

**HERMANUSDOORNS SHAREBLOCK LIMITED  
MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THE FARM ON**

**2 October 2010 AT 11H00**

**1. Welcome**

The Chairman opened the meeting at 11h00 by welcoming all shareholders present and Mr Michael Fickert, non-executive board member.

**2. Notice Convening Meeting and Quorum**

There being 74 shareholders present in person or by proxy, the Chairman declared that as there was a quorum, proceedings could continue. The Chairman also stressed that 38 votes were required to carry a 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.

Mr Smith volunteered to act as referee and assist in independent vote counting.

Two shareholders arrived late together with a proxy form from a shareholder not attending the meeting, making 77 shareholders present in person or by proxy, with 39 votes necessary to carry a resolution.

**3. Apologies**

Apologies were received from the following:

Mr D. Botha  
Mr I. Galetti  
Mr & Mrs Retief  
Mr P. van der Ben

**4. Confirmation of minutes of Previous AGM**

Mr Rupert raised 2 points that were missing from the minutes of the previous AGM:

1. Omitted under point 5 was mention made of unauthorized use of farm assets.
2. Omitted under "General" was mention of excavation at the bottom of the mountain and excavation of a dam.

The Chairman responded that the minutes would be corrected.

Mr van Zyl queried why the letters from Willie Botha had not been distributed to shareholders. Mr Mulder responded that it had been agreed between Mr Botha and the Chairman not to distribute these as the matter was now closed.

**5. Preamble**

Before attending to the normal business of the AGM, the Chairman highlighted the fact that as from next year's AGM the colour-coded card voting system would reflect all overdue and outstanding payments as at 31 March and not only unpaid levies. Outstanding payments for services were not reflected in the voting cards this year as there were still reconciliation differences on electricity take-on balances,

He also clarified that shareholders with outstanding payments due to the farm could not be barred from attending the AGM, as suggested by a shareholder at the previous AGM.

There were two special resolutions raised at the previous AGM which were withdrawn in the meeting by the shareholder who proposed them. The Chairman had discussed prior to this AGM with the shareholder whether they should be re-worded and raised again but this was declined.

The arrangement with the farm manager had been completed and was reflected in the AFS.

The proposal at the previous AGM to table a resolution at this meeting with regard to the usage of the capital levy for the provisioning of water storage in the mountain in case of fires was not tabled at this meeting as the directors were still investigating better and more cost-effective methods..

## 6. Chairman's Report

6.1 At the outset, the Chairman stressed that corporate governance had been the key focus for 2010 and he thanked especially Mr Attie du Plessis and the Audit Committee in this regard. The AFS were now in line with IFRS and were more comprehensive, an Approvals Framework had been developed and was on the website and gave more transparency on the decision-making process, The board would continue to implement procedures eg selling of shares, building, contractors etc.

6.2 The Chairman then gave a detailed presentation of the previous year's activities including fauna and flora, capital improvements, bush-clearing, game capture, rainfall, game-count, veld assessment etc. He stressed that 2010 had been a good year, but that additional risk was now inherent in the business as a result of the additional scope of work eg building activities, resulting in the increased importance of various compliances ( eg electrical, structural etc )

The Chairman's presentation can be viewed on the website.

6.3 The Chairman presented the financial results for the year ending 28 February 2010.

## 7. Ordinary Business

### a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 8 August 2009.

The minutes were to be approved including the two corrections outlined in Point 4 above.

The resolution was put to the vote.

Proposed: Mr Cochrane  
Seconded: Mr Groenewald

Unanimously accepted.

### 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 2010 together with the reports of the directors and auditors.

The Chairman explained the background to the adoption of the IFRS standard and that the AFS had gone through 8 drafts before being acceptable to the Audit Committee. He had gone through detail on both income and expenditure together with cash-flow and balance sheet items in his Chairman's Report.

The resolution to accept the AFS was put to the vote.

Proposed: Mr Gildenhuis  
Seconded: Mr Rupert

Unanimously accepted.

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 Smith  
Seconded: Mrs Janse van Vuuren

There was one vote against and the balance in favour and thus the resolution was carried..

