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TRUST DEED

Entered into and between:

FARMER: _____

IDENTITY NUMBER: _____

(hereinafter referred to as the 'Settlor')

of the first part

and

FARMER: _____

IDENTITY NUMBER: _____

(hereinafter referred to as the 'First Trustee')

of the second part

and

EMPLOYEE : _____

IDENTITY NUMBER: _____

(hereinafter referred to as the 'Second Trustee')

of the third part

PREAMBLE

WHEREAS the Beneficiaries referred to in Annexure A hereto are either in the employ of FARMER and/or on the Farm described in Paragraph 1, Annexure "A" hereto and/or are about to become Employees of one or either mentioned; and

AND WHEREAS the Settlor desires to assist in the upliftment, empowerment and financial prosperity of the Beneficiaries, and

AND WHEREAS the Settlor, the Beneficiaries and Trustees have agreed to register a Trust for the benefit of the Beneficiaries enabling them to acquire shares in companies and farm land through and with the financial assistance of the Settlor, and

AND WHEREAS the Beneficiaries have requested the Settlor to register a Trust for such purposes in terms of the provisions of Act No. 57 of 1988, and

AND WHEREAS the First and Second Trustees have agreed to accept the donation of the Settlor and the appointment as Trustees of such Trust.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. NAME, REGISTRATION OF PROPERTY AND LEGAL PROCEEDINGS

- 1.1 The name of the Trust hereby created is as indicated in Paragraph 2, Annexure "A" hereto.
- 1.2 Subject to clause 7 the Trustees may change the name of the Trust as well as the provisions of this Trust deed.
- 1.3 Immovable property acquired by the Trust or forming part of the Trust fund shall be registered in the name of the Trust named in Paragraph 2, Annexure "A" hereto and legal proceedings instituted by or against the Trust may be instituted in the name of the Trust.

2. OBJECT AND NATURE OF THE TRUST

- 2.1 The Trust shall have the following objects:-
 - 2.1.1 To purchase with funds provided by Donors and Loans, Shares in Companies and Farm land;
 - 2.1.2 To generate funds to develop and improve such farm land;

- 2.1.3 To provide for the upliftment, empowerment and financial benefit of the Beneficiaries;
 - 2.1.4 To assist the Beneficiaries through training to gain the management skills and expertise necessary to become farmers in their own right and to help them with capital formation for the purpose of future farming activities or retirement;
 - 2.1.5 To accept donations and funds from any other legal source for the purposes of the Trust and to control, administer and deal with such funds to accomplish the purposes and objects of the Trust.
- 2.2 The Settlor hereby irrevocably donates to the Trustees in Trust the sum of R100 (ONE HUNDRED RAND) on the terms and conditions hereinafter set out, which until paid, shall constitute a debt owing by the Settlor to the Trust, and shall be set off against any indebtedness of the Trust to the Settlor, as soon as it arises.
- 2.3 The Trust fund shall be managed and controlled by the Trustees who shall carry out and execute such functions upon the terms and conditions set out hereinafter and the annexures hereto.
- 2.4 The main object of the Trust is to acquire shares in Companies and farm land and to conduct the business of agronomy, the purchase of necessary farm implements and other property, and being involved in the agronomy business and any other business which the Trustees determine in their sole discretion for the benefit of the Beneficiaries.
- 2.5 The net income of the Trust in each financial year, if any, shall be apportioned among the Beneficiaries in accordance with the provisions of Annexure "B" hereto, amended as from time to time as provided for in this Trust Deed. Notwithstanding the foregoing, the Trustees shall be entitled to set aside, as they may in their sole discretion decide, a portion of the net income for the purpose of repaying borrowed monies, for paying expenses and liabilities, for meeting contingencies, for creating reserves and generally for such purposes as the Trustees shall deem advantageous to the Trust. The apportionment of funds to Beneficiaries shall at all times be done in terms of conditions set out in clause 7.
- 2.6 Any amounts held in reserve, if not utilised by the Trustees, shall be credited to the accounts of the Beneficiaries in the proportion of their respective interests but shall not be claimable by them until the Trustees shall decide to pay out such amounts or the Trust shall terminate, at all times considering the conditions in clause 7 hereto.
- 2.7 There shall be no vesting of any capital of the Trust hereby created unless or until loans and/or other liabilities have been redeemed.

3 INTERPRETATION

In this deed, in the absence of an expressed provision or statement to the contrary:-

- 3.1 Words denoting any one gender shall include the other, words denoting the singular shall include the plural and *vice versa*, and words denoting natural persons shall include created entities (whether corporate or not) and *vice versa*;
- 3.2 The headings are used for reference and convenience only and shall in no way be used to explain, amplify or modify or aid in the interpretation of this deed;
- 3.3 'Beneficiary' means any person who may benefit under this deed and as more fully described in clause 17 here below;
- 3.4 'Company' includes a close corporation, reference to shares in a company includes a member's interest in a close corporation and reference to directors of a company includes members of a close corporation who participates in its management;
- 3.5 'The defined area' means the area known as South Africa;
- 3.6 'Net income' of the Trust means the income of the Trust after paying or charging or providing for all costs and expenses lawfully incurred by the Trustees in connection with the administration of the Trust, including their remuneration, and losses incurred by the Trust;
- 3.7 'The Protectors' are persons or companies holding office as such from time to time;
- 3.8 'The statutes' means the Administration of Estate Act, 1965 and the Trust Property Control Act, 1988, and any other statute applicable to Trusts and although all the provisions of this deed are subject to the statutes, certain specific references to the statutes are made to direct attention to the fact that they qualify or may qualify the provisions in question;
- 3.9 'The Trust capital' means the capital of the Trust, consisting of the Trust fund and including any part of the net income which is not distributed and is accumulated to the capital but after deducting the aggregate of –
 - 3.9.1 the liabilities of the Trust, both actual and contingent; and
 - 3.9.2 the sum of all provisions for liabilities (actual or contingent) the amount of which cannot be determined with substantial accuracy and for depreciation, renewals and diminution in value of assets;

