

UMZUMBE CHALETS AANDELEBLOK EIENDOMS BEPERK

Reg. Nr. 1968/011196/07

NOTULE VAN DIE AJV GEHOU/MINUTES OF THE AGM HELD ON
VRYDAG/FRIDAY, 10 November 2023, 18:30 TE/AT
UMZUMBE CHALETS SHARE BLOCK PTY LTD, STATION ROAD, UMZUMBE.

Teenwoordig/ Present:

DIREKTEURE/DIRECTORS:

JZ Helberg (Voorsitter)
JC van Schalkwyk (Uitvoerende Direkteur)
R Bodenstein (Finansiële Direkteur)
T. Smith (Sekretaresse)

Verskonings/ Apologies:

Mnr./Mr. D Oosthuizen
Mnr./Mr. PE Smith

AANDEELHOERS TEENWOORDIG/ SHARE HOLDERS PRESENT:

Mnr./Mr. E Fourie (HJS Fourie)
Mnr./Mr. MB Erasmus
Mnr./Mr. MGA Terblanche
Mev./Mrs. TM Barron (JJ van der Schyff)
Mnr./Mr. LPP Radyn

AANDEELHOERS/SHAREHOLDERS (stemme/votes):

180 stemme verteenwoordig met volmagte.
180 votes casted with proxies.

VERWELKOMING / WELCOMING:

Die Voorsitter verwelkom almal teenwoordig en verklaar die vergadering behoorlik gekonstitueer.

The Chairman bid a friendly welcome to everybody present and declare the meeting properly constituted.

BEVESTIGING VAN SAKELYS/AFFIRMATION OF AGENDA:

Die sakelys is so aanvaar en goedgekeur./ The agenda was accepted and approved.

2.1 Goedkeuring van vorige AJV-notule van 11 November 2022 / Approval of previous AGM Minutes of 11 November 2022

Mnr. E Fourie vra dat 'n regstelling gemaak word op die notule. Dat HJS Fourie verander word na E Fourie om rede hy opgetree het namens die aandeelhouer (Hy het die volmag gehad)

Die notule word goedgekeur.

Voorstel: Mr. LPP Radyn

Sekondant: Mr. E Fourie

Mr. E Fourie asks that a correction be made to the minutes. That HJS Fourie be changed to E Fourie for the reason that he acted on behalf of the shareholder (He had the proxy)

The minutes are approved.

Approved: Mr. LPP Radyn

Second: Mr. E Fourie

2.2 Sake Voortspruitend uit Notule van 11 November 2022 / Matters Arising from Minutes of 11 November 2022

- 9.1 van vorige notule - Afslag op Pensioenarisse heffings en Uittredestrategie

Die Voorsitter deel mee dat die Direksie ingezyk het op die saak en tot die gevolgtrekking gekom het dat dit nie ekonomies geregverdig kan word onder die huidige finansiële omstandighede van Umzumbe Chalets nie.

Die Voorsitter verduidelik ook dat die afslag onregverdig sal wees teenoor die nie-pensioenarisse deur die feit dat Umzumbe Chalets die uitgawes en die inkomste teen mekaar moet balanseer en dit beteken dat indien die pensioenarisse se heffings verlaag word, gaan die heffings vir die nie-pensioenarisse moet styg om die balans te kan handhaaf.

Mnr. E Fourie noem dat die tyddeel gedeelte, het nou 'n uittree tipe van strategie vir pensioenarisse, waar hulle 'n aparte maatskappy gestig het, wat sekere geriewe geskep het vir pensioenarisse, wat teen 'n laer prys met ander tipe van dienste.

Die Voorsitter noem dat:

- daar geonderskei moet word tussen deeltitel en aandeelblok Bpk. en dat aandeelblok Bpk. werk op finansiële prinsiepe. Die direksie moet kyk na die aandeelhouers se belange.
- Die Direksie probeer om die pensioenarisse tegemoet te kom deur die oord te bestuur tot die beste van hul vermoë.
- Tans lyk Umzumbe se finansies baie goed in vergelyking met ander oorde en dus kan die heffings so laag moontlik gehou word wat indirek 'n bydrae gee tot die pensioenarisse.

Mnr. MB Erasmus vra of 'n uittredingstrategie in plek gesit kan word waar indien 'n pensioenaris nie meer die aandeel kan bekostig nie of nie meer so ver kan ry nie, of die week dan terug verkoop/gegee kan word aan Umzumbe.

Die Voorsitter deel mee –

- dat dit ongelukkig nie moontlik is nie as gevolg van die bindende kontrak wat geteken is deur die verantwoordelik persoon toe die aandeel gekoop is en dat dit nie regverdig is om te verwag dat Umzumbe daai verantwoordelikheid op hulle moet neem nie.
- dat wanneer 'n persoon 'n aandeel koop, moet daar al gedink word aan wat gaan gebeur met die kontrak oor 10 of 20 jaar.

- dat daar minder nie-pensioenarisse as pensioenarisse is en dat 'n afslag gaan veroorsaak dat die heffings so hoog raak dat dit 'n groter las vir die res van die aandeelhouers gaan wees wat Umzumbe dan tot gronde kan bring omdat selfs die nie pensioenarisse die heffings dan nie meer gaan kan bekostig nie.

Mej. T Smith deel mee dat Umzumbe hand aan hand met Iexchange werk om die aandeelhouers, veral die pensioenarisse ook te help. Dus kan die aandeelhouers wat nie so ver kan ry, togelde en petrol kan bekostig nie, hul weke bank by Iexchange en dan sodoende beloon word met punte wat dan gebruik kan word om nader aan hul huise vakansie te gaan hou.

Mnr. MB Erasmus bedank Umzumbe vir alles wat gedoen word en vra of dit geldig is om die aandeel in sy testament te bemaak aan Umzumbe Chalets.

Mej. A Putter (Bemaking) verduidelik dat indien 'n aandeelhouer sterf en daar geen erfgenaam of familielid is wat die weke wil oorvat nie, is Umzumbe wettiglik verplig om die aandeel terug te neem. Umzumbe mag nie die aandele aan die erfgenaam of familie van die oorledene forseer nie.

Mev. R Bodenstein deel mee dat die aandeelhouers die opsie het om self hul weke te verkoop indien hulle dit nie meer wil besit nie of dit nie meer kan bekostig nie.

Mev. TM Barron vra of indien die weke na afsterwe deur Umzumbe terug gevat word, betaal Umzumbe dan die aandeel waarde uit aan die boedel.

Die Voorsitter deel mee dat die aandele wat uit 'n boedel terug geneem word, word teen geen vergoeding terug geneem.

Mnr. LPP Radyn stel die vergadering in kennis dat almal rustig moet wees want die wette rakende aandeelblok kontrakte in die proses is om te verander.

Die Voorsitter bedank Mnr. Radyn en deel mee dat die vergadering kennis neem van dit.

Voorstel: Mnr. E Fourie

Sekondant: Mnr. MB Erasmus

- 9.1 of previous minutes - Discount on Pensioner Levies and Exit Strategy

The Chairman informs that the Directors has looked into the matter and has come to the conclusion that it cannot be economically justified under the current financial circumstances of Umzumbe Chalets.

The Chairman also explains that the discount will be unfair to the non-pensioners due to the fact that Umzumbe Chalets has to balance the expenses and the income against each other and this means that if the pensioners' levies are reduced, the levies for the non-pensioners will have to increase to maintain the balance.

Mr. E Fourie mentions that the time-share section now has an exit type of strategy for pensioners, where they established a separate company that created certain facilities for pensioners, at a lower price, with other types of services.

The Chairman mentions that:

- a distinction must be made between timeshare and share block Ltd, and that shareblock Ltd. works on financial principles. The Directors must look after the shareholders' interests.
- The Directors tries to accommodate the pensioners by managing the resort to the best of their ability.
- Currently, Umzumbe's finances looks very good compared to other resorts and therefore the levies can be kept as low as possible which in turn gives a contribution to the pensioners.

Mr. MB Erasmus asks if an exit strategy can be put in place where if a pensioner can no longer afford the share or can no longer drive as far, if the week can then be sold/given back to Umzumbe.

The Chairman informs –

- that it is unfortunately not possible due to the binding contract signed by the responsible person when the share was bought and that it is not fair to expect Umzumbe to take that responsibility on them.
- that when a person buys a share, they must already think about what will happen to the contract in 10 or 20 years.
- that there are fewer non-pensioners than pensioners and that a discount will cause the levies to become so high that it will be a greater burden for the rest of the shareholders and this can then bring Umzumbe to the ground because even the non-pensioners will no longer be able to afford the levies.

Miss. T Smith informs that Umzumbe is working hand in hand with Iexchange to help the shareholders, especially the pensioners. The shareholders who can't drive far distances, can't afford toll fees and petrol, can bank their weeks at Iexchange and then be rewarded with points that can then be used to go on holiday closer to their homes.

Mr. MB Erasmus thanks Umzumbe for everything that is being done and asks if it is valid to bequeath the share in his will to Umzumbe Chalets.

Miss. A Putter (Marketing) explains that if a shareholder dies and there is no heir or family member who wants to take over the week, Umzumbe is legally obliged to take the share back. Umzumbe cannot force the shares on to the heir or family of the deceased.

Mrs. R Bodenstein informs that the shareholders have the option to sell their weeks themselves if they no longer want to own them or can no longer afford them.

Mrs. TM Barron asks if the weeks of an estate late are taken back by Umzumbe, does Umzumbe then pay out the share value to the estate.

The Chairman informs that the shares that are taken back from an estate are taken back with no compensation.

Mr. LPP Radyn informs the meeting that everyone should be calm as the laws regarding share block contracts are in the process of being changed.

The Chairman thanks Mr. Radyn and informs him that the meeting takes note of it.

Approved: Mr. E Fourie

Second: Mr. MB Erasmus

3. VERSLAG VAN DIE VOORSITTER / CHAIRMAN'S REPORT:

(Hierdie verslag is as gelese aanvaar / This report will be taken as read.)

Die Voorsitter noem dat –

- daar baie vrae was rakende die feit dat Umzumbe Chalets nie die jaar 'n virtuele vergadering hou nie. Hy verduidelik dat daar in die verlede virtuele vergaderings gehou was via Facebook, maar dat dit nie 'n voldoende platform was vir die vergaderings nie en dat baie klagtes ontvang is rakende dit.

Daar is gekyk na ander meer voldoende elektroniese opsies soos bv. Teams, Zoom ens., maar as gevolg van tegniese en finansiële redes het die Direksie besluit om nie 'n virtuele vergadering te hou nie. Dit beteken nie dat daar glad nie virtuele vergaderings in die toekoms gaan wees nie, maar daar is aspekte wat deeglik na gegaan moet word, byvoorbeeld -

Tegniese aspekte – Om 'n virtuele vergadering by te woon, moet die ID van die persoon geregistreer word en daar is geen sekerheid dat die persoon wat via die ID die vergadering bywoon insette mag hê in die vergadering nie.

Items wat nie op die agenda is nie wil bespreek word deur die virtuele bywoners en kan komplikasies en chaos veroorsaak wat die vergadering baie langer as 'n uur of twee kan laat aanhou.

Mnr. E Fourie beaam dat virtuele vergaderings met 'n groot aantal bywoners chaos kan wees.

“Load shedding” en sel seine dra ook by tot tegniese probleme.

Finansiële aspekte – 'n Jaarlikse lisensie fooi is betaalbaar wat gebaseer word op die aantal persone wat toegelaat word by die vergadering.

Omdat Umzumbe nie die geskikte toerusting het om virtuele vergaderings te hou nie, sal dit aangekoop moet word.
(Elektroniese toerusting is duur)

Op die stadium het Umzumbe nie die finansies om die tipe uitgawes aan te pak nie.

- Mnr. E Fourie rig 'n versoek dat die AJV notule vroeër aan die aandeelhouders gestuur moet word en nie soos vorige jare wat dit 'n jaar na die tyd gestuur was nie.

Die Voorsitter bedank Mnr. Fourie vir die goeie idee en stel voor dat die notule wat dan gestuur word moet stipuleer dat dit 'n ongetekende afskrif is en veranderinge kan plaasvind, omdat die notule eers in die volgende AJV vergadering goedgekeur en geteken word.

- Umzumbe 'n verlies gemaak het van R149,430.00 en dat 'n groot rede vir dit was as gevolg van inkomste belasting wat aan SARS betaal moes word.
- Soos per die finansiële state is daar 'n groot aantal slegte skulde van aandeelhouders wat nie hul heffings betaal nie. Die Direkteur is deurweë bewus van die uitstaande heffings en het strategieë in plek om dit in te vorder – Rekeninge word uitgestuur, oproepe word gemaak, SMS'e en eposse word gestuur ens. en slegs dan, indien alle pogings onsuksesvol was, word die uitstaande heffings aan die invorderaars/prokureurs oorhandig.
- Umzumbe geen lenings teen die maatskappy het nie, en hoop dit is gerusstellend vir almal dat dit nog nie nodig was om die roete te gaan nie.

Mnr. LPP Randyn vra dat kennis gedra word rakende die virtuele vergaderings. Dat elke keer wanneer 'n persoon se naam genoem word, word die POPI-wet oortree en dit kan 'n gevaar vir die persoon en maatskappy inhou.

Die Voorsitter voeg by dat in so geval, kan die Direksie, volgens die maatskappy wet, persoonlik gedagvaar word vir nalatigheid

Die verslag word algemeen aanvaar en ooreengekom

Voorstel: Mnr. LPP Radyn

Sekondant: Mnr. MB Erasmus

The Chairman mentions that –

- there were many questions regarding the fact that Umzumbe Chalets did not hold a virtual meeting this year. He explains that in the past virtual meetings were held via Facebook, but that it was not a sufficient platform for the meetings and that many complaints were received regarding this.

Other more adequate electronic options were looked at, like Teams, Zoom etc., but due to technical and financial reasons, the Directors decided not to hold a virtual meeting. This does not mean that no virtual meetings will be held in the future, but there are aspects that need to be looked at thoroughly, for example –

Technical aspects - To attend a virtual meeting, the ID of the person must be registered and there is no certainty that the person attending the meeting via the ID may have the right to participate in the meeting.

Virtual attendees would want to discuss items that are not on the agenda and this can cause complications and chaos that can make the meeting last much longer than an hour or two.

Mr. E Fourie agrees that virtual meetings with a large number of attendees can be chaotic.

Load shedding and cell signals also contribute to technical problems.

Financial aspects – An annual license fee is payable based on the number of persons admitted to the meeting.

Because Umzumbe does not have the appropriate equipment to hold virtual meetings, it will have to be purchased. (Electronic equipment is expensive)

At this stage, Umzumbe does not have the finances to take on these expenses.

- Mr. E Fourie makes a request that the AGM minutes should be sent to the shareholders earlier and not like previous years when they were sent a year later.

The Chairman thanks Mr. Fourie for the good idea and suggests that the minutes that are then sent must stipulate that it is an unsigned copy and that changes can take place because the minutes will only be approved and signed in the next AGM meeting.

- Umzumbe made a loss of R149,430.00 and that a major reason for this was due to income tax that had to be paid to SARS.
- As per the financial statements, there are a large number of bad debts from shareholders who do not pay their levies. The Directors are aware of the outstanding levies and have strategies in place to collect them - Bills are sent out, calls are made, sms' and e-mails are sent etc. and only then if all attempts have been unsuccessful, the outstanding levies are handed over to the debt collectors/lawyers.
- Umzumbe has no loans against the company, and hopes it is reassuring to everyone that it has not yet been necessary to go that route.

Mr. LPP Randyn asks that notice be taken regarding the virtual meetings. That every time a person's name is mentioned, the POPI Act is violated and this can pose a danger to the person and company.

The Chairman adds that in such a case the Directors can be personally sued for negligence under the company law.

The report is generally accepted and agreed upon.

Approved: Mr. LPP Radyn

Second: Mr. MB Erasmus

4. **Finansiële State/ Financial Statements:**

Die Finansiëlestate wat op die webblad verskyn het is as gelese aanvaar.

The Financial Statements that were available on the web page were accepted as read for the meeting.

Mrs. R. Bodenstein (Financial Director) –

- Confirms that Umzumbe did get an unqualified audit report and that Umzumbe received this for the past +-8 years.
- She points out that “Levies Raised” on page 17 does not mean levies received. On 1 July every year levies are raised for the year and that also mean that the VAT on the levies needs to be paid, irrespective if the levies was received or not.
- Rental Incom have increased by 30%
- Interest Received have increased signifintaly due to the interest rate that increased.
- Bad debts written off – The bad debts are taken off the financial statments becuase if it shows under assets in debtors, it shows that the company has an asset sitting there. It is then expected to receive another R1.5 million wich is not financially accurate. Instead of having an asset on the balance sheet wich is not recoverable, it is written off and send to the attorneys for further collection.
- The levies collected by the attorneys reflects in our financials under Bad debt recovered. The bad debts recovered increased from -+ R120 000 to -+ R181 000.

Mr. E. Fourie mensions a new trend in the industry regarding bad debts and asks if this might be concidered by Umzumbe. A “name and shame policy” where the companies sends out a list of all the bad debtors internally and if a debtor sees his name on the list, they are more likely to pay.

Mrs. R. Bodenstein responded and said that it is a big risk to take in terms of people that might complain regarding the POPI Act.

Mr. LPP Radyn confirms that it is illigal to publish names of debtors without their concent.

- During the last financial year umzumbe spent about R2.7 million on repairs and maintenance (Communal property and individual units). Despite of the fact that we have debtors outstanding of R1 million and the -+ R1.5 million bad debt written off, the maintenance spent increased with R500 000, compared to the prior year.

Mr. E Fourie asks if levy invoices can be sent out a lot earlier, the reason is, the shareholders that want to make use of Iexchange, but their weeks falls in the beginning of the financial year (July/August), loose point value because according to Iexchange policy, banking needs to take place 3 month in advance of the arrival date.

Miss. T Smith explains that if a shareholder’s week falls in the beginning of the financial year, a shareholder can pay the same amount as the previous year’s levy in advance. This allows the office to confirm levy payment with Iexchange so that the banking can be finalised. The shareholders must keep in mind that when the new levies are invoiced in June, payable July, there will be a difference and it is the shareholder’s responsibility to make sure that difference is paid before 1 July.

- Levies received in advance as at 30 June 2023 is almost R3 million. If you look at the bank balance as at 30 June 2023 it is just over R6 million. This is a good indication that the funds are managed very responsibly and that none of the levies for the following year was spent in previous year. It is mentioned that this was a problem in the past.
- If previous financial years are compared, it shows that Umzumbe's savings sat stagnant at R3 million. This means that it is a good and not so good thing. It is good to have savings, but not so good that the savings are not growing.
- Although Umzumbe's financials look stable, the fact that the savings are not growing is a concern and Mrs. R. Bodenstien is pleading with the shareholders to please pay their levies to insure Umzumbe's Future.

Die finansiële state word so aanvaar/The financial statements were accepted

Approved: Mr. E Fourie **Second:** Mr. MGA Terblanche

5. DIREKTEURE / DIRECTORS:

5.1 Onveranderd/No changes

Die vergadering neem kennis en dit word algemeen aanvaar/ The meeting takes note and it is generally accepted.

Approved: Mr. MB Erasmus **Second:** Mr. LPP Radyn

6. AANSTEL VAN OUDITEURE/ APPOINTMENT OF AUDITORS:

6.1 ASI Assurance & Advisory Inc.

Die Heraanstelling van ASI Assurance & Advisory Inc. vir die boekjaar 2023/2024 word aanvaar en goedgekeur.

The Re-appointment of ASI Assurance & Advisory Inc. for the financial year 2023/2024 was accepted and approved.

Voorstel: Mnr. MB Erasmus **Sekondant:** Mnr. MGA Terblanche

7. DIRECTORS REMUNERATION/ DIREKTEURSVERGODING

Die Voorsitter noem dat die Direkteure al twee jaar nie 'n verhoging aanvaar het nie as gevolg van die huidige ekonomiese omstandighede.

Die Direkteure versoek weereens dat geen verhoging vir die 2023/2024 se finansiële jaar gegee word nie.

Mnr. E Fourie maak 'n voorstel vir 5% en Mnr. MB Erasmus maak 'n teenvoorstel van 10%.

Die Direksie toon waardering en aanvaar Mnr. Erasmus se voorstel.

Voorstel: Mnr. MB Erasmus **Sekondant:** Mnr. MGA Terblanche

The Chairman mentions that the Directors have not accepted an increase for two years due to the current economic circumstances.

The Directors again request that no increase be given for the 2023/2024 financial year.

Mr. E Fourie makes a proposal for 5% and Mr. MB Erasmus makes a counter proposal of 10%.

The Board shows appreciation and accepts Mr. Erasmus' proposal.

Approved: Mr. MB Erasmus **Second:** Mr. MGA Terblanche

8. Ouditeursvergoeding/ Auditor's remuneration:

Magtiging word verleen aan Direkteure om die Ouditeursvergoeding vir die jaar **2023/2024** vas te stel. / Authorization is granted to Directors to determine the Auditors' remuneration for the year 2023/2024.

Voorstel: Mnr. E Fourie **Sekondant:** Mnr. LPP Radyn

9. GOEDKEURING VAN VERSEKERING/APPROVAL OF INSURANCE WITH ZURICH INSURANCE COMPANY:

Versekeraar/Insurer – Lloyds South Africa (Pty) Ltd

Onderskrywer/Underwriter – F & I Risk Manager (Pty) Ltd.

The new total insured value: **R90,750,000.00**

Approved: Mr. E Fourie **Second:** Mr. LPP Radyn

10. Mr. JC van Schalkwyk bedank al die aandeelhouers vir hul geduld rakende die projekte wat gedurende hul verblyf op die oord plaas gevind het.

Daar is 'n hele paar projekte aan gepak in die 2022/2023 finansiële jaar, byvoorbeeld –

- Die swembad is opgeknip
- Afdakke is herstel en verbeter
- Paaie wat baie versleg het, is herstel
- 3 Eenhede is oor vir opgradering
- Daar is na elke eenheid vesel kables aangelê deur Metro Fibre sodat wifi geïnstalleer kan word.
- Die proses om wifi (modems) in elke eenheid te installeer is nog aangaande en behoort in Desember 2023 gefinaliseer te word.

Mnr. Van Schalkwyk bedank die personeel van Umzumbe vir al hul harde werk en ondersteuning.

Mr. JC van Schalkwyk thanks all the shareholders for their patience regarding the projects that took place during their stay at the resort.

There have been quite a few projects tackled in the 2022/2023 financial year, for example

- The swimming pool has been refurbished
- Carports have been repaired and improvements made
- Roads that have deteriorated badly have been repaired
- 3 Units left for upgrading
- Fiber cables have been laid to each unit by Metro Fiber so that wifi can be installed.
- The process to install wifi (modems) in each unit is still ongoing and should be finalized in December 2023.

Mr. Van Schalkwyk thanks the staff of Umzumbe for all their hard work and support.

VOTE OF THANKS:

Die Voorsitter het sy dank aan die direkteure oorgedra vir hul vertroue en ondersteuning.

Die Voorsitter bedank sy gade vir haar ondersteuning die afgelope jaar, asook die Bestuur en personeel van Umzumbe Chalets vir die goeie vordering en toestand van die oord.

Die Voorsitter bedank die getroue aandeelhouers vir die spoedige betaling van hul heffings en ondersteuning oor die jare

The Chairman conveyed his thanks to the directors for their trust and support.

The Chairman thanks his spouse for her support over the past year, as well as the Management and staff of Umzumbe Chalets for the good progress and condition of the resort.

The Chairman thanks the loyal shareholders for the prompt payment of their levies and support over the years

Afsluiting:

Hierna bedank die Voorsitter weereens almal vir hul teenwoordigheid en hul insette tot die verrigtinge en sluit die vergadering amptelik om 20h25.

Almal teenwoordig word uitgenooi om verversings / tee / koffie saam met die Raadslede in die “Blou Duiker Restaurant” te geniet.

Geteken as ‘n ware weergawe van die verrigtinge.

Closure:

After this, the Chairman once again thanks everyone for their presence and their input to the proceedings and officially closes the meeting at 20h25.

Everyone present is invited to enjoy refreshments / tea / coffee with the Board members in the "Blou Duiker Restaurant".

Signed as a true account of the proceedings.

**Mnr. JZ Helberg
VOORSITTER**

**Mnr. JC van Schalkwyk
UITVOERENDE DIREKTEUR**

DATUM