

EVERGREEN BROADACRES

REPORT TO 2018 RESIDENTS ANNUAL MEETING

GOVERNANCE PORTFOLIO LEAD by DICK TOWNSEND

Why Governance

Because Evergreen Property Investment (Pty) Ltd. company, the owner of all the units with which we all have Life Right Agreements, there is a need ensuer that good business practices are monitored and maintained. In order to achieve this a Governance Portfolio was established.

The Governance Portfolio is a “watch dog portfolio” which monitors issues relating to legal, administration, management and contracts, this is done directly in conjunction with Evergreen head office management at regular Management Committee (ManCom) meetings.

The Structure in which Governance Operates

The Management Association a legally constituted body in terms of the Retired Persons Act to which every Life Right Agreement (LRA) holder is a member. The Residents Committee (**ResCom**) is the legally elected body by the residents at the Annual General Meeting as a representative body.

The Managing Agent is Evergreen Lifestyle Villages (ELV), also referd to as the “Operator” has the responsibility to manage the all Evergreen Villages. This authority is given in terms of each LRA where the Management Association’s management rights and obligations in terms of the Act are deligated to the Managing Agent/Operator. These rights include disiplin when the terms of the LRA are breached e.g. House Rules intergral to the LRA.

The ResCom is therefor an advisory body with a Chairman and eight portfolio focus groups, of which Governance is one, that look after the interests of the Village. ResCom is not a disciplinary body as disiplin is Management’s responsibility.

The Role of Governance

The role of Governance is primarily to ensure fairness in dealing with Evergreen on matters such as:

- Evergreen’s Organisational Structure and Evergreen Broadacres relationships within the structure.
- Fair business practice in relation to various Acts & Regulations, Bylaws, LRA’s, Levies, Electricity, Water, Rates, Budgets, House Rules, Insurance, Ombudsman (CSOS). These have all been dealt with in detail in the past six years.
- Being a facilitator and negotiator with Evergreen in all matters of concern that require good governance and management.
- Leading and drafting, or amending of documents to suit the needs of Evergreen Broadacre’s specific situations and conditions.

- Be an advisory resource to residents in terms of individual LRA queries and buyers remorse.
- Identifying and negotiating the elimination of wasteful expenditure.

RECENT ACCOMPLISHMENTS

1. Final draft of the House Rules complete.
2. Eliminated Health Care subsidy costs.
3. Reduced subsidy of the Bistro.
4. ResCom has become a significant governance change agent in ManCom.
5. Dealing with specific LRA queries from residents.

MAJOR ACTIVITIES AT THE PRESENT AND THE FUTURE

1. Getting the amended House Rules accepted and registered
2. Zero rating the CoJ Rates for Phase 3 residents
3. Reduction of Phase 3 levies in order to Harmonise levies across the Village
4. Elimination of the Bistro subsidy (When CareCenter is full to operate at risk)
5. Capping levies for over 80's
6. Levy over-recovery carefully monitored to ensure it remains in the Village
7. To negotiate the use of levy over-recovery for the benefit of our Village

SURVEY OUTCOME **GOVERNANCE**

| | | | | |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------|
|  Poor |  Average |  Excellent |  Don't know | Total |
| 1 | 18 | 47 | 21 | = 87 |

The survey clearly indicates that lack of understanding by the vast majority of our residents what role Governance plays in the maintenance of fair business practices. Nationally Evergreen is an AMDEC/PSG business venture for profit generated from the capital gain on the resale of vacated units and not out of levy over-recovery.