

Hermanusdoorns Shareblock Limited

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THE FARM ON

08 August 2015 AT 11H00

1. Welcome

The Chairman opened the meeting at 11h00 by welcoming all shareholders present and extending a special welcome to new shareholders.

2. Apologies

Attie du Plessis
Charles Hattingh
Daan Mostert
Sydney & Louisa Gericke
Dawid Mostert
Belrup (Rupert and Bellini)
Michael Fikkert

3. Notice Convening Meeting and Quorum

There being 58 of the 92 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 was 29 votes needed to carry an ordinary resolution and 44 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.

Dylan Harriss and Hannes Venter volunteered from the floor to act as referee and assist in vote counting.

4. Chairman's Report

4.1 The Chairman welcomed new shareholders as there had been a sale of 6 shares since the previous AGM.

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:

- Rita Swanepoel
- Anneke Mostert

4.3 Before beginning his presentation, the Chairman gave some background to the year under review, with it being a year of consolidation and refocus on flora and fauna and asset restoration, mentioning:

- Re-investment in animal gene pool
- Restoration of flood damaged areas
- Construction of dams to prevent future damage
- Began with a Sekelbos removal project
- Expenses within budget
- Continued focus on improvement of controls
- Policy and procedure entrenchment

4.4 He thanked shareholders for the wonderful response rate and constructive suggestions and comments to the 2015 Shareholder Survey.

- 53% of all shareholders vs 29% in 2011 responded
- 63% of shareholders who have developed sites and therefore use the farm responded
- 152 suggestions for improvement

The individual comments received from shareholders had been distributed to all, and the board were about to begin the process of analyzing the suggestions for improvement to assist in future planning.

4.5 The Chairman gave a detailed presentation of the previous year's activities divided into a number of 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.

4.5.1 Financial Position

The presentation:

- Reflected the financial status of the company which indicated that it was in a better position than it had ever been
- Reflected that the company is well managed and that the expenses are under control

The focus had been on the 5 key expenses that account for 89% of the cost base:

- Salaries
- Utilities
- Vehicles
- Maintenance
- Capex.

Late levies at 31 March 2015 were better than a year earlier – R 272k vs R 397k and the position at 31 July was relatively unchanged – R 76k vs R 77k.

The company had bought back the 2 shares put on auction last year.

Approximately R 500k was needed to be invested per annum in items of a capital nature in a normal year. A start on the replacement of the front fence was the most important and was estimated to cost in the region of R 300k.

The levy for the 2016/17 financial year was indicated to increase 4.7% to R 24 400 pa for non-residents. Cleaning and laundry charges would remain unaltered. The electricity charge did not increase 20% last year as indicated in the previous AGM, and would remain unchanged until such time as Eskom increased their charges. Alarm monitoring would also increase.

4.5.2 Stakeholder Issues

The new farm management structure was working well with improved visibility and maintenance of equipment, and the performance was clearly reflected in the shareholder survey with a performance rating of 89% "good" compared to 50% in the 2011 survey.

A new security system had been implemented with the individual tags allocated in the software to shareholders and reports generated for monitoring purposes. Regular security patrols were done by farm management both inside and outside the fence and they were linked via social media to a local interest group that alerted them of incidents in the area.

The chairman also thanked various shareholders for donations of uniforms, assets, electrical cable, upgrade to roads, building assistance and garden maintenance and the provision of a sound system for the AGM.

A number of shareholders had also approached the board with a request for the formation of game syndicates, which would be dealt with in Ordinary Resolution 4.

4.5.3 Corporate Governance

There was a continuous effort to comply with all Corporate Governance issues, and various processes and procedures had been formalized

Resulting from a question raised at the previous AGM, the board had investigated its obligations as far as the licensing and registration of boreholes and dams was concerned, and had confirmation from DWA that in both cases neither was applicable. Nor was there a necessity for a Water Provider license.

4.5.4 Infrastructure and Asset Management

Road upgrading and repair to bridges and dams as a result of the floods remained a priority. Continual replacement of sub-standard electrical cable to the mountain was ongoing.

A solar borehole pump had been installed but there were issues with both the head of pressure it produced and available technologies as far as battery storage is concerned for 24-hour pumping..

Vehicles were continuing to be maintained including a re-build to Vlakvark. The Tata was repaired to a roadworthy condition and the RWC eventually obtained.

The farm houses had been upgraded as well as the Single Quarters which was available for rental for workers engaged in projects on the farm including projects for shareholders.

4.5.5 Human Capital

Training and skills development were ongoing with Salmon booked on a Veld Management course.

The headcount excluding management was 9 (3 female and 6 male).

4.5.6 Flora & Fauna

Bush clearing was a priority, but had been impacted in the last financial year by the time taken on re-aligning the sloop with own staff and the TLB before bringing in an outside contractor. The shareholder survey also indicated it was the biggest single concern of shareholders and would be elevated to the top priority over the next few months.

Proceeds from the game capture exercises over the past two years had been invested in 3 young sable bulls and the acquisition of some additional zebra and wildebeest to strengthen the gene pool.

