

DRAFT MNUTES

2019 Annual General Meeting

19 September 2019

1. WELCOME AND APOLOGIES

The Chairperson, Adv. Josephine Ralefatane welcomed all those present. There were no apologies noted:

2. QUORUM AND COSTITUTION OF THE MEETING

The Secretary confirmed that a quorum was present as per the Articles of Association (AA), being at least 30 members present in person or 10% of the membership, whichever was lesser, and the meeting was duly constituted.

A member pointed out that the AA were not on the website, and this limited the members' access to information which enabled them to know what the quorum should be. The Board committed itself to rectifying and upload the AA on the website.

3. ADOPTION OF THE AGENDA

4.

The agenda was adopted without amendment.

5. CONSIDERATION OF RECEIVED PROXY FORMS

No proxy forms were received for the meeting.

6. ADOPTION OF MINUTES OF THE PREVIOUS MINUTES

5.1 Minutes of the AGM held on 5 October 2018

The minutes were adopted without amendments.

7. CHAIRPERSON'S REPORT

The Chairperson presented the report, which had been pre-circulated through the website, and covered the following topics:

- a. The challenges the organisation faced and how they were resolved;
- b. Cordial working atmosphere between the Board and staff;
- c. Obtaining a clean (unqualified) audit resultant from a co-operative and committed staff team;
- d. Suspension of the former CEO in December 2018 and his eventual dismissal after being found guilty of some of the charges, and the process of hunting for a replacement which was in progress. Meanwhile Mr Peter Madavhu was the Acting CEO;
- e. Governance and operations of ZADNA;

- f. Protection of ZADNA members from Cyber-crime – workshops would be held with members to discuss the challenge;
- g. Policies and regulations amendments relating to the domain;
- h. Empowerment of entities through the help of members in their respective spaces;
- i. Salary negotiations and mediations with staff to reach amicable resolutions;
- j. Need to increase registrations which were not growing;
- k. ZADNA infrastructure
- l. Internal domain and technical domain;
- m. Financial Report

6.1 The Chairperson thanked the members of ZADNA for their support of the organisation and their attendance of the meeting, expressing that this was an indication of the members' earnest interests in the affