

**MINUTES OF THE ANNUAL GENERAL MEETING
OF FUNSEEKERS INTERNATIONAL
HELD ON 17 SEPTEMBER 2011
AT SONDELA NATURE RESERVE**

1. Attendance Register

Members

J C C du Plessis
R Dykema
D Human
D Prinsloo
M Kumeke
B Palmer
A J M Marais
L K Marais
M H Strydom
D J Fourie
J C Bouwer
K Adendorff
M F Kwakwa
J C Reichert
C Bakker
T de Beer
M Nagel
K J Mosalagotla

Committee

Ian Jansen van Vuuren	Trustee
Neville Haarhoff	Trustee
Amy Tilke	Trustee
Phillip van Vuuren	Member
Danie Morgan	Member
André Zeeman	Member

Personnel

Francois Grobler	Financial Manager
Christelle Toet	Admin. Manager
Erika Meyer	Head of Reservations
Anneke Luus	Reservationist
Tania Lotter	Snr. Debtors Clerk
Landie Henn	Internal Marketing Manager

2. Apologies

P Scully
A Myburg
M H Ndaleni

3. Welcoming

Mr Jansen van Rensburg opened the meeting by welcoming all present. The meeting was declared properly constituted.

4. Motions

Mr Jansen van Rensburg declared for the sake of the King III Report and Governance that both he and Mr Haarhoff work for the Developer, Adinvale (PTY) Ltd and are also directors of the management company Escape Management. On the Funseekers Board, they are the only representatives of the Developer and the rest of the Board are independent Trustees. Mr Grobler is a Trustee but is the manager of Funseekers. There could be a conflict of interest as they are also looking after the interests of the Developer. The members took note of this and the meeting proceeded.

5. Trustee's Report

Mr Jansen van Rensburg presented the Trustee's Report. It was made available on the Funseekers' website (www.funseekers.co.za) and all members were able to retrieve it from there.

We are extremely proud, once again, of our Funseekers resorts for the recognition they received at the 2011 RCI Oscas Awards. At present all the resorts are doing well and this has everything to do with management procedures that ensure that every detail is taken care of and the correct standards are conformed to. RCI is the

only independent company responsible for rating and is controlled from America. This means that resorts are rated internationally.

1. Sondela Share Block : Gold Crown
2. Moselesele Tent Camp : Silver Crown
3. Ocean View, Umkomaas : Silver Crown
4. Mossel Bay Golf Estate, Mossel Bay : Lifestyle Resort

The Club's staff members pride themselves on prompt and friendly service delivery. To this end we have purchased a very comprehensive management system that should enable us in time to do all transactions through the internet, i.e. reservations, account queries, etc. This system combines all the software that has been used in the past. It has been developed specifically for the management of Clubs and is the same system used by the Disney Vacation Group. The system is so sophisticated that members will be able to go online, see what stock is available and then make their own bookings online. We hope it will be fully implemented within the next 12 months.

Additional products and memberships are being implemented into Funseekers International, such as Sondela Exclusive Use & Fractional Membership and Tanzanite points, due to affordability and/or product demand. The Scheme Rules will be amended to facilitate this.

We would like to thank the Board of Trustees, our staff and management team for their positive input and dedication in the performance of their tasks. Mr van Vuuren, Mr Morgan, Mr Zeeman and Ms Tilke were also thanked for their input over the past year.

Proposed by: Mr du Plessis
Seconded by: Mr Fourie

6. Minutes of 2010 AGM

The minutes of the 2010 Annual General Meeting were approved.

Proposed by: Mr Morgan
Seconded by: Mr Bouwer

7. Financial Statements

The Financial Manager, Mr Grobler, introduced himself and presented the financial statements.

Appointment of new Auditor:

Every five years a new Auditor must be appointed. New Auditors, Meintjies, Vermooten and Partners, were appointed for the last financial year as per the last AGM. They depicted the financial statements and at Page 4 in the Independent Auditors Report, two paragraphs were highlighted:

Trustees' responsibilities
Auditors' opinion

Adinvale:

Mr Jansen van Rensburg brought to the attention of the members that the Developer, Adinvale, funded and started the Club. It is for this reason that there is still an outstanding loan. Adinvale is not requesting the money back immediately, however Adinvale requires that the Club remains liquid and does not put itself under unnecessary risk. Adinvale is BEE compliant, with the following plans in place:

Workplace Skills Plan
Equity
Health & Safety
Fidelity Fund Certificate

As a result of the foregoing, Funseekers is also compliant.

