



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Date:	21st June 2017
Time :	18:30
Attendees:	As per Attendance Register Lorette and Barry Taylor, Ashley Taylor, Stais family, Andrew Dawson
Apologies:	

	Action
<ul style="list-style-type: none">• Welcome by Chairman <p>JT opened the meeting and welcomed all members present to the first official SANEC AGM.</p> <p>JT explained that from the Directors' report SANEC has been going since 1972, one of those companies that has owned the property but has done nothing with it.</p>	
<ul style="list-style-type: none">• From the director's report, the point of view is that there is nothing to report on what has been happening although what has happened over the past year has been quite crucial. At the end of last year everyone agreed the property and the club needed to be saved by splitting the Club (KPC) from the Property (SANEC).	
<ul style="list-style-type: none">• We managed to raise ZAR 2 600 000 from a special levy which was paid by all KPC members. ZAR 50 000 still outstanding. ZAR 2 000 000,00 was also paid to KPC as a no interest loan from SANEC to KPC. There was ZAR 4 500 000 of debt, which has now all been paid up. We now have zero liability and no more debt thanks to members who paid the levy.	
<ul style="list-style-type: none">• 600 shares have been issued to members in lieu of levy paid. At today's date ZAR 17 100 000. Is still in trust account, after ZAR 2 000 000 has been paid to KPC. There is approximately ZAR 1 000 000 outstanding from members who submitted expression of interest but not paid money yet.	
<ul style="list-style-type: none">• About ZAR 2 000 000 has been pledged but not as yet paid into the Trust account. The question was asked about money pledged but not forthcoming, what does that represent?	



- It was stated that if you sign an Expression of Interest, this is a legal document agreeing to buy shares. If not, shares must be issued to other interested parties who are also still members of KPC.
- Grant Walker asked about remaining shares that might come back, i.e. 3 000 plus. Are they still available at original rates? Before 31 December 2016 there was a 15% discount on shares i.e. ZAR 4 462 50 From January 2017 the share price was ZAR 5 250 per share with no discount. Shares are available as long as purchasers are members of KPC. If this has to change then there must be a change in the Memorandum of Incorporation.
- Simon Burn asked whether a vote should be taken for that?
- In 3 years' time there will be a demand. Sell another 3 000 shares which would be ZAR 15 000 000 income.
- Grant Walker asked what if they only want 500 shares, can a vote be taken? Business plan would be affected by the total amount available for planning and development.
- Benefits are that original cash to spend now, as opposed to trying to raise additional cash later. Looking at selling more shares bringing in 15 million more.
- The question was raised whether there are shares available? Members have shown interest, taking more shares to get to a level which is a reasonable starting point for SANEC producing income for foreseeable future.

Any other Business

- Financial statements loaded on website as at July 2016. No AGM for the year end to July 2017. Once the board is formed, it will be changed to December each year to tie in with KPC year end.
- The Company, SANEC, is a profit company. From when we start trading, we must ensure it is done carefully to avoid tax.
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- Financial statements, voting form or proxy on their behalf. On first resolution show of hands to accept annual financial statements for July 2016. No objections, 100% approval.



Resolution 2.1.

- It was proposed that we keep the current auditors, LSG until July 2017. They are charging ZAR 7 000 for a dormant company. It was discussed that new auditors be appointed in July 2018. The current auditors charged 15 000 in July for this year. Vote taken to look into changing to new auditors.
- It was asked what fees LSG charge? New audit company will only charge 21 000 to do entire share investments. The Board will get some quotes. **Resolution 2.1** keeps LSG until July 2017 and **Resolution 2.2** allows for the appointment of new auditors – both approved by the Board.

Resolution 3 – Appointment of new Directors

- JT said that, according to the MOU, they need 5 Directors. Connie & myself, are the 2 Directors appointed by KPC EXCO. KPC has right to appoint anyone from the KPC EXCO to look after their interests. Need 3 more Directors. There were 7 nominations. Going to need additional guidance & help. Due to the previous approved request 5 of nominated 7 directors can be voted in tonight.
- Grant Walker said 6 to 8 directors should be appointed. Can we move to change that? The MOU can be changed to elect 7 directors. 5 of 7 shareholders will be nominated tonight. This is to keep voting percentages correct – 30% is KPC represented by 2 of 7 Directors.
- Nominees present were requested to relay a brief history of themselves.
- Members were then requested to vote for Board of Directors
- JT said that a SANEC Director is liable to the shareholders and the position is non-remunerated. The CEO/GM who is remunerated, should be appointed to run SANEC separately, as it needs to be financially independent. Board to decide how we go forward with this. Currently suggesting Board of Directors to stay on until the next AGM.

JT



- If all arenas can be filled with dressage & jumping, more sponsors will be required.
- Jan Kleynhans stated that the show calendar was late, need to plan more shows, over school holidays.
- Need to attract more sponsorship etc.
- SANESA want to hold their show after Derby. 400 stables need to be available. Not enough shows to fill capacity of additional stables. It was suggested that we could purchase Misty Meadows stables. Not worth it as a business investment as could cost 2 million to build more stables.
- SANESA nationals beginning October. Time sensitive for this, need to sort something out this week asap.
- It was stated that if KPC needed more facilities they could approach the board.
- It was asked if stables are going to cost 2 million what would be our investment.
- Discussion on arenas, new stables, Lipizzaner's. Asbestos needs to be removed from Lipizzaner hall. Should it be expanded & made into an indoor school? Steering committee needs to be formed for all of these.
- Crime and security of property was also discussed. Two entrances were required, parking areas for horse boxes and cars. The area should be more secure.

JK

The AGM closed at around 20:30

Signed – Director