

**THE PENINSULA SHARE BLOCK PROPRIETARY LIMITED**  
*Registration No. 1938/011635/07*

**MINUTES OF THE 31<sup>st</sup> ANNUAL GENERAL MEETING OF “A” AND “B” CLASS MEMBERS OF  
THE COMPANY, HELD VIA ZOOM WEBINAR ON 3<sup>rd</sup> SEPTEMBER 2020 AT 12H00**

Mr A M Schlesinger, the Chairman of the meeting, introduced himself, the members of the Board and Peninsula Management and welcomed all those attending the webinar. The meeting was being held in electronic format, in line with modern practice and to accommodate the need to minimise travel and observe social distancing in response to the Covid19 pandemic. He proceeded to explain that, in terms of the Company's Memorandum of Incorporation (“MOI”), voting at shareholder meetings is conducted by way of a show of hands, unless any shareholder demands a poll, either before or on the declaration of the results of the show of hands. Since such a demand had been received by the Company, certain resolutions would be conducted by a poll.

As a quorum of three or more members was present, in terms of the Memorandum of Incorporation of the Company, the meeting was declared duly constituted. The Chairman requested that the notice convening the Annual General Meeting be taken as read. This was seconded and agreed.

Nick Dickson mentioned the names of the proxies sent in and the shares held by each.

**ITEM 1**

**ANNUAL FINANCIAL STATEMENTS**

Item 1 was to consider the Annual Financial Statements for the year ended 31 December 2019. The Chairman invited Hugh Patrick, Chairman of the Audit Committee, to comment. The Annual Report was posted onto The Peninsula's website and notices and proxies were emailed to all the owners on 13th August 2020. Hugh Patrick ran through the levy operating statement. “A” class levies raised were as per the approved budget. “B” class levies, based on revenues achieved in the “B” class member operations, were below budget by R73K. Interest received was less than budget due to decrease in interest rates and this trend has continued into 2020. Expenses were well maintained apart from the ones discussed in the “A” class members meeting, held immediately prior to the current meeting and attended by all.

A question was raised as to whether the company provides for any levy defaulters. Hugh Patrick responded that there was no provision as the company has a contract with Peninsula Management that weeks with levies in arrears for more than 1 year are purchased by Peninsula Management at the cost of the outstanding levies. In this way, unlike public auction, the company can retrieve the repossessed week (if not the same week, another week of similar timing and size), sold to Peninsula Management and return it to the original owner, once payment has been received for the arrear levies and accumulated interest.

As no other questions were raised by members, the Chairman noted that the Annual Financial Statements for the year ended 31 December 2019 had been duly considered and discussed.

**ITEM 2**

**ORDINARY RESOLUTION NUMBER 1 - APPOINTMENT OF BDO CAPE INCORPORATED AS  
AUDITORS OF THE COMPANY**

The reason for the resolution is to ensure that the Company continues to enjoy the services of an auditor and the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.

Vee de Freitas commented that the current partner, Jason Glass, has been connected with the audit for 1 year, replacing Billy Nield, who was in control since 2016. The audit manager, Matthew Esbach, has been on the audit since 2017. The audit clerks do a stint of 2 audits in order to have continuity.

Hugh Patrick mentioned that 2 other audit companies were approached this year to quote on the audit services. Both these companies came out more expensive. The expertise that was built with BDO over the years is also one of the reasons why management and the board supported the appointment of BDO. Voting took place by poll. All were in favour, except for 1 that abstained. This motion was seconded and carried without dissent.

There being no further comments or discussion on the subject, the Chairman confirmed that BDO Cape Incorporated would be appointed as the auditors of the company for the ensuing year.

### ITEM 3

#### **ORDINARY RESOLUTION NUMBER 2 – TO APPROVE THE RE-APPOINTMENT AS DIRECTORS OF THE COMPANY, OF HUGH PATRICK, WESTON DICKSON AND DI GORDON**

Pursuant to the Companies Act, the re-appointment of each of the abovenamed directors is conducted by a separate show of hands or a separate poll, as applicable. Clause 19 of the Memorandum of Incorporation of the company requires that each director elected by the 'A' class shareholders is subject to re-election every three years. All three directors have advised the company of their willingness to be re-elected as directors and the effect of the resolution, if passed, is to secure the re-election of experienced directors to the board. Votes took place by poll and included proxies received. The results were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Majority</u>
Hugh Patrick	14983	0	21	14983
Weston Dickson	14983	0	21	14983
Di Gordon	301	14801	0	-14500

Hugh Patrick and Weston Dickson have been re-elected, Di Gordon has not been re-elected. The chairman extended his best wishes to Di Gordon for her excellent contribution throughout her many years as a director of the company. On many occasions Di was the voice of reason, conscience and questioning that was well meant and well received. She had a strong emotional link to the property with good relations with the staff. Di still had much to offer and, on behalf of the Company, the Chairman wished her well in her future activities.

