

Hermanusdoorns Shareblock Limited

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THE FARM ON

11 August 2018 AT 11H00

1. Welcome

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

2. Apologies

Jan Swanepoel
Clifford Ross
Dawie Botha
Mike Fikkert
Kobus Butler
Bill Benecke
Sean Twiggs
Hannes Venter
Vernon Keys
Eddie Grobber
Belrup (John Rupert)

3. Notice Convening Meeting and Quorum

There being 52 of the 83 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.

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

4. Chairman's Report

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:

- Daan Botha
- Johan Wessels

4.3 The Chairman mentioned that the share block had come of age as it was in its 21st year of existence and gave a detailed presentation of the previous year's activities grouped under the following headings:

- Financial Position
- Stakeholder Issues
- Corporate Governance
- Infrastructure & Asset Management
- Human Capital
- Services Provision
- 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.
- 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

Of concern was the fact that the trend line on late levies had continued the reversal which had been evident in the last two financial years.

Late levies at 31 March 2018 were far higher than a year earlier – R 542k vs R 274k. This had adversely affected the interest income earned. 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.

Shareholders who had not paid their 2019/20 levies by 31 March 2019 would be denied access to the farm as provided for in the Use Agreement. In addition, interest would be charged on late payments at the usury rate of interest.

The levy for the 2019/20 financial year was indicated to increase 5.9% to R 28 500 pa for non-residents which was once again below the inflation rate.

Cleaning and laundry charges would increase by R 5 to R 150 excluding VAT with effect from 1 September. Alarm monitoring would increase from R 2 360 pa R 2 400 pa effective 1 March 2019. Electricity usage charges would remain unchanged until there was further clarity from Eskom of their intentions.

Capital expenditure was reduced from R 621k to R 497k over the last year. The big ticket items were R 60k for the replacement of the western boundary fence, R 191k for upgrading of the electrical infrastructure and R 161k for renovation of the assistant farm manager's house. Fencing costs had been shared with the neighbours.

4.3.2 Stakeholder Issues

There had only been one security incident over the past year when a house on top of the mountain had been burgled. Shareholders were urged to remain vigilant.

There had been a few requests to open B&Bs on the farm. This would not be entertained.

4.3.3 Corporate Governance

Corporate Governance remained a key focus.

4.3.4 Infrastructure and Asset Management

The major efforts on Infrastructure and Asset Management were:

- Western section of the fence replaced from the foot of the mountain to the top together with the back fence
- Completion of renovation to one of the farm houses
- Start made on a new dam on the Malembe side of the farm (western)
- Increased intensity in Sekelbos eradication. A new saw had been purchased to cut and bag the wood for sale at Snoepie
- Begin on installation of water meters to monitor water usage

4.3.5 Human Capital

The assistant farm manager appointed in January had resigned and left.

4.3.6 Flora & Fauna

Relatively poor rain had fallen over the past year necessitating the purchase of lucerne to supplement the grazing. George Cochrane had once again kindly donated a number of trailer-loads of buffalo grass for which the Chairman thanked him.

The farm had purchased a hammer mill which was utilized to mix the grass and lucerne together with molasses as a nutritional feed for the animals.

A game capture exercise would begin shortly, targeting impala and giraffe.

The Chairman also thanked Solly van der Wath for his research into an infestation of Flannel Weed and the control mechanism put in place.

Shareholders were requested to empty any personal water cribs to better control the grazing..

The farm had bought 3 further female sable which to replace 2 of the 3 purchased in the previous year which had died. Sixteen springbok had also been purchased.

5. **Ordinary Business**

a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 12 August 2017.

The resolution was put to the vote.

Proposed: Mr P. Groenewald
Seconded: Mr W. Vos

There was one abstention, no 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 2018 together with the reports of the directors and auditors.

Proposed: Mr P. Goslin
Seconded: Mr D. Goodyear

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

c. Ordinary Resolution 3

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

Proposed: Mr F. Van Der Westhuizen
Seconded: Mr P. Goslin

There was one abstention 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 S. Gericke
Seconded: Mr. J. Hoffman

Votes For: 51
Votes Against: 0
Abstain: 1

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" should read "The farm Hermanusdoorns N0 650".
- "The farm La Rive 592" should read "The remaining extent of the farm La Rive 592".

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 farm Hermanusdoorns N0 650 in the registration division KQ Northern Province;
- The remaining extent of 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.

Proposed: Mr A. du Plessis
Seconded: Mr. P. Goslin

Votes For: 51
Votes Against: 0
Abstain: 1

The resolution was adopted.

7. Election of Directors

Mr D. Harriss and Mr J. Hill 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 who had been a shareholder since the formation of the share block thanked the Chairman and the board for the way in which the company was run. It had never been in such a wonderful position and the effort was awesome and it was a pleasure to be on the farm. He implored shareholders to be positive and help one another.

Mr Goslin complained about littering and asked shareholders to please stop and pick up any litter they encountered while moving about the farm.

There was a complaint about loud music the previous night from one of the shareholder homes until late at night. The Chairman once again requested shareholders to observe the rules and have consideration for their fellow shareholders.

Mr Vos commented that a number of the site boards had faded. The Chairman would have them replaced.

Mr Goodyear had bought the Total garage at Spar in Vaalwater and would soon communicate favourable deals on diesel to shareholders.

The date for the 2019 AGM would be Saturday 10 August 2019.

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.

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 12h00.

Proposed: Ms C. Swart
Seconded: Mr J. Kotze

HERMANUSDOORNS WEB SITE: www.hermanusdoorns.co.za