RESPONSES TO MEMBER QUESTIONS RAISED AT THE AGMs

At the 19th Joint Hybrid AGMs held on 26 March 2026, members raised a number of questions from the floor. The Board undertook to provide formal written responses to these questions. The Board's responses are set out below.

The AGM minutes, which record the questions as raised and the responses given on the day, are attached to this communication for your reference. A recording of the AGM proceedings is available by clicking on the link below:

SF Links AGM 26 March 2026 recording

Question 1 — Procurement and Consultant Appointments

Raised by: Bruce Dyke (ERF 141)

The Board did not follow an open tender process when appointing the F&B consultant (Johan van Schalkwyk from Nala and Nectar Consulting) or the marketing consultant (Gail Petrie from GAP Marketing), both of which involved fees in excess of R100,000 per annum. The procurement policy states that products or services in excess of R100,000 MUST undergo a tender process. Could the Board please explain why it did not comply with its own policy?

Board response:

The Board acknowledges that a formal open tender process as prescribed by the Procurement Policy was not followed for either appointment. However, both appointments were initiated and authorised by the Board acting within its mandate, following a process in which candidates were invited to present and submit proposals for the F&B Consultant and marketing consultant roles. The Board is satisfied that appropriate due diligence was conducted and that both appointments represent value for money to the estate. The Board confirms that the Procurement Policy, as currently drafted, is primarily directed at management and heads of department in respect of operational procurement.

Question 2 — ACRC composition voted on before Board was constituted

Raised by: Rob Becker (ERF 169)

Members voted on the composition of the Audit, Compliance and Risk Committee before the results of the director election were known. A newly elected director might be better suited to serve on the Committee. Is it appropriate to vote on Committee composition before knowing the full Board?

Board response:

The process followed at the AGM was precisely what the Companies Act 71 of 2008 and sound governance practice require. The board proposed three directors to stand for election to the Audit, Compliance and Risk Committee, and the shareholders appointed them by vote at the AGM. Furthermore, the resolution was communicated at the AGM as a recommendation subject to the explicit proviso that the composition may be revised by the new Board at its constitutive meeting — which is consistent with both the MOI and the ACRC Charter. As previously notified to members and shareholders by circular dated 30 March 2026, the new Board formally reconstituted the Audit, Compliance and Risk Committee at its first meeting. As a consequence of Mr Andrea Puggia's election as Chairman of the Boards, Mr Puggia stepped down as Chairman of the ACRC and Mr Peter Kopke also resigned from the Committee. The Boards wish to record their sincere thanks to both Messrs Puggia and Kopke for their valued contribution. The Audit, Compliance and Risk Committee is now constituted as follows: Mr Marius Alberts (continuing member); Mr Ed Hallam (newly appointed); and Mr Warren Cronje (newly appointed).

Question 3 — Online voting opened before members had opportunity to debate candidates

Raised by: Bruce Dyke (ERF 141)

Online voting for the election of directors had already opened before members had any opportunity to debate the candidates' competencies and suitability. The Companies Act envisages a democratic process where members are entitled to interrogate and discuss matters before voting. Was this practice consistent with the Companies Act?

Board response:

The practice of distributing detailed nominee profiles to all members in advance of the AGM and proceeding to a vote on the day without a structured floor debate has been followed consistently since the Links was established. The Board's rationale has been that the advance distribution of profiles is sufficient to enable members to make an informed decision. In addition, members were able to submit questions prior to the meeting for a considered response by the Board, as per the notice of the meeting and consistent with the requirements of the Companies Act 71 of 2008. The Board is satisfied that the practice is consistent with the Companies Act, which does not prescribe a mandatory pre-vote debate process, provided that members have had a reasonable opportunity to consider the candidates.

Question 4 — One vote for multi-unit sectional title development paying multiple levies

Raised by: Villas member

The villas development comprises multiple units each paying levies based on the number of rooms, yet the entire development holds only one ERF and one vote at general meetings. Is this not inequitable, and how does the Board propose to address it?

Board response:

The current voting structure reflects the sectional title arrangement under which the villas development was established, in terms of which the scheme is registered as a single member. An amendment to the MOI of both entities would be required to differentiate voting rights based on the number of units or levy-paying rooms within a sectional title scheme. The Board requests that the Villas Fractional Member raise this with their Body Corporate Trustees, who may then make contact with the Boards should they deem it appropriate.

Question 5 — Whether a director operating as an estate agent presents a structural conflict of interest

Raised by: Mike Wylie (ERF 453) and Wendy Higgins (ERF 191 & 192)

A director who operates as an estate agent has access through board packs to sensitive information including property sales, member arrears and delinquency records. Does this not constitute a structural conflict of interest, regardless of whether the conflict has been actively exploited? Some modern MOIs explicitly prohibit estate agents from serving as directors.

Board response:

The Board has noted the concerns raised by ERF 453 and ERF 191/192 and regards this as a matter of principle that deserves a considered response. The Board's conflict-of-interest policy, consistent with section 75 of the Companies Act 71 of 2008, requires any director with a material personal financial interest in any matter before the Board, to declare that interest and recuse themselves. This policy has been applied consistently since the homeowners took control of the two boards.

With regards to the specifics of the question raised by the member, the Board confirms:

- The Companies Act or MOI provides no grounds to disqualify a member from standing for election on the basis of his/her profession;
- No conflict of interest had been declared, perceived, or recorded during the relevant director's tenure;
- Directors are required to make annual conflict of interest declarations and to recuse themselves from any matter in which they have a personal interest;

The board will continue to monitor and apply appropriate governance oversight.

Question 6 — Capital reserve does not account for significant upcoming capital commitments

Raised by: Ernest Muller (ERF 467)

The R4.4 million available above the MOI-required capital reserve minimum has not accounted for upcoming capital commitments including the electrical substation upgrade, road resurfacing and air conditioning. Members should not be misled into believing these funds are freely available.

Board response:

The Board acknowledges the points raised by the member. The R4.4 million surplus above the MOI-required capital reserve minimum of R10 million has not been allocated to any specific project and is not freely available for discretionary spending. The board confirms that no significant capital expenditure may/will be incurred without the approval of members at a general meeting, usually at the annual Budget meeting.

Question 7 — Director allegedly crossed out nominee names; proxy forms allegedly pre-populated

Raised by: Ronnie Nienaber (ERF 051)

A Director who is standing for re-election allegedly crossed out names of nominees on nomination forms during canvassing and urged members not to vote for certain candidates. Some proxy forms were allegedly pre-populated. The WhatsApp message related to these allegations was circulated with an unknown source.

Board response:

The Chairman confirmed at the AGM that a WhatsApp message had been circulated and that its source was unknown and under investigation. The Board has now investigated the source and origin of the WhatsApp message. The source of the message was identified with certainty as that of a member and not that of the Director in question. The member responsible for distributing the message has subsequently apologised to the relevant director. The Board has found no evidence that proxy forms were pre-populated by any director. Any member who wishes to submit a formal written complaint regarding conduct during the nomination or canvassing process is invited to submit such a complaint in writing to the Company Secretary, whereupon it will be processed through the formal governance framework.

Yours faithfully

Andrea Puggia

Chairman

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