- 3.10 The 'Trust fund' shall mean the money or assets hereby donated and any other assets or funds administered by the Trustees from time to time, whether consisting of or acquired with or yielded by the said money or otherwise;
- 3.11 'The Trustees' means not only the first and second Trustees, but also any persons assumed by or succeeding them as Trustees or appointed in terms of clause 5;
- 3.12 Any reference to an enactment is to that enactment as at date of signature of this deed and as amended or replaced from time to time.

4. CREATION OF TRUST

- 4.1 The Settlor hereby creates the Trust by donating R100,00 (ONE HUNDRED RAND) and by appointing the First and Second Trustees to accept and administer in terms of this Trust deed funds and other assets which will be donated to them and of which they accept the donation.
- 4.2 The First Trustee hereby accepts the appointment.
- 4.3 The Second Trustee hereby accepts the appointment.
- 4.4 All donations to the Trust shall vest in the Trustees subject to the terms of this Trust deed.

5. APPOINTMENT OF AND LOSS OF OFFICE BY TRUSTEES

- 5.1 There shall at all times be no less than 2 (TWO) Trustees and no more than five (5) Trustees.
- 5.2 The First Trustee shall be the person as set out in Paragraph 3, Annexure "A" hereto, and as an independent Trustee. There shall at all times be at least 1 (ONE) Trustee who is not a Beneficiary of the Trust.
- 5.3 The Second Trustee shall be an elected member of the Beneficiaries as reflected in Annexure "B" hereto, at an inception meeting at which the minutes will be kept by the appointed Trustees. There shall at all times be at least one (1) Trustee who is a Beneficiary of the Trust.
- 5.4 Should at any point in time there exist a situation where there is not the minimum required number of Trustees, the remaining Trustees shall within 14 days appoint a

person to assume such responsibilities. Should this not take place within the prescribed timeframe, then the Beneficiaries of the Trust shall meet and elect a Trustee. Such meeting shall take place within 14 days after the due date of the remaining Trustees making the necessary appointment. Despite the aforesaid, until such any such assumption or appointment is made, the remaining Trustees shall be entitled to continue to act in all matters affecting the Trust.

- 5.5 The Trustees shall have powers that are required or allowed in law and, in particular, the powers of assumption and co-option.
- 5.6 Any assumption of a Trustee or Trustees shall be effected by means of a written document under the hand of the person or persons entitled to make it and shall be approved by the majority of Trustees.
- 5.7 Each Trustee shall have the power from time to time to appoint any other person to act as his alternative during his absence or inability to act as Trustee, subject to the approval of the majority of the Trustees. An alternative Trustee, while acting in the place of the Trustee who appointed him, shall exercise and discharge all the duties and functions of the Trustee he represents. The appointment of an alternative Trustee shall cease on the happening of any event which, if he were a Trustee, would disqualify him from acting as such on any of the grounds set out in clause 5.9 or clause 5.10 or if the Trustee who appointed him ceases to be a Trustee, or given notice to the remaining Trustees that the alternate Trustee representing him shall cease to do so.
- 5.8 Any appointment of an alternate Trustee shall be effected by means of a written document under the hand of the person entitled to make it, and shall be approved in writing by the majority of Trustees.
- 5.9 The following persons shall be disqualified from acting as Trustee –
- 5.9.1 Any person who would be disqualified from acting as a director of a company in terms of section 69(A) of the Companies Act, 71 of 2008, as amended, or any corresponding statutory provisions;
 - 5.9.2 A person whose estate has been sequestrated and has not been rehabilitated;
 - 5.9.3 A person who has been found lunatic or is of unsound mind or has been declared incapable of managing affairs;
 - 5.9.4 A person who has been convicted of any crime involving dishonesty and is sentenced therefore to serve a term of imprisonment without the option of a fine or a fine exceeding R1,000.00 (ONE THOUSAND RAND);

- 5.9.5 A company which has been liquidated or placed under judicial management; whether provisionally or finally.
- 5.10 The office of Trustee shall be vacated if –
- 5.10.1 Has become disqualified in terms of clause 5.9;
- 5.10.2 He files application for the surrender of his estate or an application for an administration order or if he commits an act of insolvency as defined in the insolvency law for the time being in force or if he makes any arrangement or composition with his creditors generally or is under debt review in terms of Section 86 of the National Credit Act, 34 of 2005, as amended or any corresponding statutory provisions;
- 5.10.3 With the exception of the First Trustee, if he resigns his office by not less than 60 (SIXTY) days (or such shorter period as the remaining Trustees or Trustee may agree to) written notice to the remaining Trustees or Trustee;
- 5.10.4 With the exception of the First Trustee, the earliest of 60 (SIXTY) days after he is requested in writing by a majority of the Trustees to resign from his office, or receipt of his notice of resignation;
- 5.10.5 With the exception of the First Trustee, if he resigns, or the majority of Beneficiaries on the farm which he represents requests him to so resign;
- 5.10.6 With the exception of the First Trustee, if he has served as Trustee for a period of 2 (TWO) years whereupon he may be returned to such office through election by the Beneficiaries on the farm he represents.
- 5.10.7 If the First Trustee ceases to be the Employer of the Beneficiaries, he shall be replaced by the new Employer as First Trustee.
- 5.10.8 Any Beneficiary who ceases to be a Beneficiary in terms of this Trust Deed shall be obliged to immediately resign as Trustee.

