



# NOTICE OF THE 129<sup>TH</sup> ANNUAL GENERAL MEETING





## Dear member

This year is certainly proving to be the most challenging chapter. The arrival of the pandemic has changed the way in which we have done things in the past and forced us to evolve into doing things differently in the future. The upcoming Annual General Meeting is no exception and as such we are required by the COVID-19 regulations promulgated under the Disaster Management Act to hold the 129<sup>th</sup> Annual General Meeting using proxies and catering virtual attendance by electronic conferencing facilities, our first ever virtual AGM. In line with the provisions of the Companies Act, our Constitution and the advice sought by the Club's attorneys, the Board has approved that the 129<sup>th</sup> Annual General Meeting to be held via virtual platform ([www.zoom.us](http://www.zoom.us)) and an electronic voting platform ([www.surveymonkey.com](http://www.surveymonkey.com)).

The virtual procedures, voting process and Royal Review (Annual Report) for the year ending 30 June 2020 will be issued to the membership no later than Friday, 4 September 2020.

The Board has received requests by 10 voting members that voting at the AGM takes place by ballot. All members will be invited to submit proxies for voting at the AGM (whether they wish to participate in the AGM via zoom conferencing or not) using proxy forms (link and or hard copy) will be loaded accordingly onto the Survey Monkey platform. Proxy votes will be allocated to the 7 voting Board members.

## We invite you to:

- ✓ *Confirm your participation at the AGM by clicking on the registration link in this communication, so that we can ensure the necessary conferencing facilities and accommodate the participation of all members.*
- ✓ *Complete and return the Board and Capital Fund nominations for appended to [ceo@royaljk.co.za](mailto:ceo@royaljk.co.za)*
- ✓ *Complete the proxy form (link or hardcopy available at reception) from Friday, 4 September 2020.*
- ✓ *Advise the Chief Executive Officer in writing by email [ceo@royaljk.co.za](mailto:ceo@royaljk.co.za) of any prejudice which you may encounter if the AGM proceeds in the manner convened so the Club may accommodate you and ensure your participation and voting.*
- ✓ *Direct any queries you might have regarding the use of Zoom and/or Survey Monkey and their loading on your personal IT systems.*
- ✓ *The following distribution processes will be used by management – email, sms, whatsapp and hard copy.*



## NOTICE OF THE 129<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the hundred & twenty ninth annual general meeting of the members of Royal Johannesburg & Kensington Golf Club will be held via virtual platform (Zoom) coupled with electronic ballot facilities (Survey Monkey) on Thursday, 17 September 2020 at 18h00 to transact the following business:

### In terms of the Constitution of the Club, the Agenda for the meeting will be:

1. To read the notice convening the meeting.
2. To confirm that a quorum is in place (20 eligible members).
3. To receive and record apologies.  
*(Members are requested to submit apologies in writing to membership@royaljk.co.za)*
4. To pay respect to those members who have passed away during the previous year.
5. To award members who qualify for Life or Honorary Membership.
6. To approve the minutes of the 128<sup>th</sup> Annual General Meeting.  
*(The minutes of the 128th AGM are available on the Club's website www.royaljk.co.za under the member section).*
7. To receive the following presentations:
  - The Treasurer Mr. Francois Schindehutte
  - The Capital Fund Mr. John Hare
  - The Chairman Mr. Alan Field
8. To consider and adopt the audited annual financial statements for the period ending 30 June 2020.
9. To appoint the auditors for the new financial year (HLB).
10. To elect the Board for the ensuing year (See attached nomination form)  
*(should any member wish to nominate a member to any position on the Board, such nomination, in writing and properly seconded, should be lodged with the CEO no less than 10 days prior to the meeting).*
11. To appoint the Capital Fund Committee for the ensuing year.  
*(should any member wish to nominate a member to a position on the Capital Fund Committee, such nomination, in writing, properly seconded, should be lodged with the CEO no less than 10 days prior to the meeting)*



12. **Special Resolution No. 1 – Annexure A**

To approve/ratify the refund of operating losses for the 2019/20 financial year when the funds become available.

