

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

**MINUTES OF THE 31<sup>st</sup> ANNUAL GENERAL MEETING OF “A” CLASS MEMBERS OF THE  
COMPANY, HELD VIA ZOOM WEBINAR ON 3<sup>rd</sup> SEPTEMBER 2020 AT 11H30**

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. For those who were attending the AGM for the first time, the Chairman outlined the reasons why the agenda points for the current meeting were reserved for the meeting of “A” Class Members.

As a quorum of three or more members was present, in terms of the MOI 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.

**ITEM 1**

**ANNUAL FINANCIAL STATEMENTS**

Item 1 was to consider the report of the Directors, Audit Committee and the Auditors insofar as they relate to the levy fund for the period ended 31 December 2019.

The Chairman invited Vee de Freitas, Financial Manager of The Peninsula All-Suite Hotel, to comment on the levy fund.

The Annual Report was posted onto The Peninsula's website and notices and proxies were emailed to all the owners on 13<sup>th</sup> August 2020. The levies increased by 7% in 2019. Total “A” class levy income was R36 million and the “B” Class shareholders contributed R1.1 million towards the levy fund, an increase of 7.95%. Insurance increased by 18% on previous year. This was as a result of getting an external company to value the building and contents and insuring accordingly. Electricity was up 18% on previous year, which could be attributed to the fact that in 2018 Cape Town experienced water shortages and guests were asked to reduce shower times, refrain from using the spa baths and Jacuzzis. However, this was not the case in 2019, which saw the restrictions of spa baths and Jacuzzis, sauna etc. being lifted and more electricity being used. The harsh winter also contributed to heaters being used more frequently. Property rates increased by 39% as the city council increased the property value from R155 million to R337.5 million. The company used an external professional company to object on its behalf. This has been a slow process as the council received more than 30 000 objections. The board decided to pay rates according to the council, thus the 39% increase in rates. In May 2020, the council proceeded to revalue the property at R174 million, but as a commercial, rather than a residential property. Unfortunately, although the valuation has reduced, the rates as a percentage of value are considerably higher for commercial properties. The company has appealed this revaluation.

Christopher, one of the timeshare owners, queried the license fees. This has increased by 49%, due to the introduction of the Omni system and Chromecast, both of which carry a license fee. The Omni system is a smart phone technology which is connected to the property management system and is used by the housekeeping staff to communicate any housekeeping and maintenance issues as well as report when rooms are ready for occupation. The Chromecast allows guests to cast their DSTV or Netflix from their phones straight onto the television in their units.

The report of the Directors, Audit Committee and the Auditors insofar as they relate to the levy fund for the period ended 31 December 2019 was duly considered by all.

## ITEM 2

### INSURANCE

The chairman stated that insurance is a significant item which requires very important decisions: what risks and values are insured for and what underwriters does one insure with. External valuations are done on a periodic basis and directors' valuations in the intervening years. Vee de Freitas advised that total sums insured covering buildings, including escalation and inflation of 8.5%, amount to R448 million. Contents are insured for R33 million.

The chairman commented that the building insurance may look excessive, but that is what it would cost to rebuild the building with similar accommodation.

Business Interruption is insured for two years levies at R93 million, which means that for the two years of re-building, no levies would be payable by the shareholders. These would be covered by the insurance company. This would only apply for destruction of the building and not for Business Interruption resulting from pandemics or viruses such as Covid-19, for which significantly smaller limits apply.

Gross profit is insured at R25 million and wages at R16 million.

Directors and Officers cover is R20 million, Public Liability R150 million and Passenger Liability R20 million. Fidelity cover is insured at R14.7 million as per the CSOS requirement. This amount is calculated taking the previous year's capital reserve and adding 25% of the current year's operational budget.

The Directors sought authority to effect and maintain the insurance cover and amend it from time to time on the basis that such cover would generally not be less than the amounts referred to in the preceding paragraphs of this item. A poll was initiated for those shareholders attending the webinar, including proxies received. The result follows -

For – 15032 shares      against – 0 shares      abstain – 21 shares

The resolution was passed without dissent.

### GENERAL

Mr Daniels asked whether the current power outages will affect his coming stay. Chis Godenir commented that the resort has a generator that kicks in 5 seconds after the power goes out and electricity in the resort will continue as normal during load shedding.

Chris Godenir also answered the question regarding the spa baths. There was a survey done previously where the majority voted to keep the spa baths, so in the current bathroom refurbishments, spa baths are being replaced with more water efficient ones. Spa baths are turned off and only turned on when requested and the guest is charged for the use of the spa bath. This is due to the amount of water that it needs during use and the additional resources required for cleaning, and encourages responsible use.

As there was no further business to be transacted at the meeting, the Chairman thanked the members for their participation and declared the meeting closed at 12H00.



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**CHAIRMAN**

27 October 2020

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**DATE**