The recommendations of the veld assessment undertaken by Frits van Oudtshoorn in July were in the process of being implemented.

5. **Ordinary Business**

a. Ordinary Resolution 1

Resolved as Ordinary Resolution 1 to approve the minutes of the previous Annual General Meeting held on 9 August 2014.

The resolution was put to the vote.

Proposed: Ms. Cornelia Swart

Seconded: Mr Bill Benecke

There were no abstentions or 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 2015 together with the reports of the directors and auditors.

Before the resolution was put to the vote, the auditors pointed out that the date of issue of the financial statements should be corrected to read 8 July 2015 as that was the date of the meeting at which they were finally approved.

Proposed: Mr O. Greeff
Seconded: Mr M. Perrie

There were no abstentions or 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.

In line with the guidelines from the profession, the Audit Partner will rotate next year after the conclusion of the next AGM.

Proposed: Mr M. Perrie
Seconded: Mr. O. Greeff

There was 1 vote against, and the resolution carried.

d. Ordinary Resolution 4

i. Preamble to Ordinary Resolution 4

It has been proposed by a number of shareholders that they wish to participate in an investment in exotic game. The principle would be as follows:

- Each year, a specific syndicate would be formed for the purpose of investing in certain species of exotic game
- Each syndicate would be voluntary but formed on an equitable base based on the quantum of the investment
- Investment would be made in breeding herds as determined by the syndicate, but ratified by the Board based on the annual veld assessment as to the available carrying capacity
- Hermanusdoorns Shareblock Limited would provide the grazing rights to these animals but in no way be accountable for their wellbeing or liable in any way for loss or expenses incurred in respect of the animals.
- Hermanusdoorns would be entitled to 50% of any yield from the syndicate's investment.
- The syndicate participants may vary from year to year and would remain independent from each other
- Each syndicate member would have rights within the syndicate proportional to his investment
- No hunting would be permitted
- Minimum investment criteria would be R 200,000 per syndicate with a minimum of R20,000 per member in respect of each syndicate formed
- Details of each Syndicate would form part of the Annual Financial Statements
- Each syndicate would be independent from each other but fall within parameters set by the Board, although independent of Hermanusdoorns Shareblock Company Limited.

To this end, the Board wishes to allow the establishment of Game Investment Syndicates (GIS)

Resolved as Ordinary Resolution 4 to authorise the Board to formulate the establishment of Game Investment Syndicates. (GIS)

ii. The Effect of Ordinary Resolution 4

The effect of Ordinary Resolution 4 is that it will allow for Hermanusdoorns shareholders to participate in Game Investment and allow non-participating shareholders to enjoy additional game viewing whilst participating in the yield from other investors

Before the resolution was put to the vote, various points of clarification were raised by shareholders.

Mrs Stephen enquired whether the syndicates would require special fencing to be erected to stop the movement of jackal and protect the game. No special fencing would be erected or the farm divided into camps. Mr Potgieter was also concerned with the fact that exotic game breeders constantly shoot out the leopard and hyena.

Mr Twiggs was against the stocking of genetically modified game.

Mr Gideon van Zyl was against the keeping of black impala as these would mix with the normal impala. He was also against keeping buffalo. The chairman responded that as there would be no separate camps, there would be no black impala nor buffalo as there was a conscious decision not to keep the big 5. The chairman also pointed out that the investment decisions would be done in consultation with Frits van Oudtshoorn in terms of carrying capacity and suitability to the area.

Mr Rees enquired where the risk lay in terms of the death of any exotic species. The chairman responded that the syndicate takes all liability.

Mr Gideon van Zyl enquired whether the allowing of game syndicates would be contrary to the rules of the farm which stipulated that no private business may be run from the farm. The chairman responded that this was different as there was a benefit to the farm.

Mr Paul Goslin enquired about the co-ordination of those interested in participation in the game syndicates. This would be done via John Hill who would circulate a communication to all shareholders.

The resolution was put to the vote.

Proposed: Mr D. Harriss
Seconded: Mr W. Carter

There were 2 votes against and 1 abstention. The resolution was adopted.

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 two special resolutions before it.

a Special Resolution 1

i. Preamble to Special Resolution 1

As part of our on-going efforts to recover outstanding debts from shareholders we are now in a position to auction these shares to cover all outstanding debts as well as legal fees. It is the Board's

intention to participate in the auction and offer the outstanding debt, inclusive of legal fees as the price for these shares. This is in effect the buy-back of these shares and as such a Special Resolution is required.

Resolved as Special Resolution 1 to authorise the Board to buy back those shares that get put on auction as a result of defaults in levy and other payments by the shareholders.

ii. The Effect of Special Resolution 1

The effect of Special Resolution 1 is that for each share thus purchased on auction as a result of default payments by a shareholder, that the issued shares would reduce by one and the Share capital would reduce by R1000. There are currently 2 such shares on offer. The Purchase offer for each share will be equal to the total outstanding debt and will be taken through the income statement as an expense.

The chairman emphasized that the first prize would be for defaulting shareholders to pay and remain on the farm.

