

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING  
OF MABALINGWE NATURE RESERVE SHARE BLOCK (PTY) LTD HELD AT  
MABALINGWE NATURE RESERVE ON THE 14<sup>TH</sup> OF OCTOBER 2017 AT 09H00**

**PRESENT:**

**DIRECTORS:**

**AS PER THE ATTENDANCE REGISTER**

**SHAREHOLDERS:**

**AS PER THE ATTENDANCE REGISTER**

**IN ATTENDANCE:**

**AS PER THE ATTENDANCE REGISTER**

**1. OPEN AND WELCOME**

Mr Johan van Niekerk opened the meeting and welcomed everyone present. He informed the meeting that there was a participant to the meeting via Skype as well. Mr Matie Barnard opened the meeting in prayer.

**2. APOLOGIES / PROXIES / QUORUM**

The Chair advised that 7 apologies and 7 proxies had been received. The Chair further advised that 3 Members present in person or by proxy representing at least 1% of the votes in the Company constituted a quorum. As the Members present represented 63% of the votes the Chair accordingly declared the meeting as duly constituted.

**3. MINUTES OF THE PREVIOUS ASM HELD ON THE 15<sup>TH</sup> OF OCTOBER 2016**

The approved minutes had been circulated and accepted as read.

**4. PRESENTATION OF THE CHAIR'S INTEGRATED REPORT**

The Chair's Report having been circulated was accepted as read, the Chair highlighted pertinent aspects of the Report and questions which had been raised by Members pursuant thereto.

**4.1 LIQUIDATION**

The rights of the shares which were held by Boschpoort Ondernemings in Liquidation has been sold to Magnus Thinium Trust. Magnus Thinium Trust has, because of the transaction that had taken place and the Directors representing Boschpoort Ondernemings resigning as a result thereof, the right to appoint Directors. The Trustees of Magnus Thinium Trust have the rights to appoint three Directors but has at this stage only chosen to appoint two Directors. Together with the two elected Directors, Mr JW Meyer and Mr Johan van Niekerk represented the Board until the passing of Mr JW Meyer. The election of Directors would be done again to ensure a full Board.

The liquidation has not been finalized, however the Shares and the rights that the liquidators held in the Share Block has been sold, so they no longer have any part of running the Resort.

The Share Block has not received money back from the liquidation for the debt they owed historically and in the financial statements it has been provided for as bad debt so it does not form part of the reserves.

The total amount outstanding is approximately R8.4 million of which R2, 4 million is interest.

#### **4.2 SPECIAL RESOLUTIONS**

Historically there were Resolutions taken to sub-divide Witland and effectively on sell the property. Consent thereto was given by the Shareholders and by the Minister of Agriculture. However, there were concerns raised about the sale of Witland to a third party and the risk it could hold to the greater Mabalingwe and Share Block.

Together with the Managing Agent and representatives from the greater Mabalingwe the above matter was discussed with Magnus Thinium Trust and Special Resolutions have been put forward resulting from the process.

In terms of the proposal Magnus Thinium Trust will not proceed with the subdivision, subject thereto that its rights in respect of Witland are comprehensively ingrained in the Company's statutory documentation. The status quo will then continue in respect of governance, the Shareholders and owners' use of Witland. However, it is recorded that Magnus Thinium wishes to reserve the right to build a maximum of four private residences on Witland in the future.

#### **4.4 ACHIEVEMENTS OF THE MANAGING AGENT AND RESORT**

At the RCI OSCAS where leading Resorts and front runners in the Timeshare industry are celebrated; Resorts and Resort Managers managed by our Managing Agent were awarded some of the following top accolades. Diamond awards were presented to Ngwenya Lodge (Gold Crown Large Category), Mr Diederik Herholdt, Ngwenya Lodge (Resort Manager of the Year) and Ekuthuleni (Silver Crown). A Diamond Award is only issued when a Resort, or Manager, wins their category for three consecutive years. This is very seldom achieved in the Timeshare industry!

Mabalingwe Nature Reserve achieved second place in the category Gold Crown Resort of the year.

#### **4.5 BUDGET**

The budget for the levy increase for the next financial year was approved at 1,45%.

One of the projects planned for the ensuing year is the sewage upgrade which will be financed from reserves which means a special levy will not be requested from the Shareholders.