*(Should you require a full set of the audited financials please email our Financial Manager - [fm@royaljk.co.za](mailto:fm@royaljk.co.za) to set up an appointment)*

13. **Special resolution No. 2 – Annexure B**

To ratify, implement and approve the voting process used for this meeting, including that of proxy votes.

14. **Special resolution No. 3 – Annexure C**

To approve the Boards repositioning plan for the future of the club and sell two portions of land on the West Course to our current property developer for a minimum value of R100m and become a 27 hole facility.

*(6.6.1 for an ordinary resolution to be adopted at a members meeting, it must be supported by more than 50% of the votes exercised. 6.6.2 for a Special Resolution to be adopted at a members meeting, it must be supported by 75% or more of the votes exercised).*

13. To consider any other business concerning the affairs of the club, with the approval of the Chairman, Mr. Alan Field.

This notice is issued in terms of the constitution of the Club, adopted in October 2015. This notice, as well as other key member information, has also been sent electronically and is available on the Club's website and notice boards. Should you wish to receive information electronically, please ensure the Club has your current and/or correct e-mail address.

We urge all members of the Club to please register and participate in this very important meeting and should you have any questions, please don't hesitate to contact us.

*By order of the Board,*

Christopher J Bentley  
**Chief Executive Officer**



## **CATEGORIES OF MEMBERS ENTITLED TO VOTE**

### **Platinum Members**

- Life Members
- Honorary Life Members
- Honorary Members
- Rebated Senior Members

### **Gold Category of Membership**

- Ordinary Members
- 6 Day Members
- 5 Day Members
- 5 Day AM Members
- Senior Interim Members
- Interim Members
- Corporate Members (Ordinary)

*Non-voting members are encouraged to please participate in the meeting*



## **BOARD NOMINATIONS FOR THE 2020/21 TERM**

Members are invited to nominate candidates to serve as Board members.

*7.1. The Board of the Club consists of the Chairman, Vice Chair, Club Captain, Treasurer, Chief Executive Officer, Lady Captain and one other.*

7.1.4 At each Annual General Meeting one third of the Board shall resign in rotation on a first in, first out basis. A retiring member of the Board shall be eligible for election to any position on the Board without written nomination. In this regard, at a virtual Board meeting held on 19 August 2020, for transparency and good governance, the entire Board agreed to retire from their current positions. The Board voting process took place by secret ballot and the current Board members have unanimously agreed to support the following members for a further term in the following positions, subject to further nominations and the approval of the membership:

Mr. Gordon Odgers	Chairman
Ms. Marian Ledingham	Vice Chairperson
Mr. Nick Watt - Pringle	Club Captain
Mrs. Wendy Huddy	Lady Captain
Mr. Rohan Sheppard	Board Member
Available	Treasurer

### **RETIRING BOARD MEMBERS:**

Mr. Alan Field	Chairman
Mr. Francois Schindehutte	Treasurer
Mr. Mavela Dlamini	Board Member
Mr. Marc Kourie	Club Captain

*New nominations must be duly proposed, seconded and endorsed by the nominee and submitted to the CEO at least 10 days prior to the 129<sup>th</sup> Annual General Meeting - please email [ceo@royaljk.co.za](mailto:ceo@royaljk.co.za)*

### **THE FOLLOWING CAPITAL FUND COMMITTEE MEMBERS ARE WILLING TO STAND FOR A FURTHER TERM IN EITHER OF THE FOLLOWING POSITIONS:**

Mr. John Hare	Committee Member / Committee Chairman
Mr. Graham Twaddle	Committee Member / Committee Chairman
Mr. John Rowan	Committee Member / Committee Chairman

### **CAPITAL FUND COMMITTEE MEMBERS RETIRING:**

Mr. Rob Nisbet	Committee Member
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**NOMINATION TO SERVE ON THE BOARD AND OR CAPITAL FUND  
COMMITTEE FOR 2020/21**

