



DRAFT MINUTES

2008 Annual General Meeting

Friday, 21 November 2008

1. WELCOME

Hasmukh Gajjar, in chair, welcomed all those present. Nirvani Dhevcharran attended via teleconference from Cape Town.

2. APOLOGIES

The following apologies were noted:

(a) From the Board:

Nhlanhla Mabaso, William Rowland, Preeta Bhagattjee

(b) From Members:

Bretton Vine would join the meeting late.

3. QUORUM & CONSTITUTION OF THE MEETING

The meeting had a quorum.

4. CONSIDERATION OF RECEIVED PROXY FORMS

The following proxies were noted:

a) Calvin Browne – nominated Neil Dundas as proxy, failing which Theo Kramer.

b) Mark Elkins – nominated Theo Kramer as proxy, failing which Neil Dundas.

c) Karien Elkins – nominated Theo Kramer as proxy, failing which Neil Dundas.

d) Alistair Pritchard – nominated Theo Kramer as proxy, failing which Neil Dundas.

5. ADOPTION OF THE MINUTES OF THE 2007 AGM

The minutes of the 2007 AGM were adopted with the following 2 changes:

- Page 3: para 1: "...could not continue to exist."
- Page 3: last para, last sentence: "...the new Board would give urgent attention to this matter."

Adoption of the minutes was proposed by Neil Dundas and was seconded by Victor Wilson & Mike Lawrie.

6. CHAIRPERSON'S ANNUAL REPORT

The Chairperson gave his annual report, and covered the following areas:

- (a) Board of Directors
- (b) Operations
- (c) Public consultation process
- (d) Technical management of the .za domain
- (e) Marketing and communications
- (f) Education and awareness
- (g) Alternative dispute resolution regulations
- (h) Amendments of Memorandum and Articles of Association
- (i) 2007/2008 Audited financial statement
- (j) Business plan 2009/2010
- (k) Events

The meeting noted the report. Mike Lawrie stated that regarding the establishment of the.za Whois server, it was possible that the ECT Act put certain constraints on the kind of electronic data that could be published publicly. He advised that .za DNA should look at the ECT Act carefully and also consider discussing the issue with DOC.

The Chairperson's Annual Report is attached at the end of these minutes.

7. APPROVAL OF THE 2007/2008 AUDITED FINANCIAL STATEMENT

Mike Silber, the Treasurer, took the meeting through the 2007/2008 audited financial statement. The meeting appreciated the report, and the following comments were made:

- (a) Duncan Martin pointed out that page 3 referred to "shareholders" and this should be changed to refer to "members" as .za DNA had no shareholders.
- (b) Mike Lawrie asked what ADR costs entailed: whether they were the costs incurred during the launch of the ADR process or were ongoing costs. The Treasurer explained that the ADR costs were primarily incurred during the

ADR launch in 2007, which included accrediting ADR providers and publicly launching the ADR process.

- (c) Victor Wilson indicated that the ADR Regulations required that .za DNA should establish an ADR fund to provide subsidies to those parties not affording the ADR fees. This was not indicated in the budget.

He, therefore, encouraged .za DNA to reflect the ADR fund separately in financial reports in the future. The Treasurer indicated that this would be the case as there were funds already available for the ADR fund.

The Treasurer then made the meeting aware that .za DNA had been generally unhappy with the performance of the Auditors, and that the .za DNA office was in the process of looking at suitable alternatives.

The meeting unanimously agreed to adopt the 2007/2008 audited financial statement.

8. 2009/2010 BUSINESS PLAN

The Treasurer also presented the 2009/2010 business plan, and made the meeting aware that the plan was still substantially generic as .za DNA was still finalising its business model.

