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# **INGWELALA SHARE BLOCK (PTY) LTD**

## **MINUTES OF THE MEMBERS' MEETING HELD ON MONDAY 2 AUGUST 2017 AT 19H00, AT BRYANSTON COUNTRY CLUB, 63 BRYANSTON DRIVE, SANDTON**

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**IN THE CHAIR:**

Mr John Saker

**DIRECTORS:**

Mr Andrew Haupfleisch  
Mr Charl du Plessis  
Mr Gavin Maile  
Mr Andrew Rossaak  
Mr Bruce Simpson  
Mr John Llewellyn  
Mr Gregory Babaya  
Mr Derek King  
Mr Nic Roodt  
Mr George Schwaeble  
Ms Helen Tonetti

**SECRETARY:**

Mr Charl du Plessis

**PROXIES /  
LETTERS OF  
REPRESENTATION:**

*Ingwelala*: 1,043 shares present (in person or by proxy) out of 1,500  
*Buffelsbed*: 143 shares present (in person or by proxy) out of 209  
*OP Goedehoop*: 142 shares present (in person or by proxy) out of 200  
*Sibon*: 138 shares present (in person or by proxy) out of 196

**QUORUM:**

The necessary quorum being present, the Chairman declared the meeting duly constituted.

The Chairman informed members that, although the minutes of the meeting are prepared, at the request of a member, the meeting would also be audio recorded and the detailed transcript made available. Members were requested to speak clearly, identify themselves as well as provide their bungalow number.

**NOTICE OF MEETING:**

The Chairman notified all members that there was an alleged defect, which he regarded as immaterial, which concerned the fact that the names of three Directors of the three subsidiary companies were not displayed on the Notice of the Meeting ("Notice"). Following this realization, a correction was made within the time period stipulated in terms of the Memorandum of Incorporation (MOI) of the Company.

Mr Christo de Vos raised his concerns, firstly, that he regarded the meeting not properly constituted and secondly that the notice was materially defective, in that the second notice, although corrected, now contained wording changes to the resolutions. He felt that it was unfair to expect members to rectify their proxies in two days as this indicated that members were not given the prescribed 15 days to consider the newly worded resolutions and thus were not afforded the opportunity to make informed decisions before voting. Further complexity arose from the fact that several members in attendance were given proxies.

The Chairman explained that there was no second notice as the first notice was the sole notice together with its amendments. The point on the change in wording (substitution of the word "support" with the word "authorize") was a way to make the resolutions more understandable and coherent and thus did not change the substance of the resolutions altogether. This being expressed, the Chairman requested that the meeting proceed and that any issues be raised at the time that each specific resolution was being considered and be voted upon.

Following the Chairman proposing that the meeting proceed by indicating their approval or non-approval by show of hands, an overwhelming majority, following a visual check done by the Chairman, was received approving the proposal.

Mr John Richards raised concern over the fact that a simple show of hands did not consider several members who were being represented by proxy. The Chairman explained that the proxies received were voting instructions for the specific resolutions set out in the Notice.

**VOTING:**

On the proposal of the Chairman, it was resolved that voting on all resolutions be by way of a poll.

**SCRUTINEERS:**

**IT WAS RESOLVED THAT** the Company Secretary; Mr Charl du Plessis, Mr Gavin Maile, Mr Trevor Bunt and Ms Natalie Llewellyn be appointed as scrutineers to count the votes cast on the poll.

**PURPOSE OF THE MEETING**

The Chairman informed members that the purpose of the meeting was to present and consider the four resolutions as set out in the Notice and to vote on them accordingly.

**ORDINARY  
RESOLUTION 1**  
*Protected Area Status*

Members were notified that the purpose of Ordinary Resolution Number 1 was to authorize the respective Boards of Directors to make every effort to ensure that properties owned by the Ingwelala companies are classified and proclaimed as protected areas. Following Mr Derek King proposing and Mr Hauptfleisch as the seconder, the Chairman opened the matter for comment and debate.

Mr D King stated that the importance of this resolution did not lie simply in compliance, but that there were huge risks related to taxes, mining permits and land claims on Sibon and OP Goedehoop. The request was therefore to receive approval to authorise Mr Bruce Simpson to continue to change the two properties into a protected area. The Kruger National Park, being a protected area, was looking for other protected areas to join their program. This would enable Ingwelala to be exempt from these risks. As this was the single biggest risk that Ingwelala faced, it was of paramount importance that it be addressed.

Mr Christo de Vos stated that although he was in support of this resolution, he was concerned that should he vote on the resolution, it would imply that he would forfeit his allegation that the meeting was not properly constituted. The Chairman responded that while the legal side of Mr Vos's concern was unascertainable, he reiterated that he believed the meeting was properly constituted, noting that the defects in the original notice were deemed immaterial.

