



Ingwelala Share Block Limited

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Message from the Chairman

Dear Members of Ingwelala

Introduction

Since my most recent Message in December 2013, numerous issues and developments have been taking place at Ingwelala, warranting an update on certain of these in an endeavor to keep you well informed. John Llewellyn also includes relevant items in his monthly Reserve Reports and I encourage you to read these regularly.

Umbabat Federal System

I am pleased to announce that the negotiations between the various landowner representative associations (Nkorho Private Nature Reserves Association [NPNRA] and Umbabat Wilderness Conservation Association [UWCA]) over the restructuring of the Umbabat into a federal system have been successfully concluded, culminating in a new Federal Constitution for the Umbabat Private Nature Reserve Association (UPNRA) being adopted at a Special General Meeting of the UPNRA held on 15 March 2014.

This is an extremely significant positive development for the Umbabat, ushering in a new dispensation of decentralized reserve management, but maintaining a central federal structure of the UPNRA that represents the Umbabat at higher levels such as the APNR, KNP and Governmental authorities. The NPNRA and UWCA will be responsible for the management and security of the land areas of their respective members in accordance with the new Federal Constitution, the APNR Management Plan and relevant legislation.

The Special General Meeting of the UPNRA also approved the inclusion of Rietvley into the UPNRA, which land has recently been purchased by members of Ndlopfu and N'tsiri.

The negotiations were conducted in a spirit of mutual respect and good faith and auger well for the future of the Umbabat. I would like to take this opportunity in thanking all the numerous participants in this process, who gave much of their time voluntarily, as well as Ivan Visée and Mark Shaw, who have been elected as the Chairman and Warden respectively of the Umbabat for the first 2-year term of office. The Deputy Chairman is Paul De Luca and the Deputy Warden is Andrew De Luca.

Dams – *hot off the press*

We were advised on Friday 28 March 2014 that the outcome of the application made under the National Environmental Management Act by the landowners of the respective failed Dams

[Messrs Jan Wilkens; Carina Schmidt; Graskop Saagmeule (Pty) Ltd and Vicrina (Pty) Ltd] for rectification of reconstruction activity that they undertook last year without the required authorizations and permits (referred to as a Section 24G application) has been approved by the Mpumalanga Provincial Department of Economic Development, Environment and Tourism (MDEDET). It is not yet clear whether or not this authorization allows for the repair and/or rebuilding of the dam walls. Further discussions with our lawyers have taken place in this regard and Ingwelala has given notice to the MEC that it is appealing this decision. Nkorho PNRA, Umbabat PNRA and the KNP have also lodged appeals. The KNP also tabled this issue for discussion at the APNR meeting held on Monday 14 April 2014.

Since the failure of the dam walls, the open water system flowing through Ingwelala has brought much delight and new sightings, such as a nest of crocodile eggs being incubated at Farmhouse crossing.

Op Goedehoop Dispute

During the most recent round of discussions held regarding the Op Goedehoop dispute, Rodney Thorpe and Bert Carlin offered to purchase from Ingwelala the remainder of the 50% of the land that belongs to Ingwelala that they are using, at a fair market rate. Subsequent to this, we were advised that Rodney Thorpe and Bert Carlin had withdrawn their offer to purchase and would stick with the status quo. Ingwelala seeks to have access to the full 50% of the land area of Op Goedehoop that it owns and is entitled to use, rather than the somewhat lesser area currently being accessed and traversed.

As previously reported, the possibility of formally sub-dividing Op Goedehoop as a permanent solution is continuing to be investigated and senior Counsel opinion on this aspect has been commissioned.

Airstrip

The Board reviewed the continued closure of the Airstrip and resolved at its February 2014 Meeting to open the Airstrip in April 2014 provided certain conditions were met by then. These conditions are being actively worked on by the relevant Board Portfolios.

Reserve Managers Role

Various questions were raised in the recent Members Survey regarding whether or not the Reserve Manager (John Llewellyn) should also be a Director on the Board.

The King III Code and Report on Corporate Governance outlines the main responsibilities of the Board of Directors, namely for determining the Company's *strategic direction* and for *control* of the Company. In so doing, the Board requires the management to execute strategic decisions effectively and according to the laws and legitimate interests and expectations of its stakeholders. It advises further that the Board should appoint a CEO in whom the collective responsibilities of management vest and who bears ultimate responsibility for all management functions. King III has also noted the critical and strategic role that the CEO plays in the operational success of the Company's business. The Companies Act provides for the appointment of 'prescribed officers' of which the CEO is one.

In the past, all of the Directors elected to the Ingwelala Board have been in a non-executive role and the Board felt that, if appropriate, considering the qualifications and experience of the Management Staff, one of the twelve Directors should be in an executive director role employed by the Company with delegated responsibility and accountability. The logical role

for this is the Reserve Manager and hence John Llewellyn's appointment as the Managing Director (same role as a CEO). Bearing in mind that Ingwelala has around R1 billion in assets, over 200 bungalows with 1,500 members and authorised users, 48 staff members, has semi commercial operations such as the workshop, petrol station, shop, Sibon and other service operations, significant building and maintenance jobs that need attention and control, and has 3,000 hectares to manage all in a protected area within the Greater Kruger National Park, it is a large operation that requires the expertise and executive management skills of a Managing Director who has executive authority. The Board again unanimously agreed at its February 2014 Meeting that John Llewellyn should be on the Board in an executive role as Managing Director. In fact John was elected by the Members to the Board as a Director at a formal AGM.

John is consequently involved in numerous activities and often not in the office when Members drop in without appointments to see him. Please respect that the Board requires John to be managing the operations, but should you wish to meet with him whilst at Ingwelala, please make a prior appointment.

Legal Costs

As has been reported in the last two Annual Reports, various legal issues (Wilkins failed Dams, Op Goedehoop dispute) have proceeded during this period and are still currently ongoing. As we all know, legal matters are very expensive and we have incurred substantial legal costs during the current financial year.

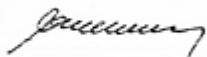
Elvira du Toit

Sadly Elvira du Toit (aka the "Leopard Lady" and a legend at Ingwelala) has experienced bad health in the past few weeks and has had to relocate to a Home in White River offering appropriate care. Being one of the original Members, her presence at Ingwelala will be sorely missed.

Thank You

In conclusion, on behalf of the Board, I would like to thank John and Natalie Llewellyn and their Management Team and all of you for your continued support of Ingwelala, as well as Dave and Stephanie Amos who left Ingwelala at the end of March to enjoy a well deserved retirement.

Sincerely



Kevin Alborough
Chairman