

Annual General Meeting

(Chairman – Mr. M. Whiting)

Minutes of the 17th Annual General Meeting held Sandton Sun, Johannesburg on Wednesday 29 October 2008 at 16h00

1. Formalities

1.1. Open and welcome

The Chairman, Mr. M.S. Whiting, opened the meeting and welcomed all present.

1.2. Apologies and Proxies

The members present are as per the attendance register and all apologies and proxies were noted and accepted as tabled.

2. Confirmation of the minutes of the 16th Annual General Meeting

The minutes of the previous Annual General Meeting, held on 31st October 2007, were taken as read and unanimously approved.

3. Matters arising

There were no matters arising

4. Chairman's Overview

Chairman's Report 2008

Good afternoon everybody – nice to see such a representative group of Industry players here today.

In preparing for today's chairman's report it once again became very clear to me that your executive has been involved in a huge number of tasks across the spectrum of the timeshare industry – and I must add the greater leisure property industry over the past 12 months. I have tried to summarize the more important topics as much as possible for today's report – without taking away from the importance of what in fact has been done.

Importantly throughout this year we have continued to experience new players entering our industry in various forms and shapes as well contending with a whole host of new legislation and more about to be promulgated. This, as always has highlighted the continued important role that TISA has in terms of this industry as a whole, to ensure that we deal with each and everyone of these eventualities upfront, thereby ensuring our reputation is upheld and we do not allow new issues to undermine the years of good work that has gone into building and growing our Industry. In line with this, once again, self regulation remains a top priority for all of us at TISA now even more than ever before – as you will hear later in this report.

TISA has continued to address a number of important issues affecting our industry and to follow on from what I reported on last year I have divided these issues into three main categories – namely legislation, new products and TISA operational statistic's. Let me start with legislation.

1) LEGISLATION.

NATIONAL CREDIT ACT

The effect of the National Credit Act has continued to impact on our Industry, although not to the same extent felt by other industries. During the past year the Institute has been in various discussions with members as to the interpretation of certain provisions of the legislation, particularly those relating to reckless credit and the format of the sales contract of certain members. To facilitate this process, the Institute continues to engage in discussion with the National Credit Regulator on a formed basis. As a self-regulatory body, we will continue to recommend and advise our members in this regard.

CONSUMER PROTECTION BILL

The Consumer Protection Bill is expected to be enacted into statutory legislation during November of this year. During the past year, the institute has attended upon issues affecting our industry and joining in with the DMA and Tourism Business Council of South Africa – TBCSA – we have submitted further comments to the parliamentary sub-committee responsible for this legislation. The final draft of the Bill was received in September 2008, and the Institute has obtained recommendation on legal interpretation of these provisions of the final draft bill that affect our industry members.

These recommendations emanate from information we received on marketing and selling methods obtained on a voluntary basis from the bulk of our members during the past year. The Institute has approached a consultant who had been part of the initial consultative process in the formulation of the Bill, to further guide our industry. This exercise is anticipated to be completed within the next two months.

It is important to advise the members that the final draft bill, now contains provisions for industry codes to regulate the interaction between or among persons conducting business within our industry so as to provide an alternative dispute resolution scheme which on recommendation can be prescribed in terms of the regulations by the Minister of Trade and Industry. This process will be initiated by the Institute; which will result in proper statutory control of the industry by the TISA.

COMPANIES BILL 2007

The Companies Bill 2007 was followed by the enactment of the Corporate Laws Amendment Act in December 2007, repealing certain provisions of the Companies Act 1973. The relevant legislation impacts on our industry in particular to resorts operating share block schemes. The provisions relating to the role of both auditors and directors, could negatively impact on the cost structure of resorts in respect of levies, which remains an area of big concern.

It is felt that the introduction of the Amendment Act is seen not to be procedurally correct in the light of the final draft of the Companies Bill 2008, in which those provisions amending the Companies Act are now reversed. This criticism has been leveled in the light of the recent announcement that the final draft of the Companies Bill has been endorsed by the National Assembly and forwarded to the Parliamentary Committee on legislation for signing off by the State President. It is expected to be promulgated before the year end. Unfortunately, the process comes at a cost which is ill timed.

TISA will however advise members in this regard and make its recommendations. It has also delayed the process of financial reporting structures of share block companies currently being reviewed by a South African Institute of Chartered Accountants sub-committee on which two of our directors serve.

