

**MINUTES OF THE COMBINED NGWENYA 3 SHARE BLOCK (PTY) LTD AND NGWENYA 4
SHARE BLOCK (PTY) LTD ELECTRONIC ANNUAL SHAREHOLDERS MEETING
HELD ON THE 11TH OF SEPTEMBER 2020 AT 12H00**

**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. The Chair advised that there had been technical difficulties with the platform that was going to be used for the Annual Shareholders Meeting and apologised for any inconvenience. An alternative platform had been used at short notice and the Chair thanked the Managing Agent and her team for the swift response.

2. APOLOGIES / PROXIES / QUORUM

The Chair advised the Members that 10 Apologies, 10 Proxies and 6 Letters of Representation had been received. The quorum required 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 82.52% and 96.72% of the total votes in Ngwenya 3 Share Block (Pty) Ltd and Ngwenya 4 Share Block (Pty) Ltd 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
13TH OF SEPTEMBER 2019**

The approved minutes having been circulated was accepted as read. No matters were 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 the events that had happened since the last Annual Shareholders Meeting. It had been a momentous year and everyone had been impacted one way or another by the Covid-19 worldwide pandemic. There were many negative aspects but a few things had changed for the better. People started realizing what historically had been taken for granted.

The following matters arose from the correspondence received:

4.1 AUDITED TENDER PROCESS

Subsequent to the previous year's Annual Shareholders Meeting, the Auditors were requested to review the tender process for weeks of defaulting members. Certain recommendations were made to improve the flow of the process and same had already been implemented.

4.2 COMMUNICATION REGARDING COVID-19 AT THE RESORT

There had been various requests from Shareholders who claimed that adequate feedback with regards to what was being done at the Resort and the impact that the Covid-19 lockdown had on the Resort was not being communicated to them.

The Managing Agent and the Board of Directors have ensured that the Resort was still being maintained and protected during the Covid-19 lockdown period and in the same period also ensuring that savings were generated during this time. By generating savings the benefit could be given back to the Shareholders who could not make use of their timeshare week and did not have the benefit thereof. The situation was still being monitored since all the regulations had not been cleared and there might be a concern of a second lockdown. The Board was looking at the benefit that had been accumulated up to then and the means of distribution of same to the Shareholders. The final decision of this would be made by the end of the financial year and the savings passed on to the Shareholders.

The Chair thanked the Managing Agent for providing options to Shareholders that had allowed banking to take place, so that people could still have a timeshare holiday.

4.2 MINING APPLICATION

Mr Jacques du Randt advised that there had been prospecting and mining applications launched by various companies, of which many Shareholders had participated in the process. These mining/prospecting applications would continue in future, as to be granted an application, to begin with, the public participation and relevant studies, an applicant simply has to comply with 3 conditions:

- The land must be identified.
- Complete the prescribed form and pay the prescribed fee.
- No other company must have been granted an application for the same mineral.

As the property was currently undeveloped and vacant, it would be easy access to any mining company for water to the crocodile river and possible areas for mining.

While they have to date been successful in holding any applications at bay, the development as reserved in the Mol and Use Agreement and which was now being exercised would be a welcome addition to the current Shareholders' arsenal by increasing the number of Shareholders that could register in any future prospecting and mining applications.

The current mining application which was lodged over a property across the N4, which many Shareholders would have participated in the public participation, have submitted their environmental basic assessment report to the department of minerals and the outcome of their application was being awaited to assess future steps to take in opposing and appealing the application, if for some reason they were successful.

4.3 LAND CLAIM

There was a land claim previously registered over Ngwenya and the adjacent properties, this land claim was finalised in 2011 with the land claimants no longer having any claims over the properties.

4.4 PROPOSED NEW DEVELOPMENT

A narrow strip of land on the Crocodile River, with beautiful views over the Kruger National Park, was in the early 1990s subdivided from the agricultural parcels to create 7 land portions. During the same time, developmental rights were obtained on all of these 7 land

portions. The development of Ngwenya Lodge was initially concentrated on two of the portions in the North-East, known as Ngwenya 3 Share Block with only a few chalets developed in the central section known as Ngwenya 4 Share Block and the western section left vacant for the extension of the development of the lodges.

Ngwenya 3 was fully developed. Ngwenya 4 which has not been fully developed contained development rights that could be exercised in terms of its Memorandum of Incorporation and its Use Agreement. Ngwenya 4's Mol allows for one chalet per 500 squares and a maximum of 2400 beds. The current as-built units result in a current total of 218 beds, which allows for a total of 2182 beds capable of being built in terms of the Mol and the Use Agreement.

There were development application approvals such as the environmental impact study which commenced in 2017. What was realised at that point, was that the original developer envisioned a hotel to be built that would consist of 210 rooms and 420 beds on a portion of the property. Due to the original developer still holding these rights, the current developer undertook to negotiate with the old developer to purchase these rights, and after numerous negotiations, the current developer finally purchased these rights.

What was very important in this purchase, was that the current developer in exercising the rights has removed the hotel from the development and went with a much smaller development – being a 100-bed safari lodge/timeshare units depending on demand on the same area that was originally designated for the hotel. The 100-bed safari lodge was a welcome alternative to the development and future of Ngwenya Lodge.

Once the development commences, additional recreational facilities would also be developed. There were also proposed additional viewpoints/bird hides along the crocodile river accessible to all Shareholders. Once the studies have been completed, the exact layout would be finalised. The necessary infrastructure would also be upgraded.

The development of the 100-bed safari lodge and other timeshare units up to a maximum of the number of beds set out in the Mol, shows the confidence in the area for investment, would promote conservation and access to the Kruger National Park which was always in much need of funding for its conservation efforts. Possible tour guide operators could be made available for guided tours of the whole family. It would allow those that want to spend more time at Ngwenya, the ability to do so, as much of the units would be river-facing, although the development would only be in roughly 4 to 7 years time.

The Board has also formed a subcommittee to approach SANParks to have discussions around possible means to assist Shareholders with passes into the Kruger National Park to avoid long queues for our Shareholders and also to have a discussion about the services levels in the southern section of the park.

4.5 WASTE WATER TREATMENT PLANT

The building of the new Waste Water Treatment Plant had been concluded. It had been installed and was functional and the process of finalising the last servitudes to protect the right of the Shareholders was in place. The Chair thanked the Developer for allowing the plant to be built on his property without any additional cost to the Share Block.

4.6 NUMBER OF DIRECTORS ON THE BOARD

There were enquiries as to the current number of Directors on the Board. The Chair advised that each Director brought their own expertise in dealing with various matters. Constructive discussions were held and the Directors were passionate about Ngwenya in ensuring that it remained a destination of choice.

4.7 ROTATION OF AUDITORS

The Board of Directors had discussed the rotation of Auditors. The Audit Committee had made a recommendation for the appointment of a new Audit firm.

5. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

Mr Nardus Esterhuizen 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 AUDITORS REPORT

The Annual Financial Statements had been audited in compliance with the Companies Act 71 2008. An Independent Auditors Report had been received and the Auditors, Theunissen Abrie Incorporated gave a clean and unqualified report for the financial year ended 29 February 2020.

5.2 DIRECTORS REPORT

The Director's report included a brief description of the Covid-19 situation. The Directors had declared their interest in terms of section 75 of the Companies Act 71 2008.

5.3 STATUTORY REQUIREMENTS

Ngwenya 3 Share Block (Pty) Ltd

The solvency ratio was 2.12:1 and the liquidity ratio 2.12 :1 which indicated that Ngwenya 3 Share Block was both solvent and liquid at 29 February 2020.

Ngwenya 4 Share Block (Pty) Ltd

The solvency ratio was 1.04:1 and the liquidity ratio 1.04:1 which indicated that Ngwenya 4 Share Block was both solvent and liquid at 29 February 2020

5.4 DIRECTORS REMUNERATION

Directors remuneration increased year on year as a result of the Board of Directors increasing from 5 to 6 on the 5th of October 2018 and from 6 to 7 on the 28th of August 2019.

5.5. 2020 BUDGET APPROVAL

The Chair advised that the levy increase for 2021 had been approved at 1.50%.

6. APPOINTMENT OF AUDITORS

The Board of Directors proposed the appointment of Anderson Incorporated.

RESOLVED:

That Anderson Incorporated, the Auditors, be appointed for the current financial year.

7. INSURANCE SCHEDULE

The Chair advised that the Board had appointed independent valuers to ensure that the values for the insured assets were correctly valued.

The meeting considered the circulated Insurance Schedule detailing the insured values, premiums, Broker and Insurer / Re-insurer and discussed the increase of the sum insured for building combined cover and as there were no questions or objections, it was:

RESOLVED:

The Insurance Schedule and values be and is hereby approved.

8. ELECTION OF DIRECTORS

The Chair advised that currently the same Directors served on both Boards.

8.1 Mr J van Niekerk confirmed that in terms of the provisions of the Mol the minimum number of Directors was 3 and the maximum number of Directors were 7 and in terms of Article 19.1 of the Mol one-half of the elected Directors stood down by rotation.

8.2 As Prof B Marx and Mr WAK Illgner stood down and as they had confirmed that they were eligible and available for re-election, and as there were no further nominations, Mr J van Niekerk proposed that Prof B Marx and Mr WAK Illgner be elected by ballot to fill the vacancy.

RESOLVED:

Prof B Marx is hereby elected and appointed as Director to serve on both Boards for the ensuing year.

RESOLVED:

Mr WAK Illgner is hereby elected and appointed as Director to serve on both Boards for the ensuing year.

8.3 Mr Johan van Niekerk congratulated Prof B Marx and Mr WAK Illgner on their reappointment.

9. VOTE OF THANKS AND DISSOLUTION OF MEETING

The Chair thanked VRS and the Resort staff for their assistance and contributions in ensuring memorable holidays. The Chair thanked the Shareholders for their loyal support.

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

Approved and signed at Pretoria on the 5th day of March 2021.



J van Niekerk
(Chair)