### ITEM 4

#### **ORDINARY RESOLUTION NUMBER 3 – TO APPROVE THE RE-APPOINTMENT OF THE AUDIT COMMITTEE OF THE COMPANY, CONSISTING OF HUGH PATRICK (CHAIRMAN), WESTON DICKSON AND NICHOLAS DICKSON**

The reason for the resolution is to ensure that the Company continues to appoint an Audit Committee, pursuant to the Companies Act and continues to enjoy the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.

Hugh Patrick commented that because of the number of shareholders, the company is obliged to have an audit committee. This has been taken very seriously by the members and it's not merely statutory compliance. All 3 members have attended the 4 meetings a year, even though they have other obligations. The external auditors are invited to attend 2 of the 4 meetings, being the October meeting to discuss the upcoming audit and agree on their fees and the February meeting to give feedback on the audit. The company achieved a clean audit for 2019 with no issues raised. The company also appointed Abdul Davids as the new compliance officer who does internal audits every 3 months and reports to the audit committee. There are still internal compliance issues that need to be ironed out, but overall the internal audit results have been good. Abdul also audited another property in the Dream Hotels and Resorts portfolio and Anthea Dickson from head office has in turn audited the Peninsula. This also allows properties within the group to learn from each other. Votes took place by show of hands, including proxies. The results were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Majority</u>
Hugh Patrick	25	0	1	25
Weston Dickson	24	0	2	24
Nick Dickson	24	0	2	24

It was declared that the members of Audit Committee, consisting of Hugh Patrick as Chairman, Wes Dickson and Nick Dickson were reappointed for the ensuing year.

## ITEM 5

### **ORDINARY RESOLUTION NUMBER 4 – TO APPROVE THE RE-APPOINTMENT OF THE SOCIAL & ETHICS COMMITTEE OF THE COMPANY, CONSISTING OF CHRIS GODENIR (CHAIRMAN), HUGH PATRICK, DI GORDON, VEE DE FREITAS, BRENT JOHANSEN AND LWANDILE MAKUBALO**

The reason for the resolution is to ensure that the Company continues to appoint a Social & Ethics Committee, pursuant to the Companies Act. The effect of the resolution, if passed, will be to achieve such continuity.

Chris Godenir introduced the members and their roles within the organization. He commented that the board holds the committee to account. The committee is about ensuring that governance, labour relations and CSI plans are followed through. It also ensures that the different acts such as Poppi, Consumer Protection and BEE are followed through. One of the strengths at the Peninsula is the development and promotion of staff within the company. Charity and environmental projects have also been high on the company's agenda.

Once again, the appointments of committee members were voted for on a poll, including proxies. The results were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Majority</u>
Chris Godenir	14914	7	21	14907
Hugh Patrick	14948	0	21	14948
Di Gordon	161	14808	28	-14647
Vee de Freitas	14969	0	28	14969
Brent Johansen	14969	0	28	14969
Lwandile Makubalo	14976	0	21	14976

It was declared that Chris Godenir (Chairman), Hugh Patrick, Vee de Freitas, Brent Johansen and Lwandile Makubalo have been re-elected as members of the Social & Ethics Committee for the ensuing year. Di Gordon has not been re-elected. The chairman once again extended his best wishes to Di Gordon for a significant contribution throughout her many years as a member of the committee.

## ITEM 6

### **REPORT BACK ON THE PROGRESS OF THE COMPANY IN OBTAINING NOMINATED E-MAIL ADDRESSES OF ALL SHAREHOLDERS FOR FORMAL COMMUNICATION FROM THE COMPANY**

The new Companies Act permits electronic communication with those shareholders that have supplied an email address, unless they specifically instruct the company not to use their email addresses. The response from the shareholders has not been very successful. The number of shareholders giving consent have only grown from 633 as of the last AGM to 795. Vee de Freitas has expressed that posting is a very expensive exercise. He also mentioned that 194 emails have been returned as not delivered due to emails being incorrect or no longer existing. The chairman urged the shareholders to send in the email correspondence consent with the correct email addresses.

The Report was noted by the meeting.

## ITEM 7

### **ORDINARY RESOLUTION NUMBER 5 – TO APPROVE THAT ANY DIRECTOR OF THE COMPANY BE AUTHORISED, ON BEHALF OF THE COMPANY, TO DO ALL THINGS AND SIGN ALL SUCH DOCUMENTS AS MAY BE NECESSARY TO GIVE EFFECT TO THE AFOREGOING RESOLUTIONS**

This item was voted for on a show of hands including proxies. Results were as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Majority</u>
26	0	2	26

The resolution was passed without dissent.