<i>POSITION</i>	<i>Nominee</i>	<i>Proposer</i>	<i>Seconder</i>	<i>Acceptance by nominee</i>
<i>Chairman</i>				
<i>Name</i>				
<i>Signature</i>				
<i>Vice Chairperson</i>				
<i>Name</i>				
<i>Signature</i>				
<i>Captain's</i>				
<i>Name</i>				
<i>Signature</i>				
<i>Treasurer</i>				
<i>Name</i>				
<i>Signature</i>				
<i>Board Member</i>				
<i>Name</i>				
<i>Signature</i>				
<i>Capital Fund</i>				
<i>Name</i>				
<i>Signature</i>				

*Each Candidate must be in good standing with the Club and, if new, provide a brief curriculum vitae to the CEO of the Club at least 10 days prior to the Annual General Meeting - please email [ceo@royaljk.co.za](mailto:ceo@royaljk.co.za)*

## SPECIAL RESOLUTION NO. 1 – ANNEXURE A

Part of the plan approved at the 125th AGM was that the Club's operating losses would be subsidised by drawdowns from the 'Capital Fund/Developer Income' until the annuity income restored the Club to operational break-even as a minimum. Members were insistent that the Board and quality offering without passing the burden onto subscriptions and therefore agreed for operating losses to be 'subsidised' subject to member approval at each subsequent Annual General Meeting. Pre COVID operational losses were substantially lower than the operating losses incurred in previous years and against the Club's approved operating budget. The operational loss has been greatly exacerbated by the global pandemic, national lockdown and the governments COVID-19 regulations.

Therefore, is hereby resolved that:

1. The operating losses of R4.5m for the financial year ending June 2020 be paid from the Capital Fund when the funds become available.
2. The Capital Fund Chairman be and hereby authorised to give effect to the foregoing.

<b>ABRIDGED INCOME AND EXPENDITURE ACCOUNT</b>		
	<b>12 Months Ending 30 June 2020</b>	<b>12 Months Ending 30 June 2019</b>
	<i>Audited</i>	<i>Audited</i>
	<b>R'm</b>	<b>R'm</b>
Playing Fees	10 280 271	11 841 915
Subscription Income	9 626 315	9 438 665
Other Income	6 344 033	5 726 652
<b>Total Golf Income</b>	<b>26 250 619</b>	<b>27 007 232</b>
<b>Total Golf Expenditure</b>	<b>(30 938 075)</b>	<b>(29 483 199)</b>
<b>Total Food and Beverage and Hospitality Net Income</b>	<b>1 495 292</b>	<b>2 069 254</b>
<b>Net Operating Loss before Interest</b>	<b>(3 192 163)</b>	<b>(406 713)</b>
Interest Received	1 614 249	1 894 961
Finance charges	(1 785 833)	(2 097 369)
<b>Net Operating Loss from Golf</b>	<b>(3 363 747)</b>	<b>(609 121)</b>
Capital Income	0	0
Operating Loss Subsidy	0	0
Capital Equipment Subsidy	0	0
Capital Expenditure	(295 993)	(466 277)
5 Year Project Expenditure	(79 545)	(1 128 200)
Leasehold depreciation	(845 365)	(845 365)
<b>Capital Account Surplus / (Deficit)</b>	<b>(1 220 903)</b>	<b>(2 439 842)</b>
<b>Net Deficit</b>	<b>(4 584 650)</b>	<b>(3 048 963)</b>
<b>Rounds</b>	<b>46 816</b>	<b>65 212</b>



*Audited By HLB – August 2020 Should you require a full set of the Audited Financials please Email our Financial Manager [fm@royaljk.co.za](mailto:fm@royaljk.co.za) to set up an appointment*





## **SPECIAL RESOLUTION NO. 2 – ANNEXURE B**

The Club is required to hold an Annual General Meeting (AGM) within 4 months following the financial year end and the Board has resolved that the business proposed to be transacted, thereat cannot be delayed.

Under the Coronavirus Alert Level 4 Regulations, admission to the AGM in person must be limited to 50 Members. There are presently more than 600 voting members.