The meeting appreciated and discussed the plan. The following comments were noted:

- (a) Bretton Vine wanted to know why a substantial increase for Marketing and Communications was budgeted for in the next financial year. The Treasurer explained that more marketing, communications and awareness would be done in 2009/2010, as this was one of the mandates of the ECT Act in .za DNA.
- (b) Bretton Vine also noted that there was a substantial increase in Marketing and Communications for 2009/2010, while the amount for Policy and Research remained unchanged, and asked if this was based on past experience. The General Manager explained that previously some research was done in preparation for policy and licensing. More research was set to be done in 2009/2010, but there was no expectation that the budget in 2009/2010 should be increased from what had been previously budgeted.
- (c) Theo Kramer noted the budget for travel and accommodation and asked why the budget was decreased for 2009/2010. The Treasurer explained that travelling costs for the 2008/2009 were higher than the 2009/2010 simply because for 2008/2009 a provision was made for the General Manager to attend ICANN meetings with new Board members. The decrease going forward expected as the General Manager would again be the only representative of .za DNA at ICANN and other international meetings.
- (d) Theo Kramer also stated that it was important that .za DNA continued to participate in ICANN meetings going forward. This was noted.

- (e) Victor Wilson asked whether payments have already been made to ICANN. The Treasurer answered in the affirmative.

The meeting then approved the 2009/2010 business plan.

9. ADOPTION OF THE PROPOSED AMENDMENTS TO MEMO AND ARTICLES

GM led the meeting through the report about the process and progress so far in the amendments of the Memo and Articles of Association of .za DNA. He reminded the meeting that the 18 June 2008 special general meeting had approved all the amendments except Articles 14.5.1.2, 14.5.2.2 and 14.5.3, which dealt with the powers of the Minister of Communications in the removal or dismissal of Directors.

A lengthy discussion ensued, and the following comments were notable:

- (a) Theo Kramer indicated that as per his recent email to the General Manager, he found the proposed compromise, which sought to give the Minister power to remove Directors while subjecting such power to a sanction by the members, as having some grey areas.
- (b) Mike Lawrie reminded the meeting why .za DNA was established through the ECT Act & that the intention of the ECT Act was to have .za DNA as an entity functioning independently without any Government intervention. He would be comfortable with the Minister having the power if the Act stipulated this expressly.

Regardless of what the Act said in this regard, it did not seem necessary to provide for such power in the amended Articles, particularly if the Act gave the Minister removal power. He stated that he was however conscious of a potential danger in giving only one person so much power regarding the removal of Directors.

- (c) Tshilidzi Munyai stated that the focus should be more on whether or not the granting of such power to the Minister would compromise the functioning, independence and autonomy of .za DNA. It could be worth it to look at other organisations having similar relations with government.

He was of the view that the rationale behind the Minister having such powers may be based on the reality of SA being a developmental state which from time to time might need government's intervention in certain economy sectors. He, therefore, proposed that the contested Articles should be retained in the amendments.

- (d) Bretton Vine stated that it was important to understand why the Minister should have these powers, and if this had any usefulness in the running of the .za zone file. Looking at it closely, it might be worth it to omit the proposed Ministerial power from the proposed amendments.

- (e) Mike Silber reminded the meeting that the purpose of the whole of Article 14.5 came from past experience where a Director in the Board simply disappeared and stopped participating in any of the Board proceedings. This posed a question as to what should be done in the future when it became necessary that a Director should be removed or dismissed.

He was of the view that the issue of the contested Articles could be resolved by a complete omission of Article 14.5 as a whole and the submission of the rest of the proposed amendments to DOC. Article 14.5 would then be dealt with at a later stage.

- (f) Duncan Martin indicated that he found the Act leaning more on providing the Minister the power to remove than not to remove Directors if that was in the interests of .za DNA. This should be borne in mind when dealing with the contested Articles.

Whatever the ultimate resolution, it was clear that .za DNA needed to become financially autonomous for it to assert autonomy from Government participation in its affairs. He, therefore, stated that he was comfortable with the compromise proposed by the General Manager in the revised amendments.