#### **5. PRESENTATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

GH presented the Annual Financial Statements and explained the various notes relating to the line items concerned.

A member enquired as to the cause of the bad debt and Mr Hogendoorn explained that situations occur where members are unable to afford to pay their levies. The week is then subsequently abandoned. The Company then endeavours to find another debtor to take over the portfolio or the abandoned week is placed on tender. It must however be stipulated that legislation currently does not allow a debtor to relinquish a week and the levy obligation remains with the Shareholder.

The Chair advised that currently there was an investigation into the Timeshare Industry whereby a panel was appointed to report to the National Consumer Commission (NCC). It was the responsibility of the panel to make proposals to the NCC regarding law reform as current legislation governing Share Blocks was aged and could possibly be outdated.

#### **6. APPROVAL OF AUDITOR'S REMUNERATION**

The meeting considered the fees raised by the Auditors for work completed and as there were no questions or objections, the Members:

**Resolved by unanimous Resolution that:**

The Auditor's fees be and are paid as submitted and duly approved.

#### **7. APPOINTMENT OF AUDITORS**

As there was no counter proposal or objection to the reappointment of the Auditors, the Auditors therefore remained in office for the ensuing financial year.

#### **8. INSURANCE SCHEDULE**

The Chair referred to a recent incident where the Manager's residence burnt down and as a result the insurers were not prepared to insure 100% of the Resort and requested that an alternate insurer be sourced to insure 50% of the Resort. The insurers also

insisted on certain tasks being done within a thirty day' time frame but as a result of high occupancy this was not possible.

The Board was forced to source an alternate insurer willing to insure the Resort, however that had an impact on the Insurance premium. The Board is endeavouring to find alternatives in the matter going forward. In the meantime spark arrestors are being installed in all the chimneys of the units to reduce the risk of fire.

The meeting considered the circulated Insurance Schedule detailing the insured values, and as there were no questions or objections, it was:

**Resolved by unanimous Resolution that:**

The Insurance Schedule be and is hereby approved.

**9. ELECTION AND APPOINTMENT OF DIRECTORS**

As Mr J van Niekerk was one of the Members' nominees he requested Mrs Marjorie Forssman to conduct the election of the Director's. The Meeting approved the proposal that Mrs Forssman Chair this portion of the meeting and Mr van Niekerk handed the Chair to Mrs Forssman.

Mrs Forssman confirmed that the Directors elected by the Timeshare Members retired at each Annual Shareholders Meeting. Mr J van Niekerk was the Director who stood down and as a result of the passing of Mr JW Meyer there were two vacancies for the elected Directors. Two nominations were received for the two vacancies, namely for Mr J van Niekerk and Mr JJ Jordaan.

Mrs Forssman called for a vote for the election and appointment of Mr Johan van Niekerk and Mr Johann Jordaan.

**Resolved by unanimous decision on each nomination and on a show of hands that:**

Mr J van Niekerk and Mr JJ Jordaan be individually elected as Directors for the ensuing year.

Mrs Forssman congratulated the Directors on their appointment and handed the Chair back to Mr J van Niekerk.

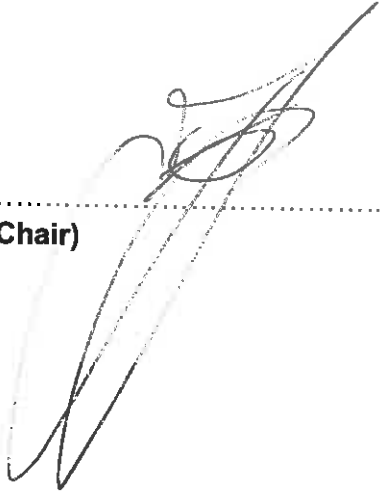
**10. VOTE OF THANKS AND DISSOLUTION OF MEETING**

The Chair thanked VRS and the accounting staff for their assistance and contributions in ensuring good Corporate Governance and controls and thanked the Resort Management for their exemplary management of the Resort resulting in the continuous flow of compliments. The Chair thanked the Shareholders for their loyal support and prompt levy payments.

As there were no further matters for discussion the Chair dissolved the meeting.

Approved and signed at ... Pretoria ... on the ... 2nd ... day of ... March ... 2018.

.....  
(Chair)

A large, stylized handwritten signature in black ink, written over a horizontal dotted line. The signature is highly cursive and loops around itself.