

THE MAIZE TRUST

Reg no. IT8214/98

c/o L&L Agricultural Services

Grain Building P.O. Box 74626
477 Witherite Street LYNNWOOD RIDGE
THE WILLOWS Pretoria
0184 0040

Tel: +27 (12) 807-3958 / 4191
Fax +27 (12) 349-8707
e-mails: l-lagric@mweb.co.za /
gbconference@mweb.co.za

25 November 2015

17TH ANNUAL GENERAL MEETING OF THE MAIZE TRUST

ADDRESS BY THE CHAIRPERSON OF THE BOARD OF TRUSTEES

MR. J.K. (KARABO) PEELE

Ladies and Gentlemen, it is an honour for me to address you and to welcome you to the 17th Annual General Meeting of the Maize Trust.

Reflection on the Objectives of the Trust

The objectives of the Trust are simple and to the point, namely to fund projects and actions that are to benefit the industry with regard to:

- 1) Market and Production related research;
- 2) Market information; and
- 3) Market access.

Financial Management

The funding of important industry projects has increased over the years and the Trust is currently spending approximately R60 million per annum on funding that is directly aimed at the improvement of the maize industry.

The investments of the Trust have always been managed prudently and with great care, which resulted in very good returns and a steadily growing asset value.

This is done in line with the Trust's policy to be an evergreen Trust, which is to be maintained to the advantage of the maize industry. Funding by the Trust is annually limited to a maximum of 6% of the Trust's total asset value, in order to achieve this policy and goal.

The costs of the Trust are strictly managed and are kept as low as possible. This confirms the fiduciary responsibility of all the Trustees that have served the Trust over time.

When the Trust's operational costs are compared to its annual income, it is clear that the financial management of the Trust is done conservatively and with great care.

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TRUSTEES: Mr. J.K. Peele (Chairperson)(outgoing), Mr. J.F. de Villiers (Vice-Chairperson),
Ms. K.P.N. Daly (outgoing), Mr. C.K. Ferreira (outgoing), Dr. T.J. Hewu, Dr. J.L. Purchase.
REPLACEMENT TRUSTEES: Ms. N. Mahlali, Mr. S.S. Ndlungwane, Mr. B.C. Schoonwinkel
ADMINISTRATORS: L&L Agricultural Services.

Over the years the Trust has endeavoured to identify and implement new initiatives in conjunction to the normal funding of projects that could benefit the industry. There are several successful initiatives that have been launched by the Trust since its inception, which have all benefitted the maize industry and have often created opportunities and benefits for the other grains and oilseeds industries.

Bursary Scheme

The Trust's bursary scheme is very successful and 16 MSc and 8 PhD students have already completed their studies with Maize Trust bursaries since 2007. A further 7 MSc and 2 PhD bursary students will be completing their studies at the end of 2015.

Most of these bursary students have found employment in agriculture or related fields in South Africa.

Eight internships have since 2010 been funded by the Trust and enquiries are frequently received for further interns to be supported. The internship programme is aimed at providing proper experience to bursary students until employment opportunities come their way.

The past financial year

In 2014/2015 the Trust paid an amount of R57,64 million to beneficiaries. An additional amount of R51 million was also approved by the Trustees during the year for payment to beneficiaries after year-end.

The total donations of R319 million from the Maize Board to the Trust currently relates to an asset value of R1,086 billion.

Transformation assistance by the Trust over its existence exceeds 24% of the Trust's total annual funding. In this particular financial year approximately 29% of the Trust's funding was allocated to transformation projects. The balance of the Trust's funding was spent on research projects, projects related to the collection and dissemination of market information, other industry activities and the transfer of technology.

The Trust also took a decision to invest more into fixed property, as this has proved to be a sustainable and solid investment over time.

Monitoring Measures

The performance of beneficiaries is monitored through appropriate progress reports and physical visits when deemed appropriate. In some instances monitoring is done by means of interaction through coordinators appointed by the Trust. In 2014/2015 some of the smaller beneficiaries have been visited by the Trustees, as well as the three Asset Managers of the Trust in Cape Town.

Board of Trustees

Continuation in the matters of the Trust is extremely important to ensure the correct functioning of the Trust. During the past financial year there were three changes to the Trustees and the composition of the Board of Trustees will be as follows going forward (the appointment of the replacement Trustees is imminent):