- (g) Theo Kramer noted the inputs made and indicated that as this could be a long discussion, it could be worthwhile for members to resolve the issue through vote.
- (h) Mike Silber stated that if meeting decided to vote, the members needed to decide what would happen to the contested Articles. It could be necessary to omit the contested Articles in the approved amendments with a clear understanding that they would be revisited in the future. It was important not to allow just a single, contested issue to hold back the rest of the approved amendments which are aimed at strengthening the functioning of .za DNA.
- (i) Tshilidzi Munyai stated that while voting could be an ultimate option, it was not convenient to resolve the matter in such manner at this stage as the members still needed to consider it carefully.
- (j) The Chairperson noted the inputs made, but warned against re-opening the discussion of the amendments which were approved at the 18 June special general meeting. He reminded the meeting that whatever the ultimate resolution, it should be borne in mind that the Minister would still have to approve the proposed amendments.
- (k) Mike Lawrie proposed that the approved amendments should be tabled to DOC excluding Article 14.5.3 which would be considered further at a later stage.
- (l) Tshilidzi Munyai stated that he was in favour of keeping 14.5.3 as was, but also saw a need of pointing out to DOC that the members were not comfortable with this Article and would appreciate a further engagement.

- (m) Mike Silber reiterated his view that if any of the contested Articles were omitted, the whole of Article 14.5 should be omitted and be dealt with at a later stage.
- (n) Mike Lawrie stated that he was in favour of approving all the amendments save for 14.5.3 which should either be dealt with at a later stage or be referred to DOC for better wording.
- (o) Mike Silber warned that it could be difficult for DOC to approve a decision to approve 14.5 in part while rejecting the other part.

After further discussions, the Chairperson directed the meeting to a resolution regarding this matter. Eventually it was resolved that the meeting approved all the proposed amendments subject to the excision of 14.5.3. There were 9 members who voted in favour of this resolution, and there were no votes against it.

The meeting noted that if DOC referred back the amendments based on Article 14.5.3 then the Board, in consultation with the members, would have to look at a compromise.

10. ANY OTHER BUSINESS

There were no additional issues added to the agenda.

11. CLOSE

The meeting ended at 12h15.

Attendance Register

Members:

Theo Kramer
Neil Dundas
Mike Lawrie
Victor Wilson
Tshilidzi Munyai
Bretton Vine

Proxies:

Calvin Browne
Mark Elkins
Karien Elkins
Alistair Pritchard

Board:

Hasmukh Gajjar
Lucky Masilela
Nirvani Dhevcharran (via teleconference)
Ant Brooks
Duncan Martin
Mike Silber

Staff:

Vika Mpisane (General Manager)
Teboho Malefane (Secretary)



Chairperson's Annual Report - 2008

INTRODUCTION

Members of the .za Domain Name Authority, fellow directors, the GM of zaDNA and his staff, ladies and gentleman, I welcome you all to the 2008 annual general meeting of the members. It has been a little over a year since our last AGM, and we have witnessed several developments across our beloved country, and the world!

I took a full month of semi-sabbatical leave with my wife in Sept/Oct and spent time in Italy and Croatia. When we left, we had a President who may have been planning the end of his tenure in the new year. We also left without travellers cheques knowing that the exchange rand was fairly docile and almost boringly static.

Well, by the time we got to Sienna, we also set in front of the box listening with dropped jaws our President saying his farewell to the nation. The markets were also saying farewell to Lehman Brothers. By the time we reached Rome the first Presidential debate took place in the USA. So it is that we listened to the Vice-Presidential debate in Dubrovnik, Croatia.

Thank God for stable DNS in Italy and Croatia – as much updated information in the major South African newspapers was devoured on the borrowed MacBook Air connected varyingly by paid for access, the borrowed Vodacom 3G device, and . . . free public hot spot access in Dubrovnik.

Back in South Africa, we landed here knowing that we had a President, then no President, and now a new President. We also began to come to terms with the worst financial / economic crisis of epic proportions, with a pendular swinging rand, and finally, the election of the first black person to the world's most seat of power. A country where a hundred years ago a crowd of white men chasing a black man across the fields of the southern states was called the Klu Klux Klan, a country where a horde of white man following a black man across the field is called – the US Masters!

