

**MINUTES OF THE COMBINED ANNUAL SHAREHOLDERS MEETING OF
NGWENYA 3 SHARE BLOCK (PTY) LIMITED AND NGWENYA 4 SHARE BLOCK (PTY)
LIMITED HELD AT THE COUNTRY CLUB JOHANNESBURG, WOODMEAD ON
THE 5TH OF OCTOBER 2018 AT 11H00**

**PRESENT:
DIRECTORS:
AS PER THE ATTENDANCE REGISTER**

**MEMBERS:
AS PER THE ATTENDANCE REGISTER**

**IN ATTENDANCE:
AS PER THE ATTENDANCE REGISTER**

1. OPEN AND WELCOME

The Chair opened the meeting and welcomed everyone present.

2. APOLOGIES / PROXIES / QUORUM

The Chair advised the Members that 7 Apologies, 10 Proxies and 8 Letters of Representation had been received. The quorum was 1% of all the voting rights and at least 3 Members present in person or by proxy and as there were more than 3 Members representing 83% and 95% of the total votes in Ngwenya 3 Share Block (Pty) Limited and Ngwenya 4 Share Block (Pty) Limited respectively there was a quorum present and as the notice had been served timeously, the Chair accordingly declared the meeting as duly constituted.

**3. MINUTES OF THE PREVIOUS ANNUAL SHAREHOLDERS MEETING HELD ON THE
29TH OF SEPTEMBER 2017**

The approved minutes had been circulated and was taken as read, there were no matters arising from the previous minutes.

4. PRESENTATION OF THE CHAIR'S INTEGRATED AND COMBINED REPORT

The Chair's Integrated Report having been circulated was accepted as read. The Chair highlighted the pertinent aspects of the Report and events that had happened since the last Annual Shareholders Meeting. The Chair, on behalf of the Board, thanked the Members for their diligent payment of their levies and their attendance at the Annual Shareholders Meeting.

The following matters arose from the correspondence received:

4.1 WI-FI

Requests were received from Members that Wi-Fi be available in all the units. The Board of Directors had investigated the costs and it was found to be excessive. This matter will be investigated in the future. Free Wi-Fi is currently available at the restaurant, the shop and the reception area.

4.2 BAD DEBT AND TENDER WEEKS

The Chair commented on Member pressure to pay levies in current economic circumstances. The Board of Directors were aware of the financial strain and the need to balance the quality of the Resort and levy increases.

The total bad debt was approximately R300 000.00. The Chair informed the Members that great success had been achieved on the tender weeks and the actual loss on levy debtors was approximately R24 000.00.

The tender process was explained to the Members by the Chair. Weeks available from defaulting Shareholders are put on tender for Shareholders who want to increase their portfolio. This is an individual process and done with the specific week.

If there is an over-recovery on the amount outstanding to the Company, that amount is for the previous Shareholder benefit.

If there is an under-recovery of the outstanding amount, it is endeavoured to recover this from the previous Shareholder. Should this not be successful, it is only then written off as Bad Debt.

There are re-sale agents available should Shareholders consider selling their weeks in the open market.

The other portion of the Bad Debt was as a result of the Sewerage System which had now been settled.

4.3 REFURBISHMENT OF UNITS

The Chair explained to the Members the process of refurbishment of the units. The Board of Directors has to go through a process to choose the best and most durable products for the units. Interior Decorators are also involved in this process to make the best decisions. Feedback of Members, positive and negative was important to make the units as comfortable as possible.

4.4 AUDITOR CHANGE

A request was received by a Shareholder to change Auditors. The Chair explained that according to legislation, the auditor partner must change every 5 years. The current firm has been active for eight years, but the partner of the firm was active for only 2 years. This request was received late and the Audit Committee had already proposed the re-appointment of the current auditors which proposal was supported by the full Board of Directors.

4.5 SEWERAGE SYSTEM

The current plant does not function as promised and needed to be replaced. The Chair informed the Members that it was in process to erect a new sewerage plant. The new plant needed to be moved off site as there was not adequate space on the current property. The Board negotiated with an entity related to the property Developer for the use of this space on nearby property

The sewerage system will be funded from the Developers' contribution and was that Ngwenya will not be charged for the land that will be used for the sewerage plant. Servitudes will be registered to protect the interest of Ngwenya.

The estimated cost for the building of the new sewerage plant is R8 500 000.00.

4.6 VACATION OWNERSHIP INVESTIGATION (VOI)

The Chair informed the Members that a meeting was held with the National Consumers Council (NCC) and the Timeshare Clubs. A brief summary was given by the National Consumers Council on their intentions. It seemed from the

discussions there were misunderstandings of the number of complaints and it seemed that the direct impact to Share Blocks like Ngwenya would be minimal.

