

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

MINUTES OF THE 33rd ANNUAL GENERAL MEETING OF "A" CLASS MEMBERS OF THE COMPANY, HELD VIA ZOOM WEBINAR AND IN PERSON AT THE PENINSULA HOTEL ON 9th JUNE 2022 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 meeting. The meeting was being held in both electronic format and in person, in line with modern practice and to accommodate the need to minimise travel and observe social distancing in response to the Covid-19 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. 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 2021.

The Chairman invited Hugh Patrick, Chairman of the Audit Committee of The Peninsula All-Suite Hotel, to comment on the levy fund.

Due to Covid-19 pandemic and to alleviate the financial burden on the timeshare owners, the board decided not to increase the 2021 levies and limit the 2022 levy increase to 3%. This, however, could mean that in future years, in order for the resort to meet its financial obligations and maintain its standards, the levy could increase by more than inflation. All permanent employees were retained since the outbreak of the pandemic, with reduced hours from April to August 2020. Those that were not needed in their job roles, were allocated to the maintenance program, allowing the company not to contract outside artisans. In order to keep the housekeeping employees employed, management offered external services (cleaning, laundry and maintenance services) to the surrounding areas. These services continued into 2021 and received good media coverage. The shortfall in employee salaries was topped up by the TERS funds received from the government. The reduction of hours from 5 to 3 days a week reduced the salary expense to R12 million in 2020, which did not re-occur in 2021, thus the 42% increase to R17 million in 2021. R6.9 million was spent on capital refurbishments in 2020 and R7.1 million in 2021. The reserve increased from R8.9 million in 2020 to R12.1 million in 2021. This is adequately covered by the cash resources which amounted to R9.4 million and 24 hour notice unit trust investments of R9.2 million. The investments came about after thorough investigation and realizing that the bank interest rates were very low. This move showed an increase of interest received from R676K in 2020 to R966K in 2021. The interest rate effectively increased from 3.5% in 2020 to 6% in 2021.

The report of the Directors, Audit Committee and the Auditors insofar as they relate to the levy fund for the period ended 31 December 2021 was duly considered by all.

ITEM 2

INSURANCE

The chairman stated that insurance is a big issue at the moment. The outbreak of the Covid-19 pandemic has highlighted a number of anomalies and factors within the insurance market that caused a lot of head scratching on the part of insurance companies and customers. The current insurance cover is with Sanlam's Hospitality & Leisure in conjunction with Lombard, after moving away from Hollard.

Vee de Freitas advised that total sums insured covering buildings, including escalation and inflation of 8.5%, amount to R538 million. Contents are insured for R37 million.

Gross profit is insured at R25 million and wages at R16 million. This is to protect the business portion of the resort, owned by Peninsula Management.

Business Interruption is insured for two years levies at R102 million, which incorporates two years levies with inflation added to the second year. This is to ensure that, in the event of total or partial destruction, for the two years of re-building, no levies would be payable by the shareholders. Particular attention is being given to the description of the nature of the business interruption insurance cover and the risks to which it applies, to ensure that the company and the insurer both interpret it in the same way.

Directors and Officers cover is R20 million, Public Liability R150 million and Passenger Liability R20 million. Fidelity cover is insured at R17.2 million, but will be adjusted to R20.9 million as per the CSOS requirement. By law, this amount is calculated taking the previous year's capital reserve and adding 25% of the current year's operational budget.

The SASRIA premium has increased by 59%, following the riots in KwaZulu Natal, causing the total insurance premium to increase by 20% in 2022. The other premiums, excluding SASRIA, increased by 4%.

Management is currently getting other insurance quotes to ensure that the company has the optimal cover at the best premium.

Mr Hillier enquired regarding the R1 million claim on infectious diseases. Chris Godenir explained that the claim was paid by Hollard after the company had commenced legal proceedings against them. There was also a payout of R100K for loss of bookings. The legal fees were R80K, of which R20K were paid by the broker.

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. Voting took place and all were in favour.

The resolution was passed without dissent.

GENERAL

Sodick Behardien gave a snapshot of RCI activities over the last 2 years. RCI received 488 units of inventory for 2021 and 341 thus far for 2022 for local exchange. The most popular resorts Peninsula owners exchanged into, were: Sun City Vacation Club, Umhlanga Sands, Cabana Beach, Pinelake Resort, Beacon Isle, Drakensberg Sun and Peninsula itself. On international exchange, 32 exchanges took place in 2021 and 23 so far in 2022. The resort is still performing well on Gold Crown status. These figures exclude the owners that live and spacebank outside South Africa.

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 12H01.



CHAIRMAN

20 October 2022

DATE