



Ingwelala Share Block (Pty) Ltd

Reg. No. 1983/006997/07

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Friday 15 June 2018

Message from the Vice-Chairman

Dear Members of Ingwelala,

Feedback from the Member Information Evening 14 June 2018

Thank you to all members that attended the member information evening last night at the Bryanston Country club. Guest speaker David Marneweck from EWT (Endangered Wildlife Trust) delivered an informative presentation on the EWT Carnivore Conservation Programme. EWT details will be made available on the Ingwelala website.

Board resignations

It is with great regret that following a day of high emotional debate preceding yesterday's member evening, resignation letters were received from Kevin Alborough (Chairman) and Bruce Simpson (Environmental & Conservation). The board will be meeting early next week to deliberate on the recent events.

Enkhulu Control gate

The Control Gate Company on behalf of the Associated Private Nature Reserves (Klaserie, Timbavati and Umbabat) are in the process of adopting and implementing a new access control system that will apply to all persons entering or exiting the reserve. All landowners including Ingwelala shareholders within the APNR will be fingerprinted for gate access and pre-loaded on a security system. Any guests accompanying a landowner will need to be pre-authorised by the landowner, details of which will be set out for members.

New entry fees through the Control Gate will come into effect on the 1 January 2019, Light Motor Vehicle R160.00 per vehicle per entry.

The Male Lion Hunt within the Umbabat

Following the recent member outrage a rigorous discussion and debate unfolded between members and the Board regarding the highly emotive and controversial topic of the male lion hunt. The discussion proved valuable and improved member misconceptions. It was established that the Ingwelala board and members stand united in establishing the identity of the shot lion to be revealed and to find closure to this matter.

Ingwelala is one of numerous properties incorporated in the Umbabat Private Nature Reserve, which in turn is a member together with four other Reserves, of the Association of Private Nature Reserves (APNR). The SANParks has a clear policy framework guiding the ethical and sustainable use of wildlife (hunting) in conservation areas adjacent and open to the Kruger National Park. Within this framework, all five of the

Directors:

Andrew R Hauptfleisch (Vice Chairman), John H Llewellyn (Managing), Greg B Babaya, Brian Cilliers,
Charl D du Plessis, Derek G King, Gavin I Maile, Nicolaas J Roodt, Belinda Scott, Helen J Tonetti.

APNR Reserves embark on legal, ethical and sustainable hunting. Consequently some properties (not all) in the Umbabat have chosen to hunt and this is supported by legislation, SANParks, the APNR and the Umbabat Authority. Ingwelala has no ability to stop legally authorised hunting on anyone's property, but can certainly endorse and monitor hunting within the official SANParks framework and APNR protocols.

Ingwelala made a conscious choice decades ago not to hunt on its property, nor allow anyone else to hunt on its property, and this is still the position today.

Budget & Finance update

The forecast for both Sibon and Ingwelala for the year ending June 2018 is that Ingwelala will be substantially in line with its budget. Two large capex projects were approved for Ingwelala (Staff single quarters phase 2 and pool decking) and one for Sibon (Main House phase 2) due to strong results, plus a number of smaller important projects. Good progress was made with rates and taxes and valuations will only be updated in a years' time with an increase set at 7.7%. Insurance went out on tender for service provider and have changed to First Equity from 1 July 2018. The Umbabat Funding Model has many challenges regarding how the proposed combined Umbabat will be funded by the various reserves. Expectations that as we are the "largest user" or the landowner with the "most members" that we should pay a significantly higher share than current accepted model based on hectares. We have rejected this on the basis that the costs (mainly security and warden related) are "spent" based on each landowner's area. The combined Umbabat budget is a 39% increase on current cost. This is a high level review and at this stage is unable to be reduced by much if we are to protect our reserves. In anticipation of next year's budget, Ingwelala expects the Umbabat/Nkorho levy which has not been finalised however we have indicated the maximum Ingwelala will contribute and this has been used for budgets. Insurance has not yet been updated for final premiums. Sibon's nightly rate increase of under 7% and it is anticipated that a loss of around R160k for the year. Loss is mainly due to closure for phase 2 renovation/rebuild. We believe the retained reserves are sufficient to absorb this. Ingwelala's security and salary costs are experiencing significant growth and are in total 39% and 17% respectively. Salary increases have been negotiated with the unions at 6% for management and 8% for general staff. Budget is currently for a loss of R600k but this does not include any Commission Income (which is used for Capex projects) and a recalculation of the Thatching provision.

Social media

The excessive and improper use of social media platforms with the slandering of the management authority on the public platforms is unacceptable. Whilst we understand and respect the right to freedom of expression, we believe that, Ingwelala members deserve a reverent and balanced public platform in which to share information. The recent online activities are not only factually incorrect but also disrespectful and unwarranted. The consequences may lead to significant reputational damage to both the Shareblocks and the Associations in which we operate. The Board will seek meetings with such members responsible for these posts to resolve the issues that have now been ventilated in the public domain. We request that members rather direct their questions to the management and board of Ingwelala at board@ingwelala.co.za. Should their questions not be answered to their satisfaction, the Board has expressed its willingness to meet members to discuss their grievances.

Your sincerely

Vice -Chairman