6. PROCEEDINGS OF TRUSTEES

- 6.1 Subject to clause 7 and to provisions of this deed requiring more than a simple majority for decisions of the Trustees, the decision of a majority of Trustees shall be deemed to be the decision of all. Each Trustee shall have one vote. If votes are equally divided, the Protector shall act as referee and his decision shall be final.

- 6.2 The Trustees shall proceed with dispensing of their duties as Trustees adhering to the following principles –
- 6.2.1 Reasonable notice shall be given of meetings of the Trustees;
 - 6.2.2 The Trustees shall meet together for the dispatch of business, adjourn and, subject to clause 6.2.1, otherwise regulate their meetings as they think fit;
 - 6.2.3 The Trustees may from time to time elect a chairman to hold office for such period or periods as they may determine;
 - 6.2.4 At meetings of the Trustees 2 (TWO) Trustees shall constitute a quorum;
 - 6.2.5 A Trustee may, subject to clause 6.2.1, at any time summon a meeting of Trustees;
 - 6.2.6 The Trustees shall meet at least twice per annum.
- 6.3 A resolution in writing signed by all Trustees who are in the Republic (or, in the case of an absent Trustee, his alternate, if he has one who is in the Republic) and in any case sufficient to constitute a quorum at a meeting shall be valid and effectual as if it has been passed at a meeting of the Trustees duly called and constituted.
- 6.4 The Trustees shall have the power to delegate any of their powers to committees constituting at least one, or more Trustees.
- 6.5 The Trustees shall keep minutes of their meetings in writing and all resolutions passed by the Trustees shall be duly minuted.

7. PROTECTOR

- 7.1 The Protector will be a person or legal entity or institution appointed as such by the Beneficiaries. Such appointment will only be obligatory if the Trust acquires fixed property with the financial assistance of the National Department of Land Affairs or any other Governmental or non-Governmental organization or person by way of a gift, bequest, grant or loan.
- 7.2 **KONSORTIUM MERINO (PROPRIETARY) LIMITED** or its successor-in-title is hereby appointed as the first Protector of the Trust and by their signature of this deed, accept appointment as such.
- 7.3 The Protector may, in writing, appoint a representative to act in his stead, and to have all the functions, duties, obligations and responsibilities he would have as Protector and contained in this deed, including but not limited to the signing of this deed, in so doing accepting the said appointment.

- 7.4 The function of the Protector shall be to monitor the performance of the Trustees and, where this Trust deed so requires, to give or withhold his consent to the transaction provided for. The consent shall be required for –
- 7.4.1 The exercise of the power conferred by clause 1.2;
 - 7.4.2 Any transaction by which the Trust acquires or disposes of any asset for the price exceeding R50,000 (FIFTY THOUSAND RAND) and any capital expenditure incurred in a financial year of the Trust in excess of R50,000 (FIFTY THOUSAND RAND);
 - 7.4.3 The incurring of any liability which will result in the aggregate liabilities of the Trust exceeding R100,000 (ONE HUNDRED THOUSAND RAND) or if such aggregate increases by more than R25,000 (TWENTY FIVE THOUSAND RAND);
 - 7.4.4 The appointment, and the termination of appointment of accountants of the Trust and generally the exercise by the Trustees of the powers conferred on them by clause 8.2;
 - 7.4.5 The dissolution of the Trust;
 - 7.4.6 The payment of any amount of money of the apportioned Beneficiaries funds to the Beneficiary that exceeds an amount of R10,000 (TEN THOUSAND RAND) per year. Despite what is aforementioned, the Protector shall annually consider and approve all the determination by the Trustees of the capital accounts and income apportionment to Beneficiaries.
- 7.5 The provisions of clause 5.7 (the approval referred to herein being that of the remaining Protectors), clauses 5.8, 5.9 and 5.10 shall apply, with the necessary changes, to the Protector.
- 7.6 The Protector shall consider and approve Trustees honorarium and expense.

8. ACCOUNTING MATTERS, AUDIT AND BANKING AND OTHER ACCOUNTS

- 8.1 Proper books of account of the Trust shall be kept and such books together with all other papers and documents connected with or relating to the Trust, shall be kept at such place as may be agreed upon by the Trustees and the same shall at all times be accessible to each of the Trustees. The Trustees may engage such secretarial and/or accounting assistance as may be required for the purpose of the Trust.
- 8.2 Subject to clause 7 the Trustees shall immediately upon the coming into operation of this Trust appoint an accountant who shall hold office for such time and subject

to such conditions as may be determined by the Trustees, and who may from time to time, subject to clause 7, be replaced by the Trustees, it being the intention, however, that there shall at all times be an accountant for the Trust. Every accountant of the Trust shall have the right of access at all times to the books of account, vouchers and records of the Trust and shall be entitled to require from the Trustees and employees of the Trust such information and explanations as may be necessary for the performance of the duties of the accountants. A Trustee or a firm of which a Trustee is a partner or member shall be competent and qualified to act as accountant of the Trust.

