MBABANE CLUB

EXTRAORDINARY GENERAL MEETING

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE MBABANE CLUB HELD ON TUESDAY 22ND DECEMBER 2015

Present: Mr Keith Dukes (KD)	President
Mrs J McKenzie	Secretary
Mr L Drinkwater	Vice President
Mrs L McKenzie	Lady Member
Mr D Flintstone	Gentlemen Member
Mr W Capel	Auditor
Ms C Green	Treasurer (Apology)

Plus other members as per attached attendance register.

Apologies
Tabled for all member who had submitted proxy votes

The meeting was declared open at 18h08 by KD who explained the reason behind the EGM and read the notice of the meeting.

Notice of Meeting

Notice of the meeting, having been circulated to all members of the EGM with the Agenda in terms of the Constitution of the Club, the President KD, declared 39 signatures were on the Attendance Register; this figure was later amended to 44 to include several Members who arrived late. KD reported 61 Proxy Forms had been handed in and the meeting was therefore properly convened and constituted.

KD invited Mr Theo Mason a Club Trustee to address the matter arising from the EGM Agenda.

Mr Theo Mason apologized to the Members for the delay in calling the EGM, he further explained the Agenda in detail. He mentioned that the delay had been caused as the Trustees asked the Committee to finalise the Lease Agreement terms and conditions drawn up for signing between The Takis Brothers and the Club. The Trustees had some initial concerns with the Lease Agreement and had requested that certain issues be amended. The Committee would have called the EGM in early December but for this. He encouraged all Members to vote "Yes" to the proposal on behalf of the Trustees.

Members were invited to ask questions:

Mr John Henderson wanted to know if Proxy Forms were valid as casting votes.

KD explained to the Members that the Club Constitution had been amended to allow for Proxy Votes at the Club AGM in October 2013. Members present at that meeting had adopted the new constitution that was drafted by Rob Cloete and amended by various input from the late John Resting and Ernest Davidson who had referred the constitution to Nedbank's legal department.

Mr Theo Mason conferred with Mr Keith Dukes to request confirmation that the Club Constitution had been amended in October 2013 , KD had a copy of the Constitution.

Mr John Henderson supported by Mr Ray Thomas and Mr Neil Taylor expressed doubt that the wording KD had was ever properly presented to the members. KD advised that the final draft had been circulated by email to the mailing list and that the copy in his file was the one presented to the 2013 AGM. – The three mentioned they doubted that and said they had not received copies of the constitution. – KD ruled the matter out of order and said that the meeting would proceed. If they were to call an EGM and successfully invalidated the Constitution then the proxy votes could be deemed invalid. – At this point the physical members were counted and a revised total of 44 were found to be present – Thus complying with the EGM requirements of both the New and Old constitutions.

Mr John Henderson then asked if all Members who signed Proxy Forms were paid up Members.

Mr Neil Taylor asked if KD had checked that all present were paid up members.

Mr Keith Dukes said these comments were disruptive and pointed out the membership list was on the entry table - if Mr Taylor cared to check everyone present was on the list. The committee would check the proxies after the meeting. If it was found that Members were not paid up their Proxy would be invalid.

Mr John Henderson wanted to know who between the Club Committee and the Trustees would get the casting votes regarding Agenda matters 2.2 and 2.3? if the Committee and Trustees disagreed.

KD said the committee and the Trustees would be required to agree on the above matters.

No payments will be signed unless 2/3 Trustees have agreed and given their consent on payments.

Mr Ray Thomas wanted to know who received the funds for the present Membership/Earnings was it paid into the Cinderella account.

KD said up to 30/09/2015 some Membership/Earnings money had been paid into the Cinderella account because of the Point of Sale set up by Cinderella.

KD explained that Journals are passed between Cinderella and the Club regarding funds. He also confirmed the debt incurred by Cinderella had been incurred on behalf of the Club

Mr Keith Dukes explained that Cinderella money was technically theirs. He also told Mr Ray Thomas that his questions were obtuse and he was a Cinderella Shareholder and past Cinderella Director with knowledge of the transactions.

Mr Ray Thomas wanted transparency and continued to question why should the Club pay off debts incurred by Cinderella. He said that E850, 000.00 had been raised for Cinderella by Shareholders to upgrade the Club.