Based on legal advice sought the Board has resolved to hold the 129<sup>th</sup> AGM at the Club in the manner required by the Constitution except that member participation will be catered for by electronic conferencing facilities, electronic ballot, and electronic proxy.

Therefore it is resolved that all decisions taken at the 129<sup>th</sup> AGM be and hereby are ratified including without limitation –

1. Member attendance at the AGM using Zoom conferencing facilities;
2. Quorum requirements being determined using electronic attendance;
3. Member voting during the AGM using Survey Monkey;
4. Member voting and participation by means of electronic proxy supplied using Survey Monkey;
5. Communication of voting outcomes within 54 hours of the AGM's conclusion to allow the Club enough time to verify proxies and electronic ballots against Membership databases.

And therefore, each member voting in support of this Special Resolution 2 undertakes to vote at the next members' meeting in favour of the ratification of the foregoing







## SPECIAL RESOLUTION NO. 3 – ANNEXURE C

To approve the Boards repositioning plan for the future of the Club, and sell two portions of land on the West Course to our current property developer (Tricoltt) and become a 27 hole facility. (29.7 hectares, of which 21.7 are developable, is a minimum value of R100 million as per the map, below)

The Board circulated a critical proposal/survival plan to the membership on 3 July 2020. This received many communications, meetings, support, healthy debate and understanding of the inevitable. While nobody wants to lose 9 holes, it's been well studied and communicated that our current 36-hole model is unsustainable, unaffordable and exposes our Club to significant risks.

Following a protracted in-depth analysis and exploration to resolve the challenges we face, the Board and management of the Club are pleased with the solution for member approval. Our Club's financial health has always been intertwined with a number of forces outside of its control, among them the economy, lifestyle and the high dependence on members personal income. For the first time in our Club's history, these pervading elements are under extreme threat for the foreseeable future. The proposal has been developed in order to facilitate a long-term, sustainable and a dynamic future in the 'new world', whilst striving to achieve all our objectives, where Royal Johannesburg & Kensington Golf Club will continue to be represented as a top, premium facility to all its members and at the same time maintaining the quality that members have grown accustomed too. These extra-ordinary times require foresight and the resultant proactive repositioning of our wonderful Club for long-term sustainability and the urgent need to generate capital by selling two portions of the West Course for development and establishing a 27-hole Golf Club. We are strongly of the view that this proposal is the most appropriate at this time and essential for the Club to meet all its objectives into the future.

- ✓ *The proposal is to sell 9 holes of the West Course*
- ✓ *The Club will become a 27 hole, 3 scorecard golf Club*
- ✓ *Eliminate the key risks and deliver long term sustainability meeting all objectives.*

The approval will be known as phase two of our property development plans and deliver an exciting 'new age' golf club, eliminate the financial burden on the membership, transport value for money, subsidized by annuity income in perpetuity, this with a lower cost base and the significant restoration of our facility offering and capital reserves.





The dynamics of the Board equip the leadership with governance and recommended practices to operate effectively from one Board to the next. Our adopted good governance practices have consistently proven to be a strategic asset to the Club and provide a solid foundation for processes and procedures to ensure we succeed with the highest ethics and integrity.

Upon approval, the project team will be reconfigured with member nominations to suit the future requirements. A detailed examination will be undertaken by a newly formed governance committee (nominations to be received), under the leadership of Mr. John Saker. The formation of independent subcommittee will oversee the professional valuation of the strategy, the deal, the protection of the Club, the independence of the new project team and the Board and the transparent communication to the membership.

Therefore it is resolved that –

1. The Club sell 29.7 hectares, of which 21.7 are developable to the company with which the Club has dealt in other development activities of land as depicted on the diagram in the recordal above for no less than R100 million excluding VAT and provided that any transfer duty;

The Board, acting unanimously, be and hereby is duly authorised to give effect to the resolution including the negotiation, signature, execution, fulfilment, and completion of any sale agreements, development agreements, joint venture agreements, or similar agreements reasonably required to do so.



**Royal Johannesburg & Kensington  
Golf Club**

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**[www.royaljk.co.za](http://www.royaljk.co.za)**