- 8.3 The Trustees shall prepare a set of financial statements of the Trust in respect of each financial year, which statements shall be signed by the Trustees and reported on by the accountants.
- 8.4 All moneys received on behalf of the Trust shall, unless the Trustees unanimously decide otherwise, but subject to the statutes, be deposited in one or more accounts with registered deposit-taking institutions to be maintained by the Trustees with such branch or branches of such institutions as they in their discretion may deem fit, and all payments to be made on behalf of the Trust shall, if the Trust has any such account or on one of such accounts or by cheque issued by the institution with which a particular account is operated. Deposits may be made on the signature of one Trustee, but all operations upon any such account or accounts shall be in accordance with resolutions passed by the Trustees from time to time or, failing a resolution, upon the signatures of two Trustees then acting, or of their duly authorized representatives appointed in terms of clause 5.
- 8.5 The financial year of the Trust shall be the year from 01st March in one year to the 28th February in the following year.

9. AREA OF OPERATION

The area of operation shall be the defined area (Republic of South Africa).

10. EXEMPTIONS

- 10.1 The Trustees (including a person assumed or appointed in the place of any Trustee) shall be exempt from any obligation to furnish security in connection with the appointment and/or for the due administration of the Trust to the Master of the High Court or any other person, body or authority, as provided for in any law now in force or to come into force relating to Trusts and the protection of Trust moneys, and the Master and any such other person, body or authority are hereby directed to dispense with such security. If, despite the foregoing, a Trustee is at any time required to furnish such security, the cost of doing so from time to time may be recovered from the Trust fund.

- 10.2 No Trustee shall be disqualified by his office from contracting with the Trust or any company in which the Trust is interested nor shall any contract entered into by the Trust or any such company in which any Trustee may be interested be invalidated or voided by reason of such interest, nor shall any Trustee so contracting or being so interested or acquiring any benefit under any contract entered into with the Trust or any such company be liable to account to the Trust for any profits or benefits realized by or under such contract by reason only of his holding that office; provided that he shall have disclosed to the remaining Trustees the nature of his interest before the making of the contract and removed himself from the proceedings at which it is resolved that the Trust enter into the contract and that the resolution of the Trustees that the Trust do so is passed in his absence.
- 10.3 Except with respect to the duties as a Trustee and subject to compliance with the proviso to clause 10.2, a Trustee may be employed for reasonable compensation by the Trust in a full-time or part-time capacity (whether as an employee or as an independent contractor) to act in any matter relating to the Trust and the administration thereof on such terms as are agreed to with the remaining Trustees. Subject to compliance with the proviso in clause 10.2, a Trustee or any firm of which he is a member or partner may be engaged to perform services for the Trust and shall be entitled to charge and be paid for such services, including acts which any Trustee could have done personally.
- 10.4 If the Trust fund includes any share or interest in a company which confer the right or power to control that company and/or any of its subsidiaries, the Trustees shall be under no obligation or duty to appoint any representative to the board of the company or any of its subsidiaries and shall have no responsibility to enquire into, oversee or take part in the management, affairs or business of the company or any of its subsidiaries.

11. TRUSTEES' POWERS

The Trustees shall in addition to all powers enjoyed by them under the common law or by statute, have the power for the benefit and purposes of the Trust to do any manner of commercial business and whatever may be effected by a natural person who is *sui juris* in relation to his own affairs (subject only to the restriction provided for in clause 11.11) and without derogation from the generality of the foregoing, the following specific powers –

- 11.1 Save as otherwise provided for herein, to deal from time to time with the Trust fund as they in their sole and absolute discretion may deem to be in the best interests of the Trust and for that purpose to exercise all powers relative thereto as if they were the absolute owners of such fund and generally to perform all acts to the same extent and with the same effect as the donor might have done if this deed had not been executed, and the Trustees' decisions and actions, shall be conclusive and binding on all Beneficiaries.