We ensure that we are on the Boards and at the AGMs of every resort that is brought into the Club. This allows us to ensure that the various Body Corporates pay their insurances and that everything is in place.

Questions regarding Financial Statements:

What do the operating expenses represent? (Mr Boucher)

Operating expenses represent the management of the Club and are directly related to the Club's income. Income has almost doubled since last year.

The Management stayed the same, but did the work increase with the income that increased? (Mr Boucher)

We employed more staff. Extra income means extra work and with the levies that almost doubled, there was double the work to be done. Extra staff was therefore appointed to help with the workload.

Will the new system reduce the expenses? (Mr Boucher)

The computer system will only be installed later in the year and should be operational by January 2012. We are hoping it will reduce the expenses. However, our members, holiday properties and cash income are increasing and with this growth there are more expenses involved with regard to exchange fees and levies. Operating expenses therefore increase proportionately. Cost is driven by membership quantities – an increase in members means an increase in costs. Fixed costs, such as stock and offices, do not increase drastically, while variable costs such as levies and exchanges increase dramatically when you have more members to serve.

Do levies and exchanges only apply to RCI? (Mr Boucher)

No – we also need to rent in stock. This stock is managed properly and the efficiency of stock use is at a maximum. The more members you have, the more stock you need to have. This gets audited each year by VOASA to see if the relationship of stock to members is correct. This is the main cost. Fixed overheads are more stable and do not increase in the same proportion as variable expenses.

The Club is not for profit and operates as a non-profit organization. The Club manages the members' money and therefore we limit the increase each year to the required minimum in order to cover costs without making a profit.

All questions were discussed and the statements were accepted by the members.

Proposed: Ms Tilke

Seconded: Mr Zeeman

8. Auditors – Meintjes, Vermooten & Partners

As this was the first year with the new auditing company there were a couple of minor issues that needed to be sorted out. We believe that next year the audit will go smoothly and be completed earlier in the year. For good-governance, auditors need to be changed every five years. As we had been with the previous auditors for a few years already, the appointment of Meintjes, Vermooten & Partners was approved at the last AGM.

It was approved that these auditors be re-appointed for next year.

Proposed: Mr Adendorff

Seconded: Ms Tilke

9. Annual Subscriptions for 2012

Annual subscriptions include Subscription fees, Membership fees, Reservation fees, Exclusive Use levies, Fractional levies, etc. (subject to the contract signed). The Board of Trustees proposed an increase of 6% on ALL subscriptions. It was possible to keep this to a minimum while allowing for inflation.

A provision was made for bad debt which is approximately 20%. Costs were also added to accommodate the increase in resort levies, most of which were kept to a minimum and increased by the inflation amount of 6%.

A 6% increase in subscriptions for 2012 was accepted.

Proposed: Mr Morgan

Seconded: Mr Reichert

10. Appointment of Trustees for 2012

The following members were asked to make themselves available to be nominated as Trustees:

Mr Ian Jansen van Rensburg
Mr Neville Haarhoff
Mr Francois Grobler
Mr Phillip van Vuuren
Mr Danie Morgan
Mr André Zeeman
Ms Amy Tilke

Mr Scully made himself available to be nominated as Trustee. However his nomination was not accepted as he has been unable to attend any Trustee meetings or the past two AGMs. Funseekers International needs their Trustees to be available for meetings to represent the members of the club.