Thank God, here in SA, I am happy to report that the one space that did not experience tsunamic upheaval was what we are custodians of – the .za DNS.

But there have been some developments that did take place within zaDNA since we met one year ago. It is for this reason that I present this report to this meeting so that you, as the members, may understand what has been done over the past year and where we are heading over the next year.

1. BOARD OF DIRECTORS

At last year's AGM we welcomed 6 new Directors to the Board of .the Authority. The new incoming Directors have brought in invaluable insight and direction to the business of .za

DNA. They have also constructively challenged and, often strengthened, some of the work that had been commenced by the previous Board. It has been quite a stimulating journey to work with all the Directors in the Board.

As is the norm, as early as January this year Directors were elected to various committees of the Board. To date we have 3 Board committees, these being:

- (a) Finance committee (or “Finco” as we call it); (chaired by Mike Silber)
- (b) Management committee (or “Manco”); and (chaired by Nirvani Dhevcharran)
- (c) Technical committee (or “Techcomm”). (chaired by Duncan Martin)

All the 3 committees continue to function harmoniously and provide much-needed advice to the Board and the GM. The board has matured considerably in this year and at each sequential meeting of the Directors time is spent on considering and debating matters that are percolated and narrowed for consideration in the various committee meetings referred to. I take this opportunity to thank the members of each of the committees for the time and effort applied in preparation for board meetings where decisions can be made.

2. OPERATIONS

The Authority continues to operate from The Business Centre in Rivonia, Gauteng. These premises continue to suit us well both from a cost efficacy and location point of view. The General Manager, Vika Mpisane, continues to head the operations and is assisted by a Secretary. From time to time, he has engaged consultants in various capacities, to assist in certain areas of work.

3. PUBLIC CONSULTATION PROCESS

Perhaps the most important area of work for the Authority continues to be in the area of licensing and policy development. By this time last year we had just completed a public consultation process about what we proposed to be policies and procedures for the .za domain.

The input received from the industry, albeit limited, was quite important and did well to challenge some of the proposals we had put forward. Perhaps the most important and common outcome of that consultation process was the support for a central registry model, with almost all those we met expressing support, while others supported it on the proviso that it would really mean less expensive domain name registration costs.

This year we have focussed on turning the document and the input received into simplified licensing regulations. It was strongly recommended by ISPA that the Authority would do well to focus more on licensing registrars in the short term, and than later look at defining across-the-board registry procedures.

3.1 Central registry

We launched the tenure of this board by taking liberty to again question our approach to both the issue of the central registry and the issue of licensing registrars. As for the

registry, we allowed ourselves time to question the merits of having it run by an external, commercial entity in comparison to having it run by a non-profit entity or even by the Authority itself. Those cricketing enthusiasts amongst our Directors called it the curved ball exercise.

Our proposals and assumptions were further debated locally and internationally, we tested our views with legal opinions and engaged an exchange with Nominet.

3.2 Licensing regulations

We are now in the process of finalizing licensing regulations which will be tabled for public comment in due course. We have recently managed to have participation by the Office of the Chief State Law Advisor, which office will advise the Authority on the required wording and other legalities. This, we hope, will ensure that when DOC tables the Regulations for promulgation, the Office of the Chief State Law Adviser will spend minimal time on the Regulations and then approve them.

Parallel to the drafting of licensing regulations, we have also been working closely with UniForum, the co.za administrator, as it attempts to formalize its relationship with the ISPs that access the co.za registry.

We have seen value in participating in this process with UniForum as observers and learn from this kind of exercise. It is our belief that while we need not await UniForum to implement its partner accreditation process, we can gain a lot experience in our eventual licensing process and UniForum can synchronise its efforts with our obligation to publish regulations.

We therefore in August we participated in a workshop which was jointly organized by ISPA and UniForum. The lessons learnt were valuable, and we are supporting the co.za's accreditation process so that it can neatly dovetail the ECT Act's licensing process.