Mr Philip Reynolds enquired as to why votes were being taken on Ingwelala and Buffelsbed since they were already protected and would not be affected by the vote. The Chairman explained that this was because the proclamation would be of the entire combined area and would thus be a re-proclamation under the current National Environmental Management Act of 2003. The proclamation that exists for Ingwelala and Buffelsbed was under the old legislation. Following the debate and comments, the resolution was put to a vote.

**IT WAS RESOLVED THAT** the Boards of Directors of the Ingwelala Companies be and are hereby supported in their endeavours to achieve proclaimed protected area status, with an appropriate management authority, for the properties owned by the Ingwelala group of companies (Ingwelala), The Nkhoro Private Nature Reserve Association (NPNRA) Members, the Umbabat Private Nature Reserve Association (UPNRA) Members and similarly all the properties owned in the area of the Association of Private Reserves (APNR) and as more fully set out in the accompanying detailed proposal document and the presentation made to Members on 8 June 2017, be and are hereby authorised, to do all such things necessary to give effect thereto.

**Results of poll**

The Chairman announced the results of the poll and declared that the resolution has been carried.

	<b>Votes Cast</b>	<b>Percentage of votes present</b>
For	1356	93.84%
Against	89	6.16%
Abstained	0	0%

**ORDINARY  
RESOLUTION 2**  
*Creation of a Trust*

The Chairman stated that the purpose of Ordinary Resolution Number 2 was to authorize the Boards of Directors of the Ingwelala companies to create a Trust to address matters ancillary to the main objects and purposes of Ingwelala in supporting communities adjacent to and within the properties owned by the members of the Association of Private Nature Reserves Conservation Areas and to support biodiversity and conservation, in particular anti-poaching members within the ANPR conservation area and to do all such things necessary to give effect thereof.

The resolution having been proposed and seconded, it was explained that the aim was to set up a Trust that would be used to do the good works that arguably cannot be done by a Share Block Company. The Trust would be a completely separate entity and completely divorced from Ingwelala.

Mr Christo de Vos expressed that Ingwelala cannot in any manner be involved in the Trust and as such enquired as to why there was a need to vote on the resolution if the Trust would be separate from Ingwelala. In response, it was stated that the objective in this regard was transparency, in the sense that all members must be made aware of the fact that such activities would be taking place via the Trust.

Further, Mr de Vos enquired whether, as per the current draft Trust Deed, the intention was still to have Ingwelala as the founder. The response was that this was still subject to changes and was not final.

Another question that presented potential issues was who would be granting permission to the Trust to use Ingwelala's property and or assets, should the Trust be formed. Mr Cochran concurred with Mr Vos and stated that should Ingwelala involve itself, even in the slightest way, there would be issues going forward. As such, if there was anyone that wanted to form the Trust, they should go ahead and do so without the involvement of Ingwelala. The goal of transparency was met by suggesting the formation of a Trust and therefore it was unnecessary to vote on the establishment of a third-party Trust. The Chairman asked the members if they thought it was necessary to proceed with voting to which it was agreed that the resolution be withdrawn.

**IT WAS RESOLVED THAT** the Ordinary Resolution Number 2 be and is hereby withdrawn.

#### **Results of poll**

The resolution having been withdrawn by agreement of the members, there were no ballots cast.

#### **ORDINARY RESOLUTION 3**

##### ***Acceptance of donations in cash and kind***

The Chairman stated that the purpose of Ordinary Resolution Number 3 was mainly for transparency reasons, to notify members of the donations that have been received and the manner thereof. After the matter was opened for comments and debate, concerns were raised around the fact that the identity of the donors were hidden and pursuant to that whether all Financial Intelligence Centre Act (FICA) regulations had been adhered to. Another aspect that needed to be considered was the 20% donations tax, payable on all donations made. The Chairman assured all that there are no tax implications for Ingwelala and stated that the donors had requested to remain anonymous, and hence, being the reason that they had not been publicly identified.

Mr Bezuidenhout referred to a report that covered mostly Umbabat and that an amount of R65 000 was spent compiling it. The report stated that R810 000 was spent on rangers and other related employees, per year. The question had to do with how the R810 000 has been put toward Ingwelala's members while it also covered Umbabat. The response indicated that Ingwelala was a funder of Umbabat together with other members of Nkorho and Wilderness Conservation. As such, if there were costs at the top, they would seek to recover them from down the line.

The contributions of Ingwelala to Nkorho (which was where Ingwelala was a member), was done on a per hectare basis together with the other share blocks in the area.

In addition, another concern around the liability of use of the aircraft was voiced. The issue in this regard was that should Ingwelala obtain the use of the aircraft, it would be operated by two of its staff. Should there be a crash that takes place on separate land, Ingwelala would then be vulnerable to pay large amounts for family claims in a civil suit. The option of using the ZU ops was suggested as a viable alternative. The reaction time was another matter that would present challenges considering that the aircraft may be kept at a neighboring farm, making access to it a lengthy process. The Chairman responded by firstly noting that the ZU ops status changed. This was to say that the provider of that aircraft had taken it back and was no longer available on that basis. Regarding the risks that the Pilots faced, it was common knowledge that all the Pilots volunteer knowing the risks that are associated with the task. The main purpose of the aircraft was not for pursuit but rather to serve as a deterrent. The aircraft would also not be limited to flying over Ingwelala's boundaries, but would also cover Nkorho and Umbabat, upon their request and compensation.

On the issue of poaching, Mr Bezuidenhout stated that it was futile to have air surveillance if the ground force was not operating efficiently. The ground troops themselves also act as a major deterrent to poachers, however they are currently inefficient as the equipment used was dilapidated. The example of the vehicles, radios and GPS batteries being in bad condition or not functional at all, was provided. Further to this, Entumeni rangers, which were Umbabat's security provider, had resigned at the end of August 2017. The Umbabat Board or Management would appoint someone else. The issue was that there was a need for contributions towards the APU unit for radios and vehicles and the like. An enquiry would need to be done on the reason why the warden was not approving it.

Mr Andre Wessel, being an experienced Pilot, reiterated the dangers of air surveillance for the Pilots, stating that it was very cumbersome and dangerous task to fly at low altitudes while maintaining enough speed to keep the aircraft steady. He emphasized the risk, and as a result, felt that it should not be encouraged, considering the limited visibility and maneuverability.

Mr de Vos put forward a counterproposal to withdraw Ordinary Resolution Number 3. The reason for the counterproposal was based on the fact that it was clear that the donations could not stay in Ingwelala as they had to be transferred to a separate entity. It was therefore redundant to accept donations that would not be coming to Ingwelala. The Chairman decided that any members who are not in favor of the resolution should show their dissent by voting against it and those in favor should vote as such. The resolution was put to a vote.

#### **Results of poll**

The Chairman announced the results of the poll and declared that the resolution had **FAILED** as it was carried in Ingwelala but failed in the other 3 companies.

	<b>Votes Cast</b>	<b>Percentage of votes present</b>
For	739.5	51.18%
Against	674.5	46.68%
Abstained	31	2,14%

#### **ORDINARY RESOLUTION 4** *Access to and usage of a light aircraft*

The Chairman stated that the purpose of Ordinary Resolution Number 4 was to allow Ingwelala the use of the aircraft for free for conservation of not only Ingwelala but the entire conservation area as well. Ingwelala would not own the aircraft as a Trust would be set up to take ownership of it.

After the matter was opened for comment and debate, Mr Rossak stated that having access to an asset like an airplane was a major boost for the purposes of conservation as it was an effort that required the joining of forces with interested parties. As such, Ingwelala could approach the use of the airplane with full control of the costs associated with it. Should it turn out that the asset was not as beneficial as it was thought to be, the option to sell it remains open. This could be used as a basis from which to approach the use of the airplane. Altogether, Ingwelala has a free asset held in a separate company, Board and staff support, volunteer pilots and sound operating procedures to manage the asset. A concern was raised, asking if the aircraft was indeed free, to which the response was that the aircraft has indeed been acquired for free as it came as a donation, however the operational costs of using it may well come, in part, from Ingwelala, on a "need to" basis.

Another concern was that should Ingwelala staff, for the benefit of third-party entities, operate the aircraft too, Ingwelala would bear sole responsibility for any incidents.

**IT WAS RESOLVED THAT** the Boards of Directors of the Ingwelala Companies be and are hereby supported in their endeavours to acquire access to, and usage of a light aircraft Savannah Light Sport Aircraft ZU-ETD for conservation and anti-poaching efforts (as more fully described in the detailed proposal document). This is on condition that the acquired aircraft is not owned by any Ingwelala entity, and is owned independently, for example by the trust envisaged in Resolution No. 2, and is used for service in anti-poaching efforts at Ingwelala, Nkhorro, Umbabat, APNR, SANParks and similar entities on a best-endeavour basis for the recoupment by the aircraft owner of capital and operational costs, and that the Board be and is hereby authorised to do all such things necessary to give effect thereto.

**Results of poll**

The Chairman announced the results of the poll and declared that the resolution has been carried.

	<b>Votes Cast</b>	<b>Percentage of votes present</b>
For	755.5	52.28%
Against	679.5	47.02%
Abstained	10	0.70%

**CONCLUSION**

As all the business on the agenda had been dealt with, the Chairman thanked members and other interested parties for their attendance and declared the meeting closed.

**SIGNED:**

**CHAIRMAN OF THE MEETING**