

Hermanusdoorns Shareblock Limited

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THE FARM ON

11 August 2012 AT 11H00

1. Welcome

The Chairman opened the meeting at 11h00 by welcoming all shareholders present and Mr Michael Fickert, a non-executive board member, and extending a special welcome to new shareholders.

2. Apologies

Floors du Plessis
Dawie Botha
Mathilda Moore
Oppel Greeff

3. Notice Convening Meeting and Quorum

There being 59 of the 100 shareholders present in person or by proxy, the Chairman declared that as there was a quorum, proceedings could continue. The Chairman also stressed that 30 votes were required to carry a normal resolution and 45 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.

Keith Smith and Jurie Venter volunteered from the floor to act as referees and assist in vote counting.

4. Chairman's Report

- 4.1 The Chairman gave a detailed presentation of the previous year's activities including fauna and flora, rainfall, veld assessment etc. He stressed the unacceptable debtor's situation with 25% of shareholders paying late and with still 210k outstanding at 31 July. There would be no tolerance for late payers and legal action would be taken, including auctioning off shares of delinquent shareholders.

It had come to the board's attention that the farm had in the past been non-compliant with respect to the Workmen's Compensation Act, but this had now been rectified and fortunately there had been no accidents in this period.

Security was also a major concern, and the farm manager would no longer react to alarms at night, but rather the following day. Shareholders were urged to have radios installed for security purposes and for fire warning. In addition, different gate monitoring and night patrols were being considered.

A number of incidents of shareholder interference over the last 2 years (including the Department of Labour and Lephelale Municipality incidents) were listed which cost both shareholders a lot of additional money, undermined the board and cost the board a lot of time to resolve. Shareholders should raise issues directly to the board.

The Chairman's presentation can be viewed on the website.

- 4.2 The Chairman presented the financial results for the year ending 28 February 2012 and thanked the Audit Committee and Attie du Plessis and Willie Botha for their hard work and assistance.

There was a major change in 2012 to the presentation of AFS for Shareblock companies. Both the old format and new format were included in the AFS to make it easier for shareholders for comparative purposes.

Mr Willie Botha explained to the meeting the main changes, especially the treatment of assets, which no longer were reflected in the company's AFS as they belonged to the shareholders and not to the company, This meant that assets purchased, were fully accounted for in the Income Statement in the year of purchase.

5. Ordinary Business

a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 3rd September 2011.

The resolution was put to the vote.

Proposed: Mr. P. Groenewald

Seconded: Mr K. Smith

Unanimously accepted.

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 2012 together with the reports of the directors and auditors.

No questions were raised regarding the financial statements.

Proposed: Mr K. Smith

Seconded: Mr H. Venter

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 S. Stephen

Seconded: Mr. A. du Plessis

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

d. Ordinary Resolution 4

- Preamble to Ordinary Resolution 4

As a result of the changes made to the Company's act, it is required that a new Memorandum of Incorporation (MOI) be adopted by the company. The MOI proposed for adoption is the existing Articles of Association of the Company inclusive of all Special Resolutions that have been carried by Special resolutions.

Ordinary Resolution 4 was withdrawn prior to the AGM and not put to the vote, due to the complexity of the current draft that had been circulated to shareholders prior to the AGM. It would be further refined and presented at the next AGM.

Mr W. Botha provided clarity to the meeting that the existing Articles and memorandum of Association automatically become the new MOI.

6. Special Business

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

Special Resolution 1

i. Preamble to Special Resolution 1

In a previous AGM (2006) an ordinary resolution was passed prohibiting shares to be held in a syndicate. At the request of shareholders at the AGM of 2010, the Board was tasked to re-evaluate this resolution and if necessary propose a suitable solution that would allow the transfer of shares to more than one individual. This was of specific relevance to existing shareholders that wished to bequeath their share to their children in the event of death. This is also of relevance to existing shares that are not currently held by Natural Persons. As there was no resolution to this proposal at the AGM in 2011, the Directors tasked to revisit this for the 2012 AGM and table a further resolution for consideration.