As far as we know, UniForum will be meeting some of the dominant ISPs to address their specific concerns before it commences to implement its partner accreditation process.

4. TECHNICAL MANAGEMENT OF THE .ZA DOMAIN

4.1 Management of .za zone file

The management of the .za zone file continues to be provided by Internet Solutions. We have, however, set a clear procedure regarding how the Authority handles change requests. Before the current Board, the work of testing requested changes in listed nameservers was managed by the then Chairperson of Techcomm, Victor Wilson.

Since then with the support and guidance of Techcomm the General Manager contracted a technical consultant, Guy Halse, who works in the IT Department at Rhodes University. This is a simple on-demand relationship that Guy and the Authority enjoy. All requested changes are forwarded to him for testing, and he is given 24 hours within which to provide advice.

To date the outcome of this relationship has been positive, as Guy easily manages the testing work. As a result, the original 6 months' contract has now been extended.

4.2 Review of .za domains

Guy's value has also been realized in his compilation of a technical review report of the .za domains. He conducted this review at the General Manager's request, and its focus was on dormant domains and private domains. The report has been useful in providing additional information that will assist the Authority in its preparation for the licensing process.

It is our impression that some housekeeping in the.za domain namespace may need to be considered even before we commence licensing. What we have learnt is that our intent of a licensing process impacting on the current state of current domains, a review of current domains may in fact influence the licensing process.

We therefore recently began the work of reviewing the .za domains before licensing commences.

This involves obtaining clarity on issues of mandate, maintenance of data and registration fees with the listed domain administrators. The Techcomm is in the process of finalizing recommendations for the deletion or revival of certain domains. It is so far clear that most of the private .za domains deserve to be deleted, but this will be done through an open public process.

Likewise, subject to final confirmations, the Techcomm will recommend which of the dormant domains should be allowed to accept new registrations and which ones should simply be kept as legacy domains which may not accept any new registrations.

4.3 Management of Web.za and Net.za

In the course of this year, the Authority had to urgently deal with an instability issues involving the Web.za domain. This domain had broken down a few times before the, and its administrator had been asked to ensure that such breakdowns ceased. When the domain was broken and the administrator could not be contacted for a number of days, the Authority was facing a possibility of litigation. We decided to assume administration of this dormant domain.

With the assistance of Guy Halse, TENET and the Techcomm Chairperson, Duncan Martin, we managed to have both primary and secondary nameservers for Web.za domain operating.

This was a lesson for the Authority on our role with meeting the expectation of stakeholders that if a domain was broken, we need to intervene and even operate that domain.

Net.za continues to be dormant and the maintenance of servers is still with Internet Solutions. The Techcomm, in its consideration of the Guy Halse's review report, is of the view that Net.za, along with Web.za, should be opened for new registrations in preparation for the licensing process.

4.4 Central .za Whois service

One of the common concerns mainly from the ISP's is the difficulty in registering domain names in.za other than co.za and org.za, and the absence of a Whois service for most of the listed .za domains.

We have taken this into consideration and as part of the housekeeping the .za domain name space, we are engaging the domain administrators concerned to verify the status of registration data in their records. We are planning to have a central .za Whois service up and running before the end of the current financial year, but our self imposed target date is sensitive to difficulties that we may encounter with some of the domains which do not keep updated registration data and also do not have automated Whois and registration services.

We see the central Whois as one of the key enablers for the licensing of .za registrars and registry. Otherwise we don't think it would make too much sense to license registrars who cannot have a reliable access to registry data.

5. MARKETING AND COMMUNICATIONS

Recently, we advertised a tender in the government tender bulletin for a service provider to assist the Authority in its marketing, communications, education and awareness efforts. Marketing and communications have become an important objective mainly in the light of the continued competition by gTLDs, including the forthcoming new gTLDs announced by ICANN.

