

**DRAFT MINUTES**

**2019 Special General Meeting**

**Wednesday, 30 January 2019**

**1. WELCOME AND APOLOGIES**

Adv. Josephine Ralefatane, in chair, welcomed all those present. No apologies were noted.

**2. QUORUM & CONSTITUTION OF THE MEETING**

The meeting had a quorum as more than 3 members were present.

**3. ADOPTION OF AGENDA**

The agenda was adopted, subject to the removal of item 5 (approval of the 5 October 2018 AGM minutes). The meeting agreed that the item was misplaced on the agenda and needed to be removed..

**4. CONSIDERATION OF RECEIVED PROXY FORMS**

Two proxies were received. A proxy from Theodoris Kramer appointing Mr. Calvin Brown as proxy. As well as a Proxy from Mr. Mashabani appointing Mr. Lucky Masilela as proxy.

**5. APPROVAL OF THE PROPOSED 2019/20 BUDGET**

Mr. Nicolas Msibi, presented the proposed budget to the meeting afterwhich the Chairperson called for questions, if any.

The following questions were posed by the meeting:

- **Why are the registrations remaining the same and stagnant?**

Mr Msibi responded and highlighted to the member that the stagnating numbers are also a concern for ZADNA hence the increase in the awareness budget with the aim of increasing domain registrations.

- **How many staff are involved in the functioning of operations?**

Mr. Peter Madavhu responded that there are currently 9 permanent staff members, however the intention is to fill the vacant positions which were approved in the 16/17 financial year in light of the fact that ZADNA's financial situation has improved.

- **Was the budget based and informed by an Action Plan?**

Mr. Msibi responded and confirmed that there was indeed an Annual Performance Plan which was prepared and the budget was informed by the intended events and action plans.

- **Is it a cashflow or accrual budget?**

Mr. Msibi confirmed that the budget which was presented was an income and expenditure budget and that the cashflow is a separate document which will be presented to the meeting and which was also attached to the correspondence sent to members.

- Member Calvin Brown commented that he had noted that SLRs are projected at 50 000 domains with a projected income of 50 000. The member indicated that he had pointed out to the CEO at the bidders briefing that systems would have to be re-written and Registrars would in all likelihood have an entry barrier which would have an impact on SLR implementation and the 50 000 projections that have been highlighted in the budget.

- **SMME Development:** The member enquired if the target is based on the ministerial directive and if so, if the members can have sight of the directive?

Mr. Msibi confirmed that there was a directive which was sent by the Department, but that the promotion of SMMEs in the ICT space was not motivated by the Directive and that the target is purely based on ZADNA's contribution to transformation in the sector and its alignment to national priorities.

- **DTPS STUFF: On what basis is ZADNA sponsoring DTPS?**

Mr. Madavhu corrected the assumption and noted that the budget line item is not for DTPS stuff, but rather for ZADNA's attendance to relevant DTPS engagements and briefings with reference to ZADNA's mandate.

- **The 2019/20 is noted as a revised budget, was there a budget prior to this one and if so was it presented to members?**

Mr. Msibi confirmed that it was a typing error and apologised to members for the inconvenience and/or confusion that the error may have caused.

- **EXTERNAL RELATIONS: Why were there no Aftld etc, why is that the case and why are the membership fees not budgeted for?**

Mr. Madavhu responded that ZADNA experienced immense financial difficulty in the 2017/18 and the current financial year due to the ZACR/ZADNA fee dispute and that as a result the Organisation had to defer numerous targets and commitments with the Aftld membership being one of them,. This is now being re-visited in light of the financial change.

- **SALARIES:** Notwithstanding the 4.5% salary increase to existing staff there is still a 1.5 million balance which is unaccounted for, what changes will be made to staff?

The intention is to fill the positions which have been approved as far back as 2016, but could not be filled to date. The amount included under salaries also makes provision for a 6% bonus for the current staff.

- **IWEEK:** The member commented that Iweek has made changes to its fee model which has led to a massive reduction in the fees and that ZADNA might need to consider that model as it could massively reduce the budgeted amount.
- **REGISTRAR-RESELLER PROGRAMME:** The member enquired if there is background information surrounding the project that the members did not have sight of?

Mr. Madavhu confirmed that the project is based on ZADNA's ICT SMME development targets and that the target was in ZADNA's 2018/19 APP and budget, but ZADNA was executing the targets based on donations from the Department, however, ZADNA will be expected to budget for these programmes in the 2019/20 financial year.

- **SLR BUDGET:** The member indicated that he has noted that an amount of R20 per slr has been budgeted and wanted to enquire if a service provider has been appointed and if the R20 was the negotiated and approved fee.

Mr. Msibi explained that the R20 is the desired amount, which ZADNA would ideally want to receive subject to negotiation with the successful bidder, but ZADNA is aware that such amount may need to be negotiated once a preferred service provider has been identified and appointed which such appointment still needs to be done as a service provider has not been appointed as yet.

- **R7 VS R12-** One member enquired what the R12 per domain name fee is based on and if there is support for ZADNA to grow in staff component by the public and industry?

Mr. Msibi indicated that the R12 budgeted fee is based on a mutual agreement reached between ZADNA and ZACR with the aim of the parties ensuring that both entities mandates and functions are adequately executed . Mr. Msibi assured members that the R12 is a required amount by ZADNA to execute its functions and that the registrant will not be affected by the agreement reached between ZADNA and ZACR.

After the question and answer session, some members of the meeting showed concern regarding the budgeted figures specifically under I WEEK, Staff salaries, ICANN and travelling. One member also expressed the need to increase the advertising budget as it is too low.

The Chairperson and Mr. Msibi thanked the members for the input provided and committed to considering each and every submission in an attempt to execute duties in an effective, transparent and financially sustainable manner.

The Chairlady, called for a vote for the approval of the budget subject to consideration and possible incorporation of the comments. The votes were as follows:

- Against the approval: 3 members
- For the approval: 19 members
- Abstaining from voting: 7 members

In light of the votes, the budget was approved, subject to Finance considering the comments and reverting to the members with feedback on the final budget.

## **6. CASH FLOW PROJECTIONS**

The cash flow projections were highlighted to members and discussed at length in conjunction with the budget presentation

## **7. ANY OTHER BUSINESS**

The members thanked the Board for their willingness to consider the submissions made and engage on the budget. The Chairperson also thanked members for the valuable inputs and contribution and also urged the members to use proper meeting etiquette and treat all members with respect when making inputs. The latter request was based on some of the inappropriate language which was used by some of the members when quering certain aspects or making input.

## **8. CLOSE**

The meeting closed at 18h40



# Attendance Register

## Members:

Adv. Motlatjo J. Ralefatane  
Dr. Nono Mothusioa- Mathabane  
Ms. Nirvani Dhevcharran  
Mr. Nicolas Msibi  
Mr. Mcebo Khumalo  
Ms. Mokgadi Morata  
Mr. Anthony Brooks  
Dr. Nondumiso Mzizana  
Dr. Jonty Tshipa  
Mr. Vika Mpisane  
Mr. Peter Madavhu  
Mr. Cedrick Lumadi  
Mr. Louis Bezuidenhout  
Ms. Hendrina Williams  
Ms. Angel Selebano  
Mr. Calvin Browne  
Ms. Doreen Mokoena

## Proxies:

A proxy from Theodoris appointing Mr. Calvin Brown as proxy.  
A Proxy from Mr. Christo van Rooyen appointing Mr. Nicholas Msibi as proxy

## DTPS:

Mr. Zacharia Mphye  
Mr. Jomo Masango

## Financial and Secretarial Services:

Mr John Henry De Jager