The principles adopted in drafting this resolution were:

- To facilitate the easy transfer of shares for a shareholder to specified beneficiaries in the case of the shareholders death
- To allow the formation of syndicates - multiple ownership or ownership through a privately held company
- To allow ownership in the form of a trust to facilitate estate planning.
- To protect the farm from potential "over population" by placing restrictions and conditions on shares held by a syndicate
- To ensure that Hermanusdoorns Shareblock receives adequate funding through levies and other means to support syndicate ownership.

The above has been achieved in the following proposed resolution by:

- Allowing existing syndicates to continue unchanged provided the existing structure is maintained
- Introduction of a "Conversion Fee" to be levied if existing shareholders want to convert to a syndicate or if existing syndicates wish to change the syndicate structure
- Introduction of "Specific Levies" for all new syndicated ownership

With the permission of the meeting, the resolution was split into 4 parts:

- Special Resolution 1a - Existing Syndicates
- Special Resolution 1b – Inheritance
- Special Resolution 1c – Family Trusts
- Special Resolution 1d – New Syndicates

ii. Resolution

Resolved as Special Resolution 1a to 1d that the following clauses be inserted into the Articles of Association:

TRANSFER OF SHARES TO MORE THAN ONE INDIVIDUAL (SYNDICATES)

Special Resolution 1a - Existing Syndicates

- (a) Existing Syndicates will remain unchanged and be allowed to continue as is unless there is a change to the syndicate structure
- (b) Existing levy structures will continue to apply as follows (Table A)
- (c) The exact make up of the syndicate must be proved each year in February to determine the appropriate levy. This will apply to all shares registered in legal structures other than that of a Natural Person

Table A : Existing Levy Structure			
		Levy %	2012/13 Actual Levy
Non Resident			
	Individual	100%	17 350.00
	Trust	100%	17 350.00
	Company	100%	17 350.00
Syndicate - Non- Resident			
	1 Member	100%	17 350.00
	2 Members	133%	23 133.33
	3 Members	167%	28 916.67
	4 Members	200%	34 700.00
Resident		180%	31 230.00

Proposed: Mr C. Frischmuth
 Seconded: Mr. J. Venter

For: 57
 Against : 1
 Abstain: 1

The resolution carried.

Special Resolution 1b - Inheritance

In the case of the death of a shareholder:

- The share may be split by the number of beneficiaries
- The total levy will be determined by the number of beneficiaries as per the table below (Table B) but levied in equal parts to each of the beneficiaries
- No Conversion Fee will be applicable
- Part shares must be held in the individual beneficiaries' personal name

Table B : Inheritance (Existing Shareholders Only)					
Purchase Price		R 100 000		Note: Based on 2012/13 Levy Structure	
No of Beneficiaries	Conversion Fee	Levy % of Non Res	Levy Per Beneficiary	Family Levy	Individual Member Levy
1	R 0	100.0%	100.0%	R 17 350.00	R 17 350.00
2	R 0	115.0%	57.5%	R 19 952.50	R 9 976.25
3	R 0	130.0%	43.3%	R 22 555.00	R 7 518.33
4	R 0	145.0%	36.3%	R 25 157.50	R 6 289.38
5	R 0	160.0%	32.0%	R 27 760.00	R 5 552.00
6	R 0	175.0%	29.2%	R 30 362.50	R 5 060.42
7	R 0	190.0%	27.1%	R 32 965.00	R 4 709.29
8	R 0	205.0%	25.6%	R 35 567.50	R 4 445.94
9	R 0	220.0%	24.4%	R 38 170.00	R 4 241.11
10	R 0	235.0%	23.5%	R 40 772.50	R 4 077.25

Proposed: Mr J. van Lingen
 Seconded: Mr. Gericke

For: 57
 Against : 1
 Abstain: 1

The resolution carried.