KD agreed that that due to Cinderella raising the E850,000 the Club had been upgraded to be a better place for the community at large. The further money under debate was in addition and would not be used to repay any of the E850, 000 which was spent and gone and would be to pay current debts.

Mr Chris Morgan requested that the meeting focus on the motions of the Agenda, and not re-open debate in other areas. Let's move on and agree that the Trustees sign and agree all payments.

Mr Stuart Donaldson asked if the Trustees were happy about the E700000.00 loan and can the Members trust control of where the money is going. Members should be entitled to a list of Debtors.

KD advised the Trustees had the Debtors listing and suggested that if Members did not trust the Club Committee Members and Trustees they were quite welcome to take over the Committee.

Mr Theo Mason said the Trustees by the nature of the word were trusted by the members to look after the Club interests. The Trustees were behind the proposals and happy to move on and go forward. He also explained that the Club Constitution allowed Members to call an EGM if they were unhappy with something. The payments could be exposed, but he felt it was not necessary for the general Members to have detailed information.

Mr Ray Thomas said there had been no transparency, although he was a Member and Shareholder of Cinderella he asked that the Members going forward were kept informed and the secrecy needs to stop.

Mr Theo Mason said that part of the E700000.00 was to pay 3rd party providers. The Trustees would make sure there was enough money in the Club account to keep the Club liquid until next year when subs are due. The Trustees will be looking at all payments which need to be made.

Mr Paul Taylor explained to the Members that there were certain Cinderella Members and Shareholders who had kept the Club going from the sake of the Members; he wanted to mention Dean Flintstone, June McKenzie and himself who had funded the operations. The plug could have been pulled on the Club long ago. Obligations were met by two and a half years of hard work by some Members, and then some present Members ask ""can the Trustees be trusted?" In his opinion those Members present in the meeting are just trying to make trouble.

Mr Chris Morgan believed there was division, and agreed what Mr Paul Taylor had said was valid. It was the goodwill of Cinderella that had kept the Club going.

Mr Paul Taylor said that Cinderella never did get the support of certain Members, he hoped that the Takis Brothers would be given full support.

KD requested the meeting move on and the votes cast:

Keith Dukes

From: Keith Dukes
Sent: 07 December 2015 11:33
To: Keith Dukes
Subject: Notice of EGM Tuesday the 22nd December 2015
Attachments: Minutes of AGM held 27th October 2015_V1.pdf; Proxy_Form_EGM_22122015.pdf

To Email : dukesk@tig.co.sz

7th December 2015

Greetings Members,

Notice of an EGM – 6pm Tuesday the 22nd December 2015

Attached are the Minutes of the last Club AGM held on 27th October 2015. – Some background :-

Consensus from the Committee, Trustees and several members who proposed motions is - that it is clear that the AGM meeting approved the situation whereby the Club will be handed to the Takis Brothers for future management and that the existing Cinderella management exit from the lease with the Club with effect from 1st October, 2015.

To finance a clean start for the Takis Brothers the Club has refinanced existing loans with a new facility via FNB that is for E1.5 million repayable over 10 years. This will include a portion of E700,000 to enable settlement of assets placed on site by Cinderella which Cinderella intended to recover in terms of their ongoing lease. With the committee I will ensure that an up to date audited assets register is in place prior to disbursement of any funds - other than ordinary Club creditors - take place. The Committee will also ensure that sufficient funds remain in the Club account to cover all expenses responsible by the Club such as rates, insurance, taxes, general maintenance etc. during the new Club year.

Following later discussions it was more practical that the Club enter into a direct lease with the Takis existing company Fat Baz Hamburger Hut (Pty) Ltd – being the company that runs the Millin operations – for purposes of licensing and consolidation of costs.

Although this was all agreed and adopted "in principle" at the AGM - the Committee and Trustees, following study of the Constitution, consider that the above items should appear as agenda items for approval at an EGM so as to constitutionally cover the AGM agreement.

Due to the holiday season if you are not able to attend the EGM please sign a proxy in favour of your nominee so that we can get all this into shape for the New Year.

If you reply to this message with your vote :-

Item 2.1 Yes/No (delete one!)
Item 2.2 Yes/No (delete one!)
Item 2.3 Yes/No (delete one!)

