THE COVES
NATURALLY PERFECT

THE COVES GOVERNING BODY NPC, REGISTRATION NUMBER: 2003/010909/08
P.O. Box 973, Broederstroom 0240, Tel: 012-207 1465
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MINUTES OF THE ANNUAL GENERAL MEETING OF THE COVES GOVERNING BODY NPC HELD ON SATURDAY, THE 7TH OF NOVEMBER 2020 AT 09:30 AT THE BARN, THE COVES

Attended:

Mr JP. Fourie (JPF)	Chairman	Institutional & Employee Governance/HOA Steering/Insurance/Aviation Director
Dr T. Hutton (TH)	Vice-Chairman	Institutional & Employee Governance/Sectional Title/Boating Director
Mr A. McGregor (AM)		Community/Environment Director
Prof. K. Pettey (KP)		Environment/Farming Director
Mr A. Shannon (AS)		Community/HOA Steering/Finance Director
Mr J. Barnard (JB)		Technical Director
Mr D. Keeling (DK)		ARAC/Technical Director
Mr M. Fikkert (MF)		ARAC/Finance Director
Mr G. Esterhuizen (GE)		Risk/Technical Director
Mr M. Masemola (MM)		Risk Director
Mr M. Heyneke (MH)		Estate Manager

In attendance: 97 in attendance in-person and by proxy in total (67 in-person and 30 proxies were received).

Minute Taker: Ms. Caieta Grobler

1. WELCOME AND APOLOGIES

Mr. JP Fourie, hereinafter referred to as the Chairman, welcomed all to the meeting.

The Chairman declared the meeting open and requested that members please clearly state their name and stand number and show their registration card upon being given the opportunity to raise any questions, comments or suggestions during the meeting.

2. ATTENDANCE AND THE ESTABLISHMENT OF A QUORUM

Members present was confirmed 97 in-person and by proxy of which the requirement as per the MoI is 74. The Chairman confirmed that a quorum is present according to the MOI and declared the meeting open.

In terms of the article 16.2 and 16.3 of the Memorandum of Incorporation, a quorum will be 20% of the total number of members entitled to vote, personally present or represented by proxy. If a quorum is not present within half an hour of the time appointed for the meeting, the meeting stands adjourned to the same day in the next week at the same time and place or at such other places as the Chairman of the meeting shall appoint. The members then present will constitute a quorum irrespective of the number.

Members are requested to complete a proxy form and submit same in the unfortunate event that they are unable to attend the Annual General Meeting to ensure that a quorum will be present. In terms of Article 18.2 a member, except the Chairperson acting in his/her capacity as chairperson may not be the bearer of more than 10 (ten) proxies.

3. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON SATURDAY 9TH NOVEMBER 2019

The minutes for the previous Annual General Meeting held on the 9th of November 2019 at The Coves were tabled as read and approved with no amendments:

Proposed: Mr Andrew McGregor (64 Bass Cove)
Seconded: Mrs Kathy Hobbs (61 Bass Cove)

The minutes were approved with no objections were noted.

4. APPROVAL OF AUDITED FINANCIAL STATEMENTS INCLUSIVE OF THE CONSIDERATION OF THE ACCOUNTS OF THE ASSOCIATION FOR THE PRECEDING FINANCIAL YEAR.

The Chairman handed the floor over to Mr. Alan Shannon, the responsible director for the financial portfolio. Mr. Shannon advised that the financial statements were circulated. Mr. Shannon stated that the financial status of the company is in a good position.

Mr. Shannon called for the ratification of the Audited Financial Statements.

Proposed: Mr George Gibbs (56 Bass Cove)
Seconded: Mrs Jenny Reid (22 Heron Cove)

It was confirmed that no queries were submitted.

4.1. Consideration of Auditor's Report

Mr Shannon advised that an unqualified audit was received. Mr Shannon called for the acceptance of the Auditor's Report.

Proposed: Mrs Barbara McGregor (65 Bass Cove)
Seconded: Mr Mark Dreyer (24 Heron Cove)

Mr. Shannon called for a vote by the members for the approval of the auditor's report. The audited financial statements were approved by a majority vote by the members.

4.2. Appointment of Auditors

Mr Shannon proposed that GKL Auditors be re-appointed.

Proposed: Mr Phil Erasmus (261 Fish Eagle Cove)
Seconded: Mr Mike Laver (59 Oyster Cove)

Mr. Shannon called for a vote by the members for the approval of the appointment of the auditors. The vote was passed unanimously.

4.3. The fixing of the Auditor's remuneration

Mr Shannon advised that there is a minimal increase in the auditor's remuneration and proposed that the increase be accepted.