Special Resolution 1c - Family Trusts

Shares may be sold / transferred to a Family trust under the following conditions:

- The Trust beneficiaries are blood relatives in that the Trust was set up as part of an Estate planning process
- A Conversion fee is payable and is determined by the number of beneficiaries in the Trust (see Table C)
- The total levy will be determined by the number of beneficiaries as per the table below (Table C) and levied directly to the Trust

- An Audited certification of the Trustee and Beneficiary details must be lodged with Hermanusdoorns Shareblock in February of each year

Proposed: Mr Twiggs
 Seconded: Mr. Kriel

For: 55
 Against : 1
 Abstain: 3

The resolution carried.

Table C: Family Trust Levy Structure						
Purchase Price		R 100 000		Note: Based on 2012/13 Levy Structure		
No of Beneficiaries	Conversion Fee %	Conversion Fee	Levy % of Non Res	Levy per Beneficiary	Trust Levy	Individual Member Levy
1	0.5%	R 500	100.0%	100.0%	R 17 350.00	R 17 350.00
2	1.0%	R 1 000	110.0%	55.0%	R 19 085.00	R 9 542.50
3	1.5%	R 1 500	120.0%	40.0%	R 20 820.00	R 6 940.00
4	2.0%	R 2 000	130.0%	32.5%	R 22 555.00	R 5 638.75
5	5.0%	R 5 000	166.7%	33.3%	R 28 916.67	R 5 783.33
6	6.0%	R 6 000	183.3%	30.6%	R 31 808.33	R 5 301.39
7	7.0%	R 7 000	200.0%	28.6%	R 34 700.00	R 4 957.14
8	8.0%	R 8 000	216.7%	27.1%	R 37 591.67	R 4 698.96
9	9.0%	R 9 000	233.3%	25.9%	R 40 483.33	R 4 498.15
10	10.0%	R 10 000	250.0%	25.0%	R 43 375.00	R 4 337.50

Special Resolution 1d - Syndicates (Multiple Owners or Companies)

Shares may be sold / transferred to a syndicate under the following conditions:

- Restricted to a maximum of 4 shareholders or syndicate members
- A Conversion fee is payable and is determined by the number of members of the syndicate or shareholders in the company (see Table D)
- The total levy will be determined by the number of members of the syndicate or shareholders in the company as per the table below (Table D)
- In the case of Company ownership:
 - An Audited certification of the shareholder details must be lodged with Hermanusdoorns Shareblock in February of each year
 - The levy will be levied on the Company
- In the case of Joint ownership, the individual members will be levied in their personal capacity

Table D : Syndicate /Company Levy Structure						
Purchase Price		R 100 000		Note: Based on 2012/13 Levy Structure		
Members/ Shareholders	Conversion Fee %	Conversion Fee	Levy %of Non Res	Levy Per Member	Syndicate Levy	Individual Member Levy
1	5.0%	R 5 000	100%	100%	R 17 350.00	R 17 350.00
2	10.0%	R 10 000	200%	100%	R 34 700.00	R 17 350.00
3	15.0%	R 15 000	300%	100%	R 52 050.00	R 17 350.00
4	20.0%	R 20 000	400%	100%	R 69 400.00	R 17 350.00

In accordance with the table as set out above, the levy per member of a syndicate is equivalent to the levy of a non-resident shareholder. Syndicates are limited to a maximum of 4 members,

Proposed: Mr Perrie
Seconded: Mr. K. Smith

For: 52
Against : 6
Abstain: 1

The resolution carried.

This Resolution will be applicable from the date of the AGM and will apply only to new share registrations and transfer of existing shares.

The reason for and effect of the Special Resolution 1a to 1d is to change the provisions regarding the treatment of Syndicate owners in respect of both conditions of registration and levy structure whilst protecting the status quo for existing syndicates or shares that are not registered to Natural Persons.

8. Election of Directors

There were no directors for re-election.

9. Medium and Long Term Plan.

The Chairman presented the medium and long term plans.

10. General

There were no further points raised.

The board expressed their gratitude to the staff and farm management for their hard work and for maintaining the farm in such good condition.

There being nothing more to discuss, the Chairman invited everyone to a lunch which was superbly prepared and presented by the farm management.

Meeting closed at 13h35

Proposed: Mr. H Venter
Seconded: Mr. C. Hattingh

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