- 11.2 To leave any property (whether movable or immovable, corporeal or incorporeal) when is donated or bequeathed to or otherwise acquired by them in the form in which they receive it for such period as they in their absolute discretion deem fit, or turn any of the said assets to account from time to time by way of exchange, sale, lease or otherwise without limitation and, in exercising any powers of sale, whether conferred in this sub-paragraph or otherwise, to cause such sale to be effected by public auction, public tender or private treaty, as they may consider fit, with power to invest the proceeds of any realization and any other amount from time to time in their hands in such manner and in such place as they in their absolute discretion deem fit and to realize and vary any such investments from time to time.
- 11.3 To let or grant (for or free of consideration) the right of use or occupation of property forming part of the Trust fund, to grant servitudes, rights to prospect and other rights over the property of the Trust on such terms and conditions as they may consider fit, to improve and develop immovable property by erecting buildings thereon or otherwise, to expend the capital or income of the Trust upon the preservation, maintenance and upkeep of such property or buildings, to demolish such buildings or effect such improvements thereto as they may consider fit.
- 11.4 To accept and acquire for the purpose of the Trust any gifts, bequests or payments from any person, firm, company or association including the National Department of Land Affairs or any other governmental or non governmental organization that may be given, bequeathed or paid to them as an addition or with the intention to add to the funds hereby donated to them, and any additions so accepted and acquired shall be deemed to form part of the Trust fund to be administered and dealt with subject to the terms of this deed.
- 11.5 To borrow from time to time such sums of money on such terms and conditions as they consider fit, with the power from time to time to consent to any variations or alteration of the terms of any such borrowing and to secure such borrowing or any other obligations of the Trust by mortgage or pledge, either generally or specially, or any asset constituting portion of the Trust fund and, if considered fit, to borrow afresh on security or otherwise for the purpose or repaying any such mortgage or pledge.
- 11.6 To open and operate (either themselves or by a person or persons authorized by them) accounts in banking institutions, building societies and other financial institutions.
- 11.7 To reimburse themselves from the Trust fund for all expenses which may be incurred by them in or about the execution of the Trusts and powers conferred upon them, and without detracting from the foregoing, to employ agents and other people to carry out the objects of the Trust and to pay their fees, commissions, remuneration and other charges out of the Trust fund and to confer upon any agents so appointed the right to exercise any discretion which may be vested in the Trustees.

- 11.8 To call in, recover, collect and sue for all monies owing to them, to foreclose bonds, to buy in securities, to institute or defend legal proceedings and to sign all deeds, powers of attorney and other documents that may be necessary for those purposes.
- 11.9 To sign and execute transfers and cessions of property, bonds, consents to cancellations of bonds, leases, servitudes and other deeds and powers of attorney relating thereto, and generally all documents of any nature whatsoever as may be necessary from time to time in connection with the acquisition, realization, disposal or encumbrance of assets of or for the Trust and the carrying out of the terms of this deed.
- 11.10 To allow time for the payment of any debts due to them and to grant credit in respect of the whole or any part of the assets constituting portion of the Trust fund, in either case with or without security and with or without interest, as they may think fit.
- 11.11 To guarantee debts owing by any party on such terms as they consider fit, including the renunciation of the benefits of excussion and division, provided that such party is a Beneficiary or a corporation or undertaking in which the Trust and/or one or more Beneficiary has a direct or indirect interest which in the opinion of the Trustees is material.
- 11.12 To acquire (whether from a Trustee or a shareholder or director of a Trustee or otherwise) immovable and movable property, both corporeal and incorporeal, of any nature whatsoever including property which does not produce income and shares in any private or public companies incorporated in or outside the Republic of South Africa (whether they be manufacturing or trading companies or otherwise) notwithstanding that the voting or other rights attached to such shares may be restricted or qualified and to take up any rights, bonus shares or other advantages attaching to any shares which may be held by them.
- 11.13 To exercise the voting power attached to any shares in any such manner as they may consider in the best interest of the Trust and, either solely or in conjunction with any other person or persons, to enter into such arrangements as they may consider fit for the purpose of causing the liquidation, reconstruction or amalgamation of any of the companies whose capital the said shares shall form portion, and to enter into and carry out any such agreements or arrangements as they may consider appropriate in regard thereto.
- 11.14 To exercise all the voting powers attaching to any debentures or other securities at any time held by them.
- 11.15 Either solely or in conjunction with other persons, to cause any reorganization, consolidation, merger or readjustment of the capital value of any shares of any

company which may at any time be held as portion of the Trust fund, and arising out of any such reorganization, consolidation, merger or readjustment to receive and continue to hold a portion of the Trust fund any assets accruing by reason of their participation in any such matter;

- 11.16 To exercise any rights of conversion or subscriptions appertaining to any shares at any time held in the capital of any company which are portion of the Trust fund, or at their discretion, to sell or realize any such rights, but whenever investments shall be made by the exercise of conversion or subscription rights the shares or other rights received shall be deemed to form portion of the Trust capital;
- 11.17 From time to time to use any voting rights attached to any shares to cause such change to be made in the boards of directors or in the other officers of any of the companies involved (including companies established in terms of clause 11.26) as they may consider to be in the best interest of the Trust and they shall be entitled to appoint or cause to be appointed any one or more of themselves as such directors or officers or cause some other person or persons to be so appointed on the basis that such persons will act as nominees for the Trustees with the right to receive and retain remuneration for their services as directors and other officers;
- 11.18 To enter into any voting Trust or agreement in respect of any shares held by them in any companies relating to or restricting the disposal of those shares and in particular granting rights of pre-emption to other shareholders of the said companies and also relating to voting arrangements;
- 11.19 For the purpose of allocating or distributing funds and generally of the performance of their duties hereunder to determine, as they in their absolute discretion shall consider fit, to what extent receipts shall be treated as income and to what extent they shall be treated as capital and generally to decide, by apportioning in such manner as to what constitutes capital and what constitutes income, to treat any periodic receipts as income (although received from wasting assets) without being required to make provision for the amortization thereof and any determination made by the Trustees in terms of this sub-clause shall be final and binding and not open to challenge by anyone;
- 11.20 To transfer into the name of the Trust or the Beneficiaries or into their own names or into the names of any one or more of them or into the name of a nominee for the Trust any shares forming part of the Trust fund;
- 11.21 To agree to any alteration or conversation of the capital of any company, the shares in which form part of the Trust fund;
- 11.22 Subject to their obtaining all requisite consents and authorities, to hold the Trust fund or any part thereof in or to transfer the administration and management of the Trust fund or any part thereof to any country in the world;