Proposed: Mrs Jenny Reid (22 Heron Cove)
Seconded: Mrs Barbara McGregor (65 Bass Cove)

Mr. Shannon called for a vote by the members for the approval of the appointment of the auditors. The re-appointment of the auditors was approved by a majority vote by the members.

5. THE CONSIDERATION OF THE BUDGET AND LEVIES IMPOSED BY THE DIRECTORS OF THE COMPANY FOR THE FORTHCOMING FINANCIAL YEAR (ANNEXURE C)

The Chairman advised that the consideration and discussion of the estimate of income and expenditure will be presented by Mr. Shannon and handed the floor over.

Mr Shannon advised that the proposed budget was circulated in May 2020 and only one comment was received. Mr Shannon advised that the ethos of the planning of the budget was to keep the levies the same between the previous financial year and the current financial year, due to the COVID-19 impacts.

Mr Shannon added that cost containment exercises were embarked upon at the beginning of the National Lockdown and as a consequence will result in a new expense base that the board are comfortable will aid in a continued standard of service delivery.

Mr Shannon stated that the Lockdown period afforded the reserves to accumulate which opened an opportunity to reduce the reserve levy from R 250.00 to R 125.00.

Mr Shannon gave feedback on the budget.

Mr Shannon opened the floor for queries. No queries were noted.

6. THE CONSIDERATION AND DISCUSSION OF ANY AMENDMENTS THERETO OF THE RULES INCLUSIVE OF PENALTIES OF THE COMPANY (ANNEXURE D)

The Chairman handed the floor over to Mr Heyneke for feedback on the proposed amendments to the rules.

The proposed amendments to the rules were brought to the attention of the members and the floor was opened for comments or suggestions. Please refer to the comments, questions, and suggestions attachment to the minutes.

The Chairman called for the ratification of the rules inclusive of the penalties.

Proposed: Mr Richard Arnell (8 Oyster Cove)
Seconded: Mr Andrew McGregor (64 Bass Cove)

The resolution to approve and ratify the proposal for the rules document to be approved with amendments

as per the schedule attached was called to a vote by the members.

The resolution was passed by a majority vote of the members by ballot, present at the meeting with 94 votes (97%) in favor.

7. ARCHITECTURAL GUIDELINES (ANNEXURE E)

7.1. The consideration and discussion of the amendments to the Architectural Guidelines and approval thereof

The Chairman handed the floor over the Mr Mike Fikkert to present the prosed amendments.

Mr Fikkert brought the proposed rules to the attention of the members and opened the floor for comments or suggestions.

The floor was opened for questions and comments which were noted. Please refer to the comments, questions, and suggestions attachment to the minutes.

The Chairman called for the acceptance of the guidelines.

Proposed: Mr JP Fourie (3 Aero Cove)
Seconded: A validated member

Mr Fikkert called for any objections or abstentions. No objections or abstentions were noted.

The resolution to approve and ratify the architectural guidelines document was called to a vote by the members.

The resolution was passed by a majority vote of the members by ballot, present at the meeting with 91 votes (94%) in favor.

7.2. Feedback of the proposed Architectural Guidelines for the Sectional Title sections

MH advised on the proposed Architectural Guidelines for the Sectional Titles and stated that it is still a work-in-progress. MH stated that positive meetings have been held with Plover Cove and Olive Tree Cove to date.

7.3. The use of common property

Mr Fikkert advised that applications have been received during the year to make use of common property. Mr Fikkert advised that applications will be considered within the rules and as long as no permanent structures will be positioned on common property.

The Chairman advised that use of common property has been identified through the process of consent inspections which is done when a property is sold.

8. APPLICATION FROM THE OWNERS OF PORTION 8 OF ERF 172 TO PURCHASE A PORTION OF COMMON PROPERTY SITUATED AT THE NORTH END NEXT TO THE RUNWAY (ANNEXURE F)

The Chairman advised on the application received from the owners of Portion 8of Erf172 (hanger). An offer to purchase 44m² of the Remaining Extent of 172 (the Company's common property) has been submitted by the owner of Portion 8 of Erf 172. The purchase price offered is R1 500.00 per m², totalling R66 000.00. All costs will be for Portion 8 of Erf 172.

In terms of Article 13.4, the following is applicable:

Article 13.4 states the following:

The Directors shall not be entitled to exercise the following powers on behalf of the Association, unless with the prior resolution obtained by ordinary resolution of the Association in General Meeting first being obtained:

Article 13.4.1 states the following:

the sale, alienation, hypothecation, mortgage, lien of, or any encumbrance upon, any portion of the Property or any portion thereof, including the common areas; and/or

8.1. The consideration of Portion 8 of Erf 172 offer to purchase 44m² of common property of the Company, at a price of R66 000.00

The floor was opened for questions and comments which were noted. Please refer to the comments, questions, and suggestions attachment to the minutes.

