
- Vehicles
- Maintenance
- Capex

The level of late levies had improved significantly over the last year.

Late levies at 31 March 2019 were far lower than a year earlier – R 311k vs R 542k. Levies are payable annually in advance and invoices would be sent to shareholders in December for payment by 29 February 2020.

The levy for the 2020/21 financial year was indicated to increase 5.3% to R 30 000 pa for non-residents which was once again below the inflation rate.

Cleaning, laundry charges and alarm monitoring charges would remain unchanged for the year ahead. Electricity usage charges would increase by 10c a unit.

Capital expenditure increased from R 497k to R 583k over the last year. Capex expenditure would be adjusted down over the next 2 years.

4.3.2 Infrastructure and Asset Management

The major expenditure on Infrastructure and Asset Management were:

- Fencing – R 188k
- Re-placement of the hide at Waterbok Pan together with the construction of a deck at the dam leading to the houses on the mountain on the eastern side – R 96k
- Boreholes and dam-build – R 66k
- Electrical cable – R 53k
- Farm equipment – R 68k
- Ice machine – R 35k
- Water storage project – R 42k
- Other – R 35k

Total Capex for the year was R 583k.

4.3.3 Human Capital

An assistant farm manager primarily responsible for the maintenance of vehicles and equipment was appointed.

4.3.4 Fauna & Flora

Although rainfall over the past year had improved from 394 mm to 482 mm, it was still below average, necessitating the purchase of lucerne to supplement the grazing. George Cochrane had once again kindly donated a number of trailer-loads of buffalo grass as well, for which the Chairman thanked him.

Two sable had been born but unfortunately none of them survived.

A game capture exercise had taken place soon after the 2018 AGM.

5. Ordinary Business

a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 11 August 2018.

The resolution was put to the vote.

Proposed: Mr F. van der Westhuizen
Seconded: Mr B. Benecke

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 28 February 2019 together with the reports of the directors and auditors.

Proposed: Mr P. Groenewald
Seconded: Mr K. Butler

There was one abstention and no votes against, and the resolution carried.

c. Ordinary Resolution 3

Resolved as Ordinary Resolution 3 to re-appoint A & Q Attest Services Incorporated as auditors to the Company until the conclusion of the next Annual General Meeting.

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

There were no abstentions and no 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 P. Groenewald
Seconded: Mr. B. Benecke

Votes For: 52
Votes Against: 0
Abstain: 0

The resolution was unanimously adopted.

7. Election of Directors

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

Mrs Erasmus raised her concerns regarding the health of Mr du Plessis and whether he was in a position to continue. Mr du Plessis responded that he felt he was still able to continue as a director.

Due to the fact that the auditor was not present to count votes, the Chairman enquired of the meeting whether there were any objections on this occasion to a vote by show of hands rather than secret ballot. There were no objections and voting proceeded by show of hands with both directors unanimously re-elected.

8. General

The Chairman updated the meeting on a request by MTN to run an overhead power line a few meters within the western boundary fence to power a cell phone mast which had been erected on the adjoining farm. Tests had been done to see whether there was any improvement to MTN cell phone coverage at the pool area. There was none so the board rejected the proposal. The decision was supported by Mr Goodyear.

Board members were currently applying their minds to parallel processes for house cleaning.

Special thanks were given to George Cochrane for the continued provision of feed, Solly van der Walt for his efforts with the rehabilitation of the windmill and Henko for his herculean efforts during the fire.

Mr Potgieter raised a concern that a brown hyena he had previously spotted with a wire snare around its neck towards the top of the mountain and reported to farm management some time ago was seen again still with a snare.

Mrs Merbold raised a concern over the lack of game on the Schoongelegen side of the farm behind the mountain – there were only 2 waterbuck present and nothing else. She attributed the lack of game to the erection of the fence across the top of the mountain. The directors undertook to investigate the matter and come back with solutions at the next meeting.

She also raised the fact that the road on the Schoongelegen side and the area from which soil was taken needed rehabilitation.

Vernon Keys thanked the board and chairman for the manner in which the farm was run.

Mr Erasmus stated that it was unacceptable that 2 newly born sable had been taken by jackals and that these should be shot.

Mr Twiggs a former professional hunter countered that should they be shot, the territory would be usurped by others.

Mr Erasmus also raised a concern about flannel weed on the farm and that more should be done to combat it.

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

He then welcomed Mr Marius Koekemoer, a snake-handler who gave an entertaining talk on snakes and who brought a number of samples with him.

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

Meeting closed at 12h00.

The date for the 2020 AGM would be Saturday 08 August 2020.

HERMANUSDOORNS WEB SITE: www.hermanusdoorns.co.za