## ITEM 8

### GENERAL

The chairman invited Chris Godenir, the general manager of the company, to relate on the past few months as Covid-19 took hold. Chris has invited any shareholder who wishes to discuss any issues, be it financial or operational, to get hold of him. The resort closed on 27<sup>th</sup> March 2020 after the declaration of the national state of disaster by the president of South Africa and the ensuing lockdown. The board and management had discussions on how to limit expenses to survive the lockdown financially. As the lockdown extended, so the tactics changed, taking the interests of both shareholders and employees into account. All staff were sent on paid leave from 27<sup>th</sup> March 2020, with the exception of the lockdown crew of 10. All staff received a reduced salary of 80% with working hours cut to a 4 day week. In May, staff returned on a 3 day working week, earning 67% of their salary. All staff, except those with essential jobs, were allocated to carry out work in the winter maintenance program from May to July. The resulting saving in capex expenditure meant that their salaries were validly expensed to capex. During lockdown, with the restaurants closed, the main kitchen was also refurbished. Once the restaurant could open for deliveries, some Food & Beverage staff resumed their duties. At that stage, the resort got involved in some CSI projects, such as feeding homeless people under the Culemborg Bridge and providing lunches for 7th graders at a nearby school. This was done with cash contributions raised from the timeshare owners and staff.

Management was tasked to re-calculate the budget, after relooking at all fixed expenses and requesting discounts from the suppliers. This allowed the company to offer a credit of 50% to all timeshare owners that could not use their weeks during lockdown and did not wish to either flexi into future weeks or spacebank with RCI or Dream Exchange. The 50% portion of the levies paid in full and any accommodation revenue received during this period is being paid to the Peninsula Share Block as a "B" class levy from Peninsula Management Company, net of a 20% administration fees. This will help management to keep the increase of the 2021 levies to a minimum.

In order to keep staff employed after the winter maintenance program, external services were offered to residents of nearby suburbs, within a 5km radius of the resort. These were: laundry (bedding, towels etc., collected and delivered), cleaning (2 ladies sent out to clean apartment/house) and handyman (repairs and maintenance in apartment/house) services. The company also applied for and received TERS funding from the government.

The resort opened up for business travel, then for intra-province travel and eventually for national travel, according to government Covid-19 regulations.

Chris also discussed the refurbishments done in the past year, such as the gym, the front pool, the enclosure of the pool from the lawn area, the installation of the heat pump in the front pool. The foyer was also refurbished to take on more of an internet café look and feel. The Strolla Café was also refurbished to move from a coffee and sandwich bar to a gin and sushi bar from 12H00 in the afternoon. Mrs Cooper queried whether they will be able to travel to take up their timeshare on 6<sup>th</sup> November 2020. Chris responded that international travel restrictions would probably only be lifted in 2021, but this could change before then. The resort is open, so any timeshare owner that can get into the country will be accommodated.

The chairman noted that the board is very proud of the initiatives that Chris Godenir and his team came up with during lockdown and the media attention it got, making the Peninsula stand out from other timeshare resorts.

The property is covered for business interruption caused by infectious diseases up to R1 million with Hollard. With the assistance of the brokers, SATIB, the company put in the claim in excess of R1 million, with the understanding that cover was only R1 million. Hollard responded that the cover applied to business interruption caused by a disease, however, in this instance the loss of revenue was due to the national lockdown by government and they were not prepared to pay out. SATIB, after finding other companies in the same situation, suggested that the company should enter into litigation in concert with the other injured parties. They have found a law firm that is willing to take on this case on a contingency fee basis, which means that they will only charge a fee if the court finds in the company's favour. The attorneys believe that Hollard will not be able to defend this case. The board has cautioned that, should the court find in favour of Hollard, the companies participating in the legal process would have to pay Hollard's legal costs, which could add up to R1 million. The directors bring this to the shareholders' attention as the board will have to make a decision in the next few days on whether to go ahead with the litigation or not. Mark and Christopher, two of the timeshare owners, commented that similar cases were heard recently and were ruled in favour of the plaintiffs.

The chairman responded that the circumstances were not identical and, although one can take comfort from these cases, one cannot count on them entirely. There is also the issue that should the company wish to withdraw from the case once committed, it will be liable for the attorneys' costs and the other

party's wasted costs. Cecily Melia from SATIB confirmed the chairman's response. She mentioned that, because the outcome of the similar cases was a declaratory order, they do not set a binding precedent. She went on to say that the insurance companies involved are expected to appeal and it could take a long time to resolve.

Chris Godenir thanked Alan Schlesinger for his time and effort and attention to detail as a director and chairman of the meetings on behalf of the Peninsula directors and staff. Nick Dickson echoed Chris's sentiments.

As there was no further business to be transacted at the meeting, the Chairman thanked the members for their attendance and declared the meeting closed at 13H11.



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**CHAIRMAN**

27 October 2020

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**DATE**