- 11.23 To open accounts with Banks, to deposit with and to allow to remain in the possession of a bank or banks or a Trust company or Trust companies or other depository or depositories, whether in South Africa or elsewhere as the Trustees may think fit, all securities and other assets at any time held by the Trustees;
- 11.24 To pay to any Beneficiary any amount due to the Beneficiary in cash or in kind or partly in cash and partly in kind, with the power in their absolute discretion to determine the selection and valuation of any assets to be distributed and the manner of distribution thereof among Beneficiaries provided that –
- 11.24.1 The Trustees may employ a valuer and/or accountant for the purpose of determining the value of any such assets;
- 11.24.2 The decision of the Trustees as to the value of any assets for the purpose of this paragraph shall be final and binding on all interested persons;
- 11.24.3 No Beneficiary may dispute the value of any such assets;
- 11.25 To compromise, compound, submit to arbitration or settle upon such terms and conditions as they may deem advisable all claims made by or against them or matters arising in relation to the Trust and all compromises and settlements effected by them shall be final and binding on all Beneficiaries under this deed;
- 11.26 Either alone or in conjunction with others to procure the incorporation of one or more companies as they may deem advisable;
- 11.27 To make secured or unsecured loans, with or without interest, to any person or persons, including any Trustee or any director or shareholder of a Trustee or any company in which any Trustee is interested, directly or indirectly, or to any Beneficiary or to companies in which the Trustee in their representative capacities or any Beneficiary holds shares, directly or indirectly;
- 11.28 To take out or in any other manner (whether for a consideration or otherwise) acquire policies on the life of any person or persons, including any Beneficiary, to pay the premiums from time to time due under and to keep alive any such policy and to surrender, redeem, dispose of, encumber and borrow against any such policy, with the right generally to deal with any such policy in such way as a natural person who owned the policy would be entitled to do;
- 11.29 To enter into contracts on behalf of the Trust and to adopt and accept benefits under contracts entered into for the benefit of the Trust, whether before or after its creation;
- 11.30 To enter into partnerships, joint ventures and similar contracts and relationships;

- 11.31 To invest any or all of the Trust assets in marketable securities, stocks, shares, gilts, bonds, futures, options, commodities or any similar financial instruments or investments whether or not listed on a recognized stock, futures, commodities or other exchange, in South Africa or in any other country of the world;
- 11.32 To participate in, organize and conduct business (including farming and industrial) operations for the attainment of the objectives of the Trust;
- 11.33 To enter into agreements with local and other statutory authorities;
- 11.34 Provide, endow, furnish and fit out with all necessary furniture, instruments and other equipment and maintain either wholly or in part churches and other religious centres and institutes, schools, hospitals or orphanages or any of them;
- 11.35 Provide medical, surgical and dental relief and services to persons suffering from disease or ill health and supply all necessary drugs and medicines to such persons;
- 11.36 Construct, acquire, provide and maintain churches, schools, hospitals, nursing and maternity homes, hostels, libraries, orphanages, social centres and other welfare institutions;
- 11.37 Found, create and make all payments in connection with scholarships, bursaries, free tuition with or without free or partially free board and lodging, for the scholastic advancement of any persons;
- 11.38 Contribute towards any charitable, educational or religious institutions or to any fund having charitable, educational or religious objects;
- 11.39 Grant pecuniary or other assistance for the relief of the poor and meet urgent cases of distress which may from time to time arise;
- 11.40 To appoint salaried staff to assist in the administration of the Trust and to provide and furnish facilities for such purposes;
- 11.41 To promote, foster and advance the general interest of the Beneficiaries and by such means as the Trustees may in their discretion deem to be expedient and in particular by providing further and better education, academical or recreational facilities, erection of buildings for religious training, educational or recreational purposes adding to or replacing buildings, purchasing or constructing of fittings and fixtures of a permanent nature, acquiring and developing of land, including land on which

any building has been erected or acquiring any right or interest in land; purchasing movables in the nature of any classroom, furniture, laboratory, sports or workshop equipment, libraries or library equipment and electronic, visual or audio-visual aids, educational text books and stationary and educational equipment, or any motor vehicle with seating capacity of more than 6 (Six) persons; constructing and maintaining playing fields and other sporting amenities, providing to appoint staff for the furtherance of the faith, education and recreation, amenities for staff members, including housing, and generally to effect any improvements in respect of community and educational amenities and repairs and renovations to existing amenities; the provision of bursaries or scholarships to deserving trainees, students and pupils as contemplated above;

- 11.42 The Trustees are empowered to apply to the Landbank of South Africa for loans against security of the Trust assets, movable and immovable and on such conditions as the Landbank of South Africa may determine;
- 11.43 The Trustees shall furthermore be entitled to join a Cooperative as member and to enter into credit agreements against security of the Trust assets, movable or immovable and on such conditions as the Cooperative may determine.