The resolution needed to be tabled annually for the buy-back of shares and could not be carried forward from one year to the other.

Agreement had, since the distribution of the notice, been reached with one shareholder.

The resolution was modified to allow for the buy-back of 2 shares.

Proposed: Mr M. Perrie
Seconded: Mr. K. Smith

Votes Against: 0
Abstain: 0

The resolution was adopted.

b. Special Resolution 2

i. Preamble to Special Resolution 2

In analysing the shareholders that consistently are late with their levies, it was found that the majority of these late payers were those that had limited risk in that they owned vacant land rather than a developed site. In order to minimise this effect going forward the Board proposes that any sale of a vacant site will have an added condition that the site has to be fully developed within a two year period.

Resolved as Special Resolution 2 to modify the MOI to incorporate a clause that stipulates that the sale of a vacant site will be conditional on the site being fully developed within two years from transfer. The responsibility will fall on the Purchaser and only apply for the sale of shares once this amendment has been approved at the AGM for incorporation into the MOI. Should the Purchaser fail to comply with this condition within the two year period, the levy for that share will double for the period that the site remains undeveloped.

ii. The Effect of Special Resolution 2

The effect of Special Resolution 2 will be that of ensuring all shareholders have a vested interest in the company by virtue of the fact that they all own fully developed sites.

The Special Resolution was only applicable to the sale of undeveloped sites from the date of the resolution being adopted and not to those shareholders currently with undeveloped sites not for sale.

Mrs Depken from Geluk Trust enquired how many undeveloped sites had sold in the last year. Mr Hill responded that 13 shares had been sold in the last 3 years, one of which was an undeveloped site, and it had in fact been sold in the last year. She was of the opinion that should the resolution be adopted, it would make it more difficult to sell an undeveloped site.

Mr Harriss enquired whether the 2 year rule also applied where a shareholder purposely bought an adjacent undeveloped site to ensure privacy. The chairman responded that if that was the case it would be dealt with on its merits.

The resolution was put to the vote.

Proposed: Mr M. Perrie
Seconded: Mr. J. Hill

Votes Against: 1
Abstain: 0

The resolution carried and was passed.

7. Election of Directors

Mr J. Kotze and Mr J. Hill were due for retirement and made themselves available for re-election.

Voting was by secret ballot and both directors were re-elected.

8. General

There had been a proposal put forward to move the date of the AGM to the July school holidays as it would better suite shareholders who lived further away. If it can be done, it would, but for now the date would remain over the August long weekend.

The date for the 2016 AGM would be Saturday 6 August 2016.

The chairman raised the issue of the helicopter landing on the farm which had upset a few shareholders. Permission had been granted to land it next to the Single Quarters but it had landed close to Waterbuck Pan.

A discussion arose as to whether landing rights should be granted to helicopters and under what conditions. A show of hands indicated more or less a 60 / 40 split in favour. Facilities for medical rescue were a major driver. They should however be parked under cover.

A background document to a Strategic Document the board was working on was made available and the chairman requested input to assist the board.

Mr Twiggs enquired whether dogs could be allowed on the farm, but this was rejected together with all domestic pets or animals.

The question of collection of firewood by shareholders as the sekelbos was cleared was raised. This would not be permitted. Firewood could however be delivered to shareholder sites at R 300 a bakkie load and was to be arranged via the farm manager.

Mr Harriss requested that the board investigated a solution for the recycling of waste.

Mrs du Toit raised the creation of a social media (Facebook or WhatsApp) vehicle for communication. The chairman responded that the company could not give out shareholder contact information as some shareholders did not want their details shared and the company needed also to heed the provisions of the Protection of Personal Information Act. The company could not drive such an initiative.

Mr Harriss enquired where the addresses for the “nasty mail” came from. The chairman responded that it did not come from the company.

Mr Stephen requested whether additional grass seed could be purchased for shareholders when the farm bought seed as recommended by Frits van Oudtshoorn for the sloot after the first rains fell.

Mr Smith wanted the shareholder expectation clarified in response to alarm monitoring. If the alarm was triggered during the night, the farm manager would investigate the following morning as it was not an armed response service. He would then notify the shareholder, or if the shareholder was on the farm and had a radio, he would contact the shareholder. This was another reason for having a radio. Any shareholder wanting a radio should apply via the farm manager who would arrange the setting of frequencies etc.

Mr Greeff thanked the board for their proficiency, professionalism, dedication and hard work in ensuring the current status of the company.

Mr Vosloo mentioned that since no one wanted to light the match for the burning of the veld, there was an organization in Lephalale, Working on Fire that would dispatch a huge team to manage the process.

Mr Potgieter thanked John for the various communications sent and Annatjie for the good cleaning services.

There were no further issues raised by shareholders.

The Chairman thanked those shareholders who had attended and for their input. He also expressed his gratitude to his co-directors, Financial Reporting Committee and auditors and especially thanked the staff and farm management for their hard work and for maintaining the farm in such good condition.

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

Meeting closed at 13h00

Proposed: Mr K. Smith
Seconded: Mr B. Benecke.

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