The resolution to approve and ratify the builders code of conduct document was called to a vote by the members.

The resolution was passed by a majority vote of the members by ballot, present at the meeting with 70 votes (71%) in favor.

9. MEMORANDUM OF INCORPORATION

9.1. Feedback regarding specific matters raised at the MOI Information Session held 9 November 2019 (Annexure G)

9.1.1. Directors' terms

The Chairman advised that as per the Companies Act it is required that 1/3 of the board members need to resign. The MoI is compliant however the 1/3 requirement as per the Companies Act is to ensure for continuity.

The Chairman stated that the proposed resolution is that a 3-year service period has been

agreed on by the board that 3-years will be sufficient time and that the term will be confirmed in the MoI amendments.

9.1.2. Consolidation of stands; and possible levy impacts

The Chairman handed the floor over to Mr Shannon to provide feedback.

Mr Shannon gave feedback on the consolidation of stands concept. Mr Shannon advised that calculations were based on should all the open stands be consolidated, what effect that would have on the overall levy. Mr Shannon advised that should a stand be consolidated with another stand; a 20% discount is being proposed on the stand being consolidated.

Mr Shannon invited anyone who requires more detail to contact him in this regard.

9.1.3. Building penalties / levies

Mr Shannon advised that the option is proposed for the members to vote on whether building penalties should be charged or removed for stands that have not yet been built on.

9.1.4. Budget approval

Mr Shannon advised that to require approval of the budget by the members is not practical and that should the members not be satisfied with the budget approval that the same board not be voted in again.

The floor was opened for questions and comments which were noted. Please refer to the comments, questions, and suggestions attachment to the minutes.

9.2. Feedback on the process which will be followed for the proposed MOI changes

The Chairman advised that the document will be distributed inclusive of the proposed amendments. The vote will be taken via round robin and be voted on by all eligible members in writing. The proposed MoI changes will be distributed to the members by the of 13th of November 2020 and the 20th of November will be the record date by when the process is started. The members will be afforded 20-working days to interact. The Chairman confirmed that on the 21st of December 2020, Du Preez Accountants, the Estate Manager, 1 Director and a member will attend to the vote counting.

The Chairman called for a volunteer to take part in the vote counting process. Mrs Nxalati Golele-Tshabalala volunteered to be in attendance during the vote counting.

The Chairman advised that the feedback will be circulated to the members in January 2021. The Chairman stated that any questions on the process can be enquired with Mr Heyneke.

10. PRESENTATION OF THE REPORT FROM THE CHAIR (ANNEXURE H)

10.1. Portfolio feedback

Each portfolio director gave feedback on their perspective portfolio.

10.2. The Coves Corporate Identity Project

The Chairman handed the floor over to Mr Andrew McGregor for feedback on the corporate identity project.

Mr McGregor gave feedback on the corporate identity project and the process followed.

The new logo was revealed to the members in attendance.

11. ELECTION OF DIRECTORS

In terms of Article 10.1 each director shall hold office from date of appointment until the Annual General Meeting when each director shall be deemed to have retired from office but will be eligible for re-election.

11.1. Determination of Number

Article 9.1 states a minimum of 5 and a maximum of 10 natural persons.

The Chairperson advised that this year that 12 nominations were received, and the Chairperson confirmed that the positions available on the board is 10.

11.2. Election of Directors

Article 9.2 of The Coves Memorandum of Incorporation states that unless otherwise directed by the Association in General Meeting, no person other than a member of the Association or a member's spouse may become a director. Article 9.2 also requires that at any given time the majority of directors shall be permanent residents upon the Estate.

The following members were appointed as Directors.
A McGregor (64 Bass Cove)
A Shannon (73 Bass Cove)
D Keeling (5 Woodlands Cove)
J Barnard (104 Woodlands Cove)
J Reid (22 Heron Cove)
JP Fourie (3 Aero Cove)
K Pettey (63 Bass Cove)
M Fikkert (13 Heron Cove)
M Masemola (98 Woodlands Cove)
N Golele-Tshabalala (39 Bass Cove)

12. DIRECTIONS AND RESTRICTIONS TO BE PLACED ON THE DIRECTORS FOR THE ENSUING FINANCIAL YEAR

The Chairman handed the floor over to Mr Mike Fikkert to advise on the directions and restrictions to be placed on the directors for the ensuing financial year.

Mr Fikkert confirmed there are directions and restrictions that are set out in the MoI and opened the floor foe any additional directions and restrictions for the directors to follow.

No comments were received.

13. GENERAL

The Chairman opened the floor to any general concerns that the members want to raise. Please refer to the comments, questions, and suggestions attachment to the minutes.

14. CLOSING

The Chairman extended thanks to the outgoing board for their time served and welcomed the new directors joining the board.