12. PAYMENT OF COSTS AND VESTING OF INCOME AND CAPITAL

- 12.1 All costs and expenses lawfully incurred by the Trustees in connection with the administration of the Trust including, if for any reason they are at any time required to furnish security, the costs from time to time of furnishing security and any income tax or other tax that may become payable by them in their representative capacity in respect of the income of the Trust, as well as a reasonable honorarium for their services as determined by them and approved by the Protectors (see clause 7.6 above) shall be paid by the Trustees out of the income of the Trust except to the extent that they in their discretion allocate any such costs and expenses to the Trust capital or that the income of the Trust is inadequate for the purposes in which case the Trustees may use the Trust capital for those purposes.
- 12.2 The balance of the income remaining after the provisions of clause 12.1 have been given effect to (hereinafter referred to as the 'net income') shall be dealt with in accordance with the provisions herein set out.
- 12.3 The Trustees shall have the right in their entire discretion from time to time to vest any part of the income or capital of the Trust fund in the Beneficiaries subject to clause 7.3.6 above, in which event such income or capital shall accrue to the Beneficiaries accordingly, provided that no vesting shall occur except as provided in clause 12.4 below. The Trustees shall notwithstanding the above, annually at the end of its financial year determine the value of the vested interests of the Beneficiaries.

- 12.4 Except and until any benefit or award is actually paid over to or transferred into the name of a Beneficiary, there shall be no vesting of any rights in terms of the Trust to a Beneficiary, nor shall a Beneficiary be capable of ceding, assigning or pledging any interest in the Trust and no resolution, deed or act of the Trustees shall create or confer upon any person any right or claim enforceable in law to any benefit or award so paid over or transferred unless otherwise provided for the terms hereof.
- 12.5 Notwithstanding anything to the contrary herein before contained, but subject to clause 12.4 above, the Trustees shall have the power to apportion income or capital to the Beneficiary without actually paying over such income or capital to the Beneficiary and in such event, such income or capital may be credited on account, but be reinvested or accumulated by the Trustees in the name of the Beneficiary or on his behalf, or otherwise be dealt with as the Trustees may deem fit.

13. INCOME TAX

If the Settlor, Trustees or a Beneficiary or their respective estates, becomes liable for income tax or estate duty arising out of this Trust or the operation of this Trust, the Trustees shall be entitled but not obliged at any time, and notwithstanding any previous decision on their part not to do so, to refund to the Settlor and/or other such persons or estate out of the Trust fund the amount of the income tax or estate duty for which the Settlor and/or such other persons or estate at any time becomes so liable on such basis as may be equitable with the intent of affording the Settlor or such person or estate a full or part indemnity against the additional income tax or estate duty for which they may become liable.

14. DISSOLUTION OF THE TRUST

Subject to clause 7 the Trust shall be dissolved upon a resolution to that effect passed by a two-thirds majority of the Trustees. Upon the dissolution of the Trust the Trustees shall, after making provision for the costs of dissolving the Trust, distribute for the objects set out in clause 2, the whole of the Trust fund (including undistributed income still in their possession) to the Beneficiaries approved of by the Protectors, which are themselves exempt from income tax and donations tax and accruals to which are deductible for the purpose of any estate duty which may be applicable in the Republic of South Africa.

15. ACCEPTANCE OF THE TRUST

The First and Second Trustees hereby accept the donation by the Settlor and undertake and each other Trustee assumed or appointed as such shall upon acceptance of office be deemed to undertake to carry out the terms and conditions and stipulations contained in this Trust deed.

16. EXECUTION OF DOCUMENTS

All deeds, documents or instruments required to be executed by the Trustees shall be deemed to have been validly executed in the name of the Trust by a quorum of Trustees provided such persons are authorized to enter into such transaction(s) on behalf of the Trust.

17. BENEFICIARIES

- 17.1 The Settlor hereby undertakes to lend to this Trust an amount equal to a minimum percentage as indicated in Paragraph 4, Annexure "A" hereto of the total amount invested by the Settlor in buying shares in **KONSORTIUM HOLDINGS LIMITED** to enable this Trust to with the amount of the loan buy shares in **KONSORTIUM HOLDINGS LIMITED**. This loan shall be made in terms of a Loan Agreement entered into between the Settlor and this Trust to be signed on the date on which the Settlor buys shares in **KONSORTIUM HOLDINGS LIMITED**. The said Loan Agreement shall stipulate that the loan shall bear no interest and shall be repayable out of the net income or capital of this Trust prior to the vesting of any capital of the Trust, the repayment of other liabilities of this Trust or the apportionment of any income of this Trust. This Trust shall then purchase the shares in **KONSORTIUM HOLDINGS LIMITED** which shares shall form an asset and therefore part of the Trust capital and Trust fund whilst the loan owing to the Settlor shall be a liability of the Trust;
- 17.2 The Trustees shall, subject to clause 7.4.6 above appoint the First Beneficiaries and determine the percentage Beneficiary interest of each Beneficiary so appointed. The First Beneficiaries and the percentage Beneficiary interest of each Beneficiary shall be as set out in Annexure "B" hereto to be appended to this Agreement;
- 17.3 The total value of all the Beneficiary interests will at all times be equal to the total value of the Trust capital;
- 17.4 The value of the Beneficiary interest of any Beneficiary shall at all times be a percentage of the value of the total Beneficiary interest of this Trust equal to the percentage Beneficiary interest of any such Beneficiary;
- 17.5 A Beneficiary shall cease to be a Beneficiary when such Beneficiary is no longer employed by the First Trustee;
- 17.6 Should a Beneficiary cease to be a Beneficiary of this Trust, the following conditions shall apply –

- 17.6.1 Should a Beneficiary's services terminate for any reason whatsoever, then the Beneficiary shall, for each year that has expired since the date of registration resign or should he no longer be able to be employed as a result of medical reasons, so determined by a qualified Medical Practitioner and whose determination is to the satisfaction of the Trustees, then the Beneficiary shall, for each year that has expired since the date of registration of this Trust or since the Beneficiary has become a Beneficiary of this Trust (the lesser of the two periods) be entitled to receive 10% (ten per cent) of the value of his Beneficiary Interest. The payment of this value to such Beneficiary will take place within 6 (six) months of the Beneficiary ceasing to be a Beneficiary in cash, unless otherwise agreed to in writing.
- 17.6.2 Should a Beneficiary cease to be a Beneficiary of this Trust on account of his death, his retirement as a result of old age in terms of his Conditions of Employment or as a result of the fact that the First Trustee sells the farm on which the Beneficiary is employed as a result of which the Beneficiary is retrenched or should he no longer be able to be employed as a result of medical reasons, so determined by a qualified medical practitioner and whose determination is to the satisfaction of the Trustees, irrespective of the period he has been a Beneficiary, the Beneficiary or his nominated heirs shall be entitled to 100% (ONE HUNDRED PER CENT) of the value of his Beneficiary interest. The payment of this share to such Beneficiary or Heir will take place within 6 (SIX) months of the Beneficiary ceasing to be a Beneficiary in cash, unless otherwise agreed to in writing. Should the Beneficiary die without nominating an Heir, such goes to his Executor.
- 17.7 A Beneficiary shall be entitled only once during the period of his Employment with the First Trustee to sell a maximum of 50% (FIFTY PER CENT) of his Beneficiary interest at a value to be calculated as set out in Clause 17.3, 17.4 and 17.6.2 above and on the same payment terms as set out in the aforementioned Clause.
- 17.8
- 17.8.1 Any Beneficiary interest of a Beneficiary of which he ceases to be the owner in terms of Clause 17.6 and 17.7 above shall become the property of the First Trustee who will hold it as stakeholder and who will be obliged to allocate such Beneficiary interest within 24 (TWENTY FOUR) months from becoming the owner thereof as stakeholder to other Beneficiaries employed by the First Trustee.
- 17.8.2 The First Trustee will be obliged to pay the value of such Beneficiary interest to the Beneficiary entitled to receive payment of such value in terms of Clause 17.6 above.
- 17.8.3 Upon re-allocation of such Beneficiary interest by the First Trustee to other Beneficiary/s, the Beneficiaries receiving such Beneficiary interest shall pay the value of such Beneficiary interest to the First Trustee and if they are unable to do so in cash, the First Beneficiary shall grant them a loan for such portion of the value which they are unable to pay in cash on the same terms and conditions as the loan granted by the Settlor to this Trust hereinbefore mentioned.

- 17.8.4 Should the First Trustee be unable to fulfill his obligations in terms of this Clause, then **KONSORTIUM MERINO (PROPRIETARY) LIMITED** will fulfill the obligations of the First Trustee in terms of this Clause;
- 17.8.5 Should Konsortium Merino (Proprietary) Limited be unable or unwilling to fulfill the obligations in 17.8.4 above then the Beneficiary will be entitled to receive Shares in Konsortium Holdings Limited from the Trust equal to the value of his Beneficiary Interest and such shares shall be transferred from the Trust directly to the Employee.
- 17.9 Should the First Trustee sell the Farm on which the Beneficiaries are Employees or die and the Employees who are Beneficiaries of this Trust then become Employees of the new Owner of the Farm, the new Owner will be obliged to take cession and delegation of all the rights and obligations of the First Trustee in terms of this Clause 17, including all the loans referred to in Clause 17.8.
- 17.10 Any new person wishing to become part of the Trust must –
- 17.10.1 Must apply to this effect in writing to the Trustees;
- 17.10.2 Must be in the employ of the Trust or the First Trustee;
- 17.10.3 Must be approved by the Trustees, provided clause 7 is taken into consideration;
- 17.10.4 Will need to pay the value of the Beneficiary Interest he acquires as determined by the Trustees into the Trust or to the person from whom he acquires the Beneficiary interest, as the case may be;
- 17.10.5 Will be subject to the conditions in clause 17.6 above.



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THUS DONE AND SIGNED AT _____ ON THIS ___ DAY OF
_____2012

The Settlor

THUS DONE AND SIGNED AT _____ ON THIS ___ DAY OF
_____2012

The First Trustee

THUS DONE AND SIGNED AT _____ ON THIS ___ DAY OF
_____2012

The Second Trustee

THUS DONE AND SIGNED AT _____ ON THIS ___ DAY OF
_____2012

The Protector

ANNEXURE "A"

1. NAME, REGISTRATION NO AND REGISTRATION DISTRICT OF THE FARM:

2. TRUST NAME :

KONSORTIUM _____ EMPOWERMENT TRUST
(Farm name)

3. FIRST TRUSTEE:

FULL NAMES : _____

ID NUMBERS: _____

4. MINIMUM PERCENTAGE OF FARMER'S INVESTMENT IN SHARES TO BE LOANED TO TRUST: _____%

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ANNEXURE "B"

BENEFICIARIES	% BENEFICIARY INTEREST