2) NEW PRODUCTS

As you all would have seen there is a special A.G.M. planned straight after this meeting. The main purpose of this special meeting is to seek approval for a name change for TISA. It is the opinion of the directors, and many of our Industry players that due to the introduction of the various new commercial concepts globally which have their focus on the term "Shared Vacation Ownership" that TISA is well positioned to embrace these new developers and schemes within our Industry structures and to simultaneously broaden the Industry in which we currently operate.

FRACTIONAL OWNERSHIP

One such product playing an ever increasing role in our Industry is Fractional ownership. Once again as reported on last year, TISA has continued to engage and offer guidance (particularly from a legal perspective) to SAAFI. However, it became very clear during the course of this past year, that while suggesting verbal support for an integrated approach to the industry moving forward, SAAFI have done nothing concrete to follow this up and engage in constructive proposals as to how this should be achieved – and have opted rather to go it alone, distance themselves from the timeshare industry and engage the Department of Trade and Industry directly.

In light of this and the feed back received from the Consumer Affairs committee that SAAFI should rather engage with an established self regulating body such as TISA, we as your board took a decision to now move ahead irrespective of whether they come on board or not. It is further noted that in our opinion numerous of the Fractional operators are selling in contravention of a number of share block laws – and it is therefore our intention that we are seen to support those that adhere to the laws as apposed to those that do not. In line with this we will be embarking on an advertorial programme early in 2009 educating the public on the concept of Fractions – and further hopefully stimulating its growth under the correct legal structures.

Furthermore we are already creating a category for fractional developers and will be looking to give them representation on the board.

3) TISA – OPERATIONAL ISSUES.

Once again as the financials show TISA is in a very strong financial position. The past 18 months has allowed us to consolidate our position in the industry and resolve a number of previously unresolved items that had constantly undermined our ability to run the operational issues as streamlined as we would have liked to. Part of this process involved a re design of the TISA offices as well as a re evaluation of our staff 's job responsibilities. This is now done. However, we are now entering a new and exciting period of embracing a far larger segment of the vacation ownership industry in the years to come. It is the intention therefore of the incoming executive to review our finances at the forthcoming Budget review meeting in November and revert back to the industry with proposals as to a way forward that embraces these changes that will hopefully be approved at the Special General Meeting straight after this.

2008 saw a number of important milestones achieved by TISA. Firstly we grew our member base by over 10% - something last seen over 3 years ago. Secondly, most of you will have seen a significant increase in our marketing related activities – both from an internal and an external perspective. A summary of the more important marketing activities undertaken are best summarized as follows:-

Marketing Activities,

- TISA was a Bronze Sponsor at the 2nd International Hospitality Investment Africa Conference which was held at the Sandton Hilton recently.
- TISA's E-Newsletter changed from a monthly to a quarterly issue. Since our last issue, which went out in June / July 2008 we have received 17 new registrations from consumers requesting to be added to the mailing list and the newsletter has had around 4500 hits on our website.
- 23rd of January 2008 TISA presented to the DTI Consumer Affairs Division.
- TISA has also reignited relationships with the DMA (Direct Marketing Association of SA), EAAB (Estate Agents Affairs Board), ASA (Advertising Standards Authority of SA), SAPOA (South African Property Owners Association), SOCAP (South African Consumer Awareness Professionals) and the NCR (National Credit Regulator).
- TISA attended the Mozambique Shared Vacation Ownership Conference which was held in Maputo on the 03rd of March 2008 to review the new changes in property legislation for that country.
- TISA has also sent out numerous informative circulars with topics ranging from the Lotteries Act and Competition Regulations, The Draft Consumer Protection Bill, The Companies Bill as well as the SAICA sub committee findings regarding Share Block Financial Statements, to mention but a few.
- TISA also attended workshops held by the TBCSA (Tourism Business Chamber of SA) and THETA.
- Alex attended the Annual ARDA Conference which was held in Las Vegas USA as well as the Annual OTE Conference which was held in Madrid.
- TISA has placed articles and advertisements in a number of magazines:
- TISA was a guest on the ASA Community radio channel and spoke on consumer awareness and the rights of consumers within our industry.
- TISA also endorsed the 1st Mortgage Conference which was held at the Indaba Hotel on the 12th and 13th of March 2008.
- There were numerous member meetings (one-on-one workshops) during the course of the year.