It is to be appreciated that co.za continues to experience substantial growth in registration on an annual basis, and this growth comes without much coordinated marketing efforts. We therefore are convinced that a little more proactive marketing, a little more proactive messaging, and a little more public education and awareness, will certainly see an increase in registration numbers.

This may initially benefit the co.za and org.za domains in the short term, but we expect that those dormant domains which will be open again for registration in the short term will also benefit from this work.

6. EDUCATION AND AWARENESS

Education and awareness about the importance of the domain name system in general and of the .za domain in economic terms remains an important objective not only because the ECT Act provides for it, but also because too few are somebody@somewhere, whilst the bulk of the population languish as nobody@nowhere.

7. ALTERNATIVE DISPUTE RESOLUTION REGULATIONS

The implementation of the .za ADR Regulations has been stable since its commencement in April 2007. We still have 2 accredited ADR providers, namely:

- (a) The Arbitration Foundation of Southern Africa (AFSA); and
- (b) The South African Institute of Intellectual Property Law (SAIIPL).

Of the 2 providers, the Institute of Intellectual Property Law has seen more co.za disputes referred and resolved. We are pleased that AFSA has now also begun to consider disputes.

To date, some 23 co.za domain name disputes have been resolved.

We have for the past 2 years also participated in the annual ADR workshops organized by the Institute. We hope to continue with and intensify our collaboration with our ADR providers, and we recognise that more education and awareness is still required to raise awareness of the ADR amongst more businesses and related supporting professions such as the legal fraternity.

7.1 Extension of ADR Regulations

We have over the last few months been requested to motivate for the extension of the ADR Regulations to cover other .za domains, with org.za being a key domain.

As the Authority we support the need for ADR to cover all domains in the .za space, and suggested to Government that the Authority be empowered to expand the number of domains that can benefit from ADR. We have been advised by those understanding delegation of powers that the Minister of Communications is precluded from delegating this power to the Authority.

We therefore recently sent a written motivation to DOC requesting extension of the ADR Regulations to cover the org.za domain. We are still waiting for a response, and the signals are encouraging.

8. AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

This is one matter that has been dragging for a while now and we hope we are closer to having it finalized. The special general meeting of the members held on 18 June 2008 to approve the proposed amendments managed to discuss and approve almost all the amendments, but could not agree on one matter - the amendments relating to the Minister of Communications' ability to remove Directors.

The General Manager and other Directors will facilitate a discussion on this today.

9. 2007/2008 AUDITED FINANCIAL STATEMENT

The audited financial statement for 2007/2008 shows that there are sufficient resources for the Authority to continue operating over the short to medium term. More on this will be reported by the Treasurer, Mike Silber.

10. BUSINESS PLAN 2009/2010

We have prepared a business plan for the next financial year.

11. EVENTS

Our participation in various events has continued since last year's AGM, with the General Manager being our prime representative at such occasions. The events attended to date are:

- ICANN New Delhi (in February 2008);
- AfTLD Johannesburg (in April 2008)
- ICANN Paris (in July 2008);
- ITU's World Telecommunication Standardisation Assembly (WTSA) 2008 in Emperor's Palace; and
- ICANN Cairo (in 2 to 7 November).

The Board decided at its January 2008 meeting that the new Board members should each be given an opportunity to attend an ICANN meeting as part of their orientation. As a result, Lucky Masilela attended ICANN New Delhi, Nirvani Dhevcharran attended ICANN Paris, and Nhlanhla Mabaso attended ICANN Cairo.

CONCLUSION

What can then be said in conclusion?

In one of its well-liked songs, the British reggae group, UB40, sings:

*“Every minute, every hour I'm learning more
The more I learn the less I know about before
The less I know the more I want to look around....”*

Fortunately, and thanks to the pioneers of the internet in this country, we still have a fairly stable DNS, but we are aware that changes and developments in technology and expansion of the net do require us to now move into a more structure environment within the .za space.

*Presented by:
Dr. Hasmukh Gajjar
.za DNA Chairperson
21 November 2008*