I will take that as valid proxies – If you prefer fill in / amend the attached form – scan and return or send in with your nominee

Current Members with voting rights may attend or send proxies. – If you have not paid your subs so far please do so. From the 31st December 2015 unpaid members will be removed from membership and mailing lists.

Regards

KEITH DUKES
PRESIDENT MBABANE CLUB

MBABANE CLUB
EXTRAORDINARY GENERAL MEETING

Notice is hereby given that a General Meeting of members of the Mbabane Club will be held at the club on Tuesday the 22nd December 2015 at 6.00pm

AGENDA

1. An address by the Trustees on the matters detailed below.

2. To formally ratify, as agenda items, several issues presented and accepted by the members at the AGM, which the Committee and Trustees feel may constitutionally need EGM approval :-

2.1 To Transfer Banking facilities from the Standard Bank to FNB with a new loan facility of E1.5 million repayable over 10 years at prime rate of interest versus current facility charged at prime +2%.

2.2 The Trustees and Committee draw down on the facility to ensure the financial soundness of The Club and that the Trustees approve any payment to Cinderella.

2.3 To authorise the Committee and Trustees, at their discretion, to terminate the Cinderella lease. To authorise the Committee and Trustees, at their discretion, to enter into a 3 year renewable lease with the Takis Brothers Company "Fat Baz's Hamburger Hut (Pty) Ltd" for the outsourced management of the Club premises.

Keith Dukes

From: Keith Dukes
Sent: 21 December 2015 14:49
To: Keith Dukes
Subject: EGM Reminder
Attachments: Proxy_Form_EGM_22122015.pdf

21st December 2015

Greetings,

Final EGM reminder – Tomorrow Tuesday the 22nd December 6pm.

I have not received many proxy votes – so assume I will see you all there!!

Following a couple of questions I have received – it is clear some incorrect information is being circulated by some misinformed members – Speaking for the Trustees and Committee – I can inform you all that **no** payment from the Club facilities will be made to repay any of the shareholder loans that were made by Cinderella shareholders, who each paid E50,000.00 into that Company. That money was spent for the Clubs benefit – but it is now gone and will not be reimbursed by the Club – ever!

If you want information – Please ask the Committee members.

Due to the holiday season if you are not able to attend the EGM please sign a proxy in favour of your nominee so that we can get all this into shape for the New Year.

If you reply to this message with your vote :-

Item 2.1 Yes/No (delete one!)
Item 2.2 Yes/No (delete one!)
Item 2.3 Yes/No (delete one!)

I will take that as valid proxies – If you prefer fill in / amend the attached form – scan and return or send in with your nominee

Regards,

Keith Dukes

Management of the Mbabane Club has been passed to the Takis Brothers. The intention is for them to take control of Cinderella Investments (Pty) Ltd.

The current loans with Standard Bank are in the process of being transferred to First National Bank increasing the facility to E1.5 million with interest charged at prime and repayable over 10 years.
The loan repayments of approximately E240 000 per year will be funded by member subscriptions. The balance of subscriptions will pay for improvements, repairs and maintenance and utility charges.

POST BALANCE SHEET EVENTS

The current loans with Standard Bank are in the process of being transferred to First National Bank increasing the facility to E1.5 million with interest charged at prime and repayable over 10 years.
The loan repayments of approximately E240 000 per year will be funded by member subscriptions. The balance of subscriptions will pay for improvements, repairs and maintenance and utility charges.

At the 2015 AGM held on the 27th October 2015 the floor were given details of the takeover of club managers - Cinderella Investments (Pty) Ltd (Cinderella) - by the Takis Brothers. Questions were asked regarding the premature handover of Cinderella assets to the Club, which requires additional finance of +-E700,000, to pay for assets which have been funded by Cinderella. Cinderella gave assurances that the revised facility of E1.5 million would release all assets to Club ownership at 31st August 2015 and that Cinderella would have no further claim on the Club. It was mentioned that Cinderella shareholders have lost their E900, 000 investment. The meeting adopted these accounts subject to the inclusion of this note on post balance sheet events.

Fell next AGM

Excess of £100K. overspend on Gym.

1) ~~Loan £~~

2) Flat Bar.

→ ?. Not an Agenda item?

? Put up for EGM.

1) FNB Approved facility?

4). Pay down Std Bank loan.

3) Change assets as discussed at AGM

2) Trustees sign agreement with Takis Bros