Management and staff were thanked for their hard work during the year. The meeting concluded at 14:05.

Signed at Helvoer on this 6th day of November 2021

CHAIRMAN

6 Nov. 2021
DATE

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DISCUSSION ON EACH SUGGESTED AMENDMENT AS WELL AS THE MOTIVATION ON EACH SPECIAL RESOLUTION OF THE COVES SPECIAL GENERAL MEETING HELD ON SATURDAY, THE 27TH OF MARCH 2021 AT 08:30 AT THE BARN – THE COVES ESTATE

Q: Mrs Marj Tunmer (2 Plover Cove) enquired on the 20% discount for consolidated stands proposed under resolution 30. Mrs Tunmer raised concerns on the 20% and stated that the percentage is too high and should five stands for example consolidate, then the member will get discount on the levy for one stand. Mrs Tunmer requested that the 20% be reconsidered.

A: The Chairman (3 Aero Cove) advised that the 20% calculation was closely considered by the finance committee before the proposal was submitted to the board. It was taken into consideration that therewere benefits should members consolidate stands although there may be a loss in revenue. The Chairman added that the percentage can be reconsidered.

Q: Mrs Marj Tunmer (2 Plover Cove) stated that the aesthetics committee should make recommendations to the board and not make decisions on their own, specifically when considering consolidation applications.

A: The Chairman (3 Aero Cove) advised that no sub-committee has the authority to make decisions without having referred the matter to the board.

C: Mrs Roseanne McCall (3 Plover Cove) raised concerns around the consolidation option and the effectthat the larger properties may have on the services i.e. sewer reticulation and water consumption.

A: The Chairman (3 Aero Cove) took note of the point made and that that consideration should be madewhen voting.

C: Mr Alan Shannon (73 Bass Cove) advised that consumption of water and power is charged dependingon the consumption as this is metered. Mr Shannon gave feedback on how the discount was calculated and all costs associated with a stand in relation to the levy.

C: Mrs Marj Tunmer (2 Plover Cove) stated that currently levies are being paid on open stands and if stands are consolidated the owner could propose to add structures on the property. The 20% discountwill be to the rest of the members expense to make up for the revenue lost.

A: Mr Martin Heyneke (Estate Manager) stated that once the stand is consolidated, the same rules will apply, only one dwelling is permitted per stand.

C: Prof. Ken Pettey (63 Bass Cove) stated that from the feedback being received, part of the problem is that the resolutions being proposed were not communicated properly. Prof. Pettey stated that with theamount of information that is contained in the document and taking into consideration that everyoneis busy, the way it is written, it is difficult to understand.

Prof. Pettey added that under resolution no. 25, relating to The Coves Board of Directors Ethics and Code of Conduct document which newly appointed directors will be required to sign, is necessary and agrees that directors should act in a certain way, however, a confidentiality clause should not restrict directors from communicating with the members on matters that have been decided on. Prof. Pettey motivated that an open-door policy is implemented and requested that the confidentiality clause bereconsidered by the board to be removed from the Ethics and Code of Conduct document.

A: The Chairman (3 Aero Cove) supports Prof. Pettey's stance regarding an open-door policy and stated that the confidentiality clause is in place to ensure that board decisions are fully endorsed by all directors and is supported whether a director agreed with the decision taken or not. The Chairman added that the confidentiality clause is not intended as a secretive clause.

C: Mrs Vanessa Behrens (81 Bass Cove) enquired whether something is being done to ensure that the country feel of The Coves will be retained and to ensure that no high-density development will be

Directors
A McGregor, A Shannon, D Keeling, J Barnard, J Fourie (Chairman),
J Reid, K Pettey, M Fikkert, M Masemola, N Golele-Tshabalala

permitted in the future. Mrs Behrens also requested that confirmation be given that the forest be kept as is.

A: The Chairman (3 Aero Cove) advised that the estate needs to progress and to retain the country feel is the focus of the board. The Poplar tree species in the forest will, unfortunately, need to be replacedas it is an invasive species.

C: Prof. Ken Pettey (63 Bass Cove) requested that the board be open and that the confidentiality clause does not prevent the directors from communicating with the members. Prof. Pettey invited the members to attend the board meetings to ensure that they are informed.

Q: Mr David Kidson (18 Woodlands Cove) enquired whether the board decisions are being recorded andthat there is a mechanism in place to be able to refer to the decisions taken.

A: The Chairman (3 Aero Cove) stated that the minutes are available should members want to view and confirmed that the mechanism is in place. The Chairman requested that members arrange beforehand should they wish to be an observer at a board meeting.

C: Mr David Kidson (18 Woodlands Cove) thanked the board for their effort and dedication to ensure the positive progression of the estate.