**8. Election of Directors**

Mr Hill and Ms Konz resigned as directors in terms of the rotation policy and submitted themselves for re-election. Vote was by ballot.

The ballots were counted by Mr Smith and Mr Fickert and the results were announced at the end of the meeting. Mr Hill was re-elected, but Ms Konz was not.

**9. Medium and Long Term Plan.**

The Chairman presented the medium and long term plans.

Mr Mulder raised the point that Waterbuck Pan had been upgraded but still leaked and queried what the directors were doing to utilize the knowledge of shareholders. The point regarding shareholders knowledge was acknowledged by the Chairman who responded that the farm used the guidelines and pamphlets of the Concrete & Cement Institution but that Ventolite was too expensive to use to seal the dams..

Mr van der Merwe suggested forming a committee of expertise to look at the dam construction. The chairman responded by saying while he accepted that more could be done to utilize shareholder expertise, the farm could not be run by hundreds of committees.

Mr Rupert requested clarification as to the location of the Breekloof Dam that was to be built as well as raising the point that a pile of stone for construction had been lying on the side of the road to the existing Breekloof Dam for longer than a year.

The Chairman also clarified a point raised by Mr Rupert that absolutely no hunting and culling was done on the farm apart from for humanitarian purposes ( and the kudu ewe for the potjie after the AGM ).

**10. General**

The building regulations and contractor process were presented.

Mr Pepermans queried whether the building rules also applied to existing houses (in line with the decision to allow stone on additions to existing dwellings).

Mr van Zyl commented that in his experience, the quoted prices from Hermanusdoorns were significantly higher than other subcontractors.

Mr Rupert commented that in the past plans had been submitted and approved, and then a different structure had been built (eg 500m<sup>2</sup> instead of 300m<sup>2</sup>). The director's view then was that that was a fait e complet. He queried whether they would order the structure to be demolished in the future, should this happen again. The Chairman responded in the affirmative.

Mr Thompson queried whether the farm was registered as a contractor under the HNBRC. The farm manager is registered.

Mr van der Merwe queried whether what was reflected as other income was not what shareholders paid levies for.

Mr Pepermans sought clarity on how plans had been approved over the last 6 months and which directors were consulted.

Mrs Rupert pointed out that with regard to building certification, lightning conductor certification was important for insurance purposes.

Mr Griffin requested publication of the farm radio frequency. It was also stated by shareholders at the back of the farm that the reception was not good on the other side of the mountain. The Chairman would investigate.

Before Mr Pepermans addressed shareholders, Mr Frickert explained the Articles of Association with respect to the appointment of directors, and stressed that CI 57.1 was the most important.

Mr Pepermans then addressed shareholders, querying whether there were enough directors to serve the number of shareholders and advocating the appointment of a director resident on the farm and the calling of a general meeting to discuss the topic.

Mr du Plessis stressed that 5 directors were enough, and that the main responsibility of the directors was to mitigate the risk in the business and to that end, he had determined, on joining the board, that there were not sufficient processes in place, hence the focus on formalizing them, implementing policies and controls and the proper delegation of duties – much of this still being work in progress. More directors would not improve the situation.

Mr Mulder also supported a separate general meeting to discuss general topics as much of the focus at the AGM was on the financials. On a show of hands, only 7 shareholders supported this.

Mr Moore addressed the meeting, requesting to bring in a partner and form a syndicate of 2 despite the resolution taken at the 2006 AGM to prohibit further syndicates. Only 15 shareholders were supportive on a show of hands.

Mr Stols raised the issue of inheritance when shareholders had more than one child. The issue was to be referred to the board to look at and get clarity.

Wood could be bought by the bakkie- load by pre-arrangement with the farm manager.

The problem of feral cats was raised by Mr Rees. These would be destroyed on sight to prevent in-breeding with the wild cats.

Mr Vos requested that a small opening be kept in the road for those shareholders who lived close to the swimming pool and wished to walk to the entertainment area, rather than walking the long way round as the road was now blocked.

There being nothing more to discuss, the Chairman invited everyone to a lunch.

Meeting closed at 14h00.

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