It is hereby declared that the following people have been nominated, accepted and reinstated as Independent Trustees and/or Auditing Committee Member:

Independent Trustee

Mr Ian van Rensburg
Mr Neville Haarhoff
Mr Francois Grobler
Mr André Zeeman

Proposed by:

Mr Morgan
Ms Tilke
Mr van Vuuren
Mr Human

Seconded by:

Ms Tilke
Mr Morgan
Ms Dykema
Mr Morgan

Independent Trustee & Audit Committee Member

Ms Amy Tilke
Mr Phillip van Vuuren
Mr Danie Morgan

Mr de Jager
Mr Adendorff
Mr Adendorff

Mr Human
Mr du Plessis
Mr Fourie

11. General Proceedings

Questions received from Members:

Why is it so difficult to sell my points? (Mr Myburg)

A sales company charges a commission of 50% of the sales price. It is very difficult for an individual to resell his/her points but you should remember that you purchased your points to buy a lifestyle. Most people who can no longer use their holiday investment use it for their children, friends and family.

While it may be difficult to sell your points you must remember that there are a lot of things that are difficult to resell, especially during economic downturns. Please beware that there are companies out there that will tell you they are busy with actions against the Holiday Club, RCI, etc. They will ask for your points plus R10,000 in return for taking the matter up with them. There is NO case registered – this is just a money-making scheme! When the economy turns, so will the misrepresentation by outside companies.

Subscriptions/Exclusive Use/Fractional Levy are all the same thing. They are all points. Increases and rules are the same for subscriptions, exclusive use and fractional ownership.

Why does the Board not buy the points back? (Mr Myburg)

The Board is governed by the Use Agreement, Timeshare Control Act, VOASA and all the other Acts. It is not allowed to spend the members' money to acquire extra assets. The subscription money/levy is for managing the stock and members' interests. We are not allowed to buy property with that money.

When will my points be allocated to me? (Mrs. Ndaleni)

Every year, so long as your subscriptions are paid in full to the Club and your payments to the finance company are up to date. Points are allocated annually if you are paid up.

Who grades the points? (Mrs. Ndaleni)

The resorts are graded by RCI. The only thing that really changes is when a resort is downgraded or upgraded. If a resort is downgraded from a Gold Crown status, 25% of the exchange value is lost, thus you lose 25% of your points.

What type of subscriptions are there? (Mrs. Ndaleni)

Diamond Points are in perpetuity.

Gold Points are valid for ten (10) years.

The usage is the same. The member elected to buy for ten years and 90% of members on the Gold Subscription

upgrade to Diamond. There is no difference in usage, but there are different categories. There are subscriptions, fractions and exclusive use. Your usage is regulated by what you purchase, i.e. the value you receive is proportionate to the amount spent. You cannot go away in season with 150 points and cannot expect to have the same value for 150 point that you get with 450 points.

Our Club has stock for the paid-up members. We do not carry extra stock and we do not carry non-paying members. Funseekers is liquid and the financials are good. We are also embarking on an upgrading program whereby current owners can increase their point-holding to enjoy a better holiday experience.

Is it possible to receive an annual statement for points available? (Ms. de Jager)

Currently we are running a stock management system, debt collection system as well as a financial system which will all be integrated with the new software / system. If you would like to know what stock you have, or what kind of holidays are available at the time, you must contact the Funseekers Call Centre until the new system is fully integrated. Once this happens, you will be able to track all the information online yourself. Your points' usage and points' balance will be available online.

A couple of years ago Funseekers went paperless and therefore if you call the Call Centre all your information is on file and computerized. With the press of a button we have all your info at your disposal. There is a file for your subscriptions, capital, holidays spent, points available, points used and all your other information. We even save all phone calls made to us.

What happens to a gold subscription membership after the ten years? (Mr. Boucher)

The membership lapses and comes to an end. The contracts stipulate that this membership expires after ten years as the points are used up after this time. There is however a process which can be followed for points to be reinstated. Call the Call Centre and all necessary info will be furnished. A big discount will be given to members who wish to reinstate their membership after the ten years.

What happens to your points if you die? (Mr. du Plessis)

Your membership goes into your estate and will be transferred to your nominated heir.

PLP Presentation

Please see attached document for all the information regarding the PLP Presentation.

Funlife Contact Number: 0861 342 248

Available 24 hours a day!

Please use your ID Number with an enquiry.

ONLY AVAILABLE TO PAID UP MEMBERS!

The meeting then adjourned.

12. Next Meeting

Will be announced.

Ian Jansen van Rensburg
Trustee

Neville Haarhoff
Trustee

Date