

MEMORANDUM TO MEMBERS SPECIAL GENERAL MEETING 18 November 2011

The Special General Meeting regarding the future development of the Society was held at the club on Tuesday 15 November and was attended by over 150 people.

Kevin Webber, the chairman of the development sub-committee, gave a detailed presentation as to the history of the Society; what the Society offers and has been achieved over the years; the current state of affairs and outlined the proposals that were passed at the Special General Meeting in 2007.

Since then, as he said, the plans submitted at that meeting have changed considerably over the four-year period through consultation with sub-clubs and work to refine the overall concept. He outlined the various tasks the Executive are working on in parallel to the development including the aims of the 2009 Think Tank, which include assessing and reaffirming the core values and visions of the whole Society and creating a sustainable business plan. He then presented the current development proposal and went through the benefit of such changes to the Society as a whole, as well as the phasing in of the various changes, and how the new proposal limits the impact on the running of the Society during that time.

He explained that the development was not at a point to be given final approval for a number of reasons, a major point being that the financial models regarding the feasibility of the parkade are currently under review by the developer, Society and Virgin Active. In addition **the detailed development plan would need all affected sub-clubs' input**, and further agreements, sureties and guarantees to commence the development will need to be finalised for presentation along with the detailed development plan to members for ratification and approval at a future general meeting. He reinforced that the developer showed increased urgency in the development and that he has fulfilled all the requirements he could under very trying economic times, including the payment of R675,000 to the Society for the reservation period he holds. The presentation concluded that the hope of the Executive is to develop a more holistic sustainable future for all sub-clubs with suitable facilities and lead by members with a sense of community for all facets of the Society. The concept of this development proposal is one part of this vision.

The floor was opened for questions facilitated by Matt Shelley and this resulted in an exchange of views on the development. Appeals to vote "no" were made by predominately tennis sub-club members, while members from a broad spectrum of other sub-clubs proposed a counter argument to vote "yes". Questions were asked and the sub-committee responded to these with the information they had available.

The 6 published resolutions were then proposed for voting. Four scrutinizers were used to oversee the voting; they including members from both the "yes" and "no" camps. A proposal was made to have voting done by written ballot to assist the counting. The proposal was to list 1 to 6 and your vote next to each resolution to be considered on the voting card together with your name. This was approved by the Chairman.

The four scrutinizers took custody of the ballots following the voting and under intense pressure prepared a set of results. Once compiled these results were read out by the Chairman to the forum that remained at the end of a long emotion filled night. The results were inconclusive and were split either way by one vote typically with two approved and four not approved resolutions. The Chairman stated once the results had been read that as soon as they were deemed ratified that they would be communicated to all members.

The ballots were handed to Anne Pratt by Matt Shelley directly after the count to be kept under lock and key, which was done.

The following morning Anne Pratt did a reconciliation and check of the votes and found there may be errors in the initial counting done by the scrutinizers the night before. She altered the Executive of her concerns immediately and the Chairman arranged a further open check to be done with himself, Pat Cotter (past President), Anne Pratt and a member of VA's management at the club as an outside observer. The ballots were produced along with the attendance register and the 162 ballots were counted several times to check. The result differed from that announced at the end of the meeting the night before.

All four scrutinizers were informed of this possible irregularity by the Chairman either in person or over the phone as soon as they could be reached.

Therefore, for the purpose of the ballots to be formally checked and audited, inherently and against the register of persons who attended the meeting, with a view to eliminating all possibility of dispute and so that the correct and verified results can be certified by the auditor, an urgent meeting of the scrutinizers, the Chairman, Anne Pratt and a partner of the club's auditors has been called for. This meeting is due to take place either on Saturday morning or Monday evening, following which the audited and agreed results on the six resolutions proposed at the SGM shall be communicated to all members.

The Executive apologises for the delay in officially publishing the results, yet it is the Executive's responsibility to ensure the votes of all members are counted correctly.

We thank all those members who attended for taking their valuable time to give your input to this important meeting.

The Executive and the development sub-committee are very aware that there is a lot of work that still needs to go into any form of a new development within the Society. We recognise that there is genuine concern over the prospect of any change within the Society and we are sensitive to that.

We sincerely believe that there are great opportunities and that better times lie ahead for the Society as a whole.

ISSUED ON BEHALF OF THE EXECUTIVE

