

# **Hermanusdoorns Shareblock Limited**

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

**12 August 2017 AT 11H00**

### **1. Welcome**

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

### **2. Apologies**

Arrie Swanepoel  
Clifford Ross  
Daan Botha  
Dawid Mostert  
Dawie Botha  
Francois Naude  
Glen Meiring  
Johan Kotze  
Mike Fikkert  
Niel de Klerk  
Peet van der Merwe  
Riaan van Lingen  
Ronnie van As

### **3. Notice Convening Meeting and Quorum**

There being 51 of the 84 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 26 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.

Hannes Venter 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:

- Hester Stols
- Vinkie Engelbrecht
- Jan Els

4.3 The Chairman gave a detailed presentation of the previous year's activities grouped under the following 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 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 cash position at the end of the financial year was good at R 1.4m.
- 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 continued the reversal which had begun in the previous financial year.

Late levies at 31 March 2017 were higher than a year earlier – R 274k vs R 229k. 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 2018/19 financial year was indicated to increase 6.5% to R 26 900 pa for non-residents. For the last 5 years the increase had remained below the inflation rate.

Cleaning and laundry charges would increase by 3.6% to R 145 excluding VAT. Alarm monitoring would increase by 2.6 % to R 2 360 pa and electricity usage by 12% to R 2.20 per kWh.

The services increases would be effective 1 September 2017 (alarm monitoring 1 August). An invoice would be raised for 6 months for alarm monitoring until the end of February and thereafter it would fall into the same billing cycle as the annual levies.

Capital expenditure was lower this year at R 621k. The big ticket items were R 147k for the replacement of the western boundary fence, R 292k for upgrading of the electrical infrastructure and R 133k for renovation of the assistant farm manager’s house.

#### 4.3.2 Stakeholder Issues

The biggest concern was security occasioned by the recent spate of burglaries on the farm. Additional cameras had been installed. Although new technologies for intruder detection had been investigated including electric fencing, thermal cameras and zone isolation, the costs were prohibitive, ranging from R 1.5m to R 8m. The Chairman recommended that all shareholders invest in radios, install alarm systems and be more vigilant.

The latest burglary had been on the Tuesday night before the meeting and an excellent photo had been captured on one of the shareholder’s security cameras and the intruder had been positively identified.

#### 4.3.3 Corporate Governance

Corporate Governance remained a key focus. Registration with the Community Schemes Ombud Services was part thereof.

#### 4.3.4 Infrastructure and Asset Management

The major efforts on Infrastructure and Asset Management were:

- Western section of the fence replaced to the foot of the mountain
- Start made on a new dam on the Malembe side of the farm (western)
- Farm entrance paved

- Paving and the erection of a children's jungle gym at the pool. The chairman thanked Sampie Stols for his donation in this regard
- Increased intensity in Sekelbos eradication. A new saw had been purchased to cut and bag the wood for sale at Snoepie
- Additional cameras installed
- Invested in welding and cutting tools to reduce the amount of outsourcing

#### 4.3.5 Human Capital

The headcount excluding management was 9 staff (3 female and 6 male) and 3 management including Annatjie. Henko has not been replaced yet with Piet fulfilling some of his duties

#### 4.3.6 Flora & Fauna

Extremely good rains had fallen over the last season which assisted in the recovery from the drought. Prior to the rains it had been necessary to buy lucerne to supplement the grazing. This entailed an unplanned cost of R 78k.

George Cochrane had also kindly donated a number of trailer-loads of buffalo grass for which the Chairman thanked him.

Due to the depressed price of game the game capture exercise was curtailed.

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

There had been an outbreak of Sarcoptic mange within the past few weeks which had resulted in a few wildebeest being affected, mainly some of the calves from the previous season. Operations were under way to cull these. Shareholders were requested to empty any personal water cribs while the wildebeest operation was under way.

The farm had bought 3 female sable which had been delivered earlier during the week and were currently quarantined in a separate camp.

A black impala had also been donated by the chairman.

## 5. **Ordinary Business**

### a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 6 August 2016.

The resolution was put to the vote.

Proposed: Mr H. Venter  
Seconded: Mr P. Groenewald

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 2017 together with the reports of the directors and auditors.

Proposed: Mrs T. van der Merwe  
Seconded: Mr K. Smith

There was one abstention and no 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 V. Keys

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. K. Smith

Votes For: 50  
Votes Against: 0  
Abstain: 1

The resolution was adopted.

## 7. Election of Directors

Mr M. Perrie and Mr M. Fikkert 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 W. Botha needed his lighting conductor tested and certified for insurance purposes and enquired whether other shareholders had a similar need so the activity could be coordinated as it had been in the past. John Hill was to coordinate.

Mr van Zyl enquired whether radios could be supplied to shareholders for security purposes, utilizing a separate channel so as not to interfere with farm operations. The Chairman supported this and indicated an approximate cost of R 2 500 for the radio.

Mr van Zyl further requested that shareholders be informed should surplus game be sold to butchers during the next capture exercise.

Mr Rees suggested utilizing organizations outside of SAPS that had a proven record of bringing perpetrators to book to investigate security-related incidents.

The date for the 2018 AGM would be Saturday 11 August 2018.

The Chairman thanked 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 and John Hill for all their hard work and time put into the affairs of the farm.

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

Meeting closed at 12h00.

Proposed: Mr H. Venter  
Seconded: Mr S. Twiggs

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