As touched on earlier we are of the opinion that 2009 will see the launch of our new name and logo – and all the marketing related activities that will be required to support this process will be undertaken. We have identified the official launch to take place at the first annual TISA conference being planned for Johannesburg on the 24th and 25th of May 2009. More information around this will be circulated early next year. During the course of the past 12 months the Secretariat has once again been very busy dealing with industry related queries. A summary of these shows that the office dealt with approximately 10500 calls –

and increase of 26% on last year. The nature of these calls are split between general queries such as where can I sell or buy timeshare, to sales related complaints, and logistical issues such as resort levy information. Due to our increased marketing presence we have had over 112 000 hits on the TISA web-site – generating a further host of admin related correspondence.

On a positive note complaints were down 5% on last year with the bulk of the ones received relating to financial issues and misrepresentation.

4) FIFA and MATCH

Finally as reported on at last years A.G.M. continued negotiations have take place with Match – the official FIFA world cup accommodation arm. Contracts have now been drawn up between Match and the relevant Share block companies which identifies payments for stock and stock reservation methods. There are social benefits that can flow to resorts via this process and owner rentals will be attended to by the resorts. However it must be noted that via Match one cannot rent out accommodation to individuals that do not have soccer tickets. TISA intends to do a circular to the Industry shortly on this issue – but I'm sure in the interim either Alex or John Meyer could assist you with any queries.

So once again ladies and gentleman TISA, as you have heard has been extremely busy dealing with a whole host of industry related issues this past year to ensure that we all continue to operate in an industry that is well represented at all levels and thereby ensures we have the necessary support structures to grow our own individual business's.

2009 however I believe is going to present some of the biggest challenges from a consumer growth perspective and from a new developer point of view. With the continued uncertainty that exists in financial markets around the world, combined with lower and lower disposal income for our customers, it is only those members who provide exceptional service and value that will see continued growth n their books. Furthermore it is our continued responsibility at TISA to ensure that all our potential customers perceive our industry to be credible, professional and something that they would want to be part of – and we as your board will certainly do what ever it takes to make this happen.

Once again little of what I have told you today would have been achieved if it where not for the dedication and support that TISA has received from its Board members. I can certainly confirm that without exception each board member goes above and beyond what is expected of them in terms of time and commitment – often attending sub – committee and industry related meetings out of their normal board meeting times. Alex, to Melanie and yourself well done on another good year – and the fruits of your hard work and persistence is now starting to really pay off. As this is my last year as chairman I can certainly say that the TISA office is now fully operational and able to deal with any industry eventualities – and is further well positioned to continue to offer the type of support that we all require for continued growth into the future.

Many Thanks.

5. Approval of Financial Statements

The financial statements were taken as read and unanimously approved.

6. Auditors

6.1. Appointment of auditors

The Chairman proposed that Messrs Boshoff & Visser remain as the appointed auditors for TISA for the ensuing year. The proposal was unanimously approved.

7. Election of Executive Committee members

The Chairman outlined the voting procedure and reminded members that a member within a category could only nominate and vote for someone in their own category.

The following Industry members were nominated in their respective categories:

- **Exchange Organisation Category** - Mr. C.W Loraine-Grews
- **Developer Category** - Mr. N Beekman
Mr. I Wilcocks (Withdraw)
Mr. D Viljoen
Mr. J Meyer
Mr. P Lishman (Withdraw)
Mr. W Dickson (Withdraw)
Mr. B Stocks
- **Managing Agents Category** - Mr. N Beekman (Withdraw)
Ms. M Dreyer (Withdraw)
Mr. A Ridl
- **Marketing / Broker Category** - Mr. M Whiting
- **Owners Organisation Category** - Mr. N Beekam (Withdraw)
Ms. M Dreyer (Withdraw)
Mr. E Testa

Mr. Alex Bosch advised that no voting would take place under the Marketing / Broker Category and the Exchange Category as only one member per category was nominated. The other categories were voted by poll and the following members were appointed to EXCO

- Exchange Organisation Category - **Mr. C.W Loraine-Grews**
- Developer Category - **Mr. N Beekman**
- **Mr. J Meyer**
- **Mr. D Viljoen**
- **Mr. B Stocks**
- Managing Agents Category - **Mr. A Ridl**
- Marketing / Broker Category - **Mr. M Whiting**
- Owners Organisation Category - **Mr. E. Testa**

8. General

No items were discussed under general.

9. Close

There being no further business, the Chairman closed the meeting, but advised all present that a special general meeting would take place immediately after the annual general meeting.

Meeting ends at 16h17.

Chairman

Date