It seemed that the NCC wants to address problems like sales techniques, perpetuity of contracts, etc. A preliminary report was given to the Timeshare Industry for comments.

4.7 CHAIRMAN'S LINE

The Chair advised the Members that a dedicated line to the Chairman was available to Members should their first line of communication not be successful.

4.8 BUDGET INCREASE FOR 2019

The Chair informed the Members that the increase on levies for the 2019 financial year would be 0.84%. The levies for the 2018 Financial Year was 1.27%.

5. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

Mr. Gerhard Hogendoorn presented the Annual Financial Statements and explained the various notes relating to the line items concerned. The following matters were highlighted during the presentation and discussion:

5.1 SUBSCRIPTIONS

A Member requested clarification on Subscriptions on the detailed Statement of Comprehensive Income for Ngwenya 3 Share Block (Pty) Ltd. The Chair explained that approximately 95% of the subscriptions was DSTV, the rest went towards Annual Returns, VOASA, FEDHASA and Consumer Goods and Services Ombudsman (CGO).

5.2 NOTES TO THE FINANCIAL STATEMENTS

A Member requested an explanation of the notes to the Financial Statements for Ngwenya 3 Share Block (Pty) Ltd which is the Associated Enterprises. Gerhard Hoogendoorn explained same. The first portion was income. All related parties and transactions within the Company must be declared. These enterprises own certain weeks that pay levies and the levy contribution to the Share Block must be declared.

The second portion is expenses with related parties was required to be disclosed.

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:

The Auditor's fees could be paid.

7. APPOINTMENT OF AUDITORS

The Board of Directors proposed the re-appointment of Theunissen Abrie Incorporated and there was one objection to the re-appointment of the Auditors, Theunissen Abrie Incorporated.

RESOLVED:

It was resolved that Theunissen Abrie Incorporated be re-appointed for the current financial year.

The Chair commented on a request of replacing the current auditors and this will be taken into consideration by the Audit Committee in the upcoming financial year.

8. INSURANCE SCHEDULE

The Chair advised that quotations were being obtained to change the underwriter however at this stage the Share Block was adequately insured. The meeting considered the circulated Insurance Schedule detailing the insured values, premiums, Broker and Insurer / Re-insurer and as there were no questions or objections it was

RESOLVED:

The Insurance Schedule and values be and is hereby approved.

9. ELECTION OF DIRECTORS

The Chair confirmed that in terms of the provisions of the Memorandum of Incorporation (Mol) the minimum number of Directors was 3 and in terms of Article 19.1 of the Mol one half of the number of elected Directors stood down by rotation.

Prof. Ben Marx stood down by rotation and was available for re-election. A nomination for Mr. W Illgner was also received. The Chair requested Mr. W Illgner to introduce himself to the Members.

The Chair informed the Members that according to the Memorandum of Incorporation the maximum Directors allowed may not be more than 7. The current number on the Board of Directors was 5.

It was proposed that the number of Board Members be increased to 6 Directors. The Chair called for vote by a show of hands if this proposal could be accepted.

RESOLVED:

It was resolved that the size of the Board of Directors be increased to 6 Directors.

It was further resolved that Prof. B Marx and Mr. W Illgner be and are hereby elected to the Board of Directors for the ensuing year.

The Chair congratulated the new Directors on their appointment.

10. SPECIAL RESOLUTIONS FOR NGWENYA 3 SHARE BLOCK (PTY) LIMITED AND NGWENYA 4 SHARE BLOCK (PTY) LIMITED

After the Chair explained the Resolutions the following Resolutions were unanimously passed:

10.1 SPECIAL RESOLUTION 1

That the Memorandum of Incorporation (Mol) be amended that the quorum for Directors meetings be amended to allow the majority of Directors to form a quorum.

10.2 SPECIAL RESOLUTION 2

That a new Memorandum of Incorporation (Moi) be registered to reflect the amendment as per Special Resolution 1.

10.3 ORDINARY RESOLUTION

That VRS or its nominee be appointed to take the necessary action to give effect to the Special Resolutions set out above.

11. GENERAL

The Chair requested Mrs. M Forssman to give the Members feedback on the awards that were won by Ngwenya Lodge. Mrs. M Forssman informed the Members that Ngwenya Lodge won two Lillizela Awards. The first one was for Wild Life Encounters and the second one was for Self-Catering Excellence Services.

12. VOTE OF THANKS AND DISSOLUTION OF MEETING

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 25th day of February 2019.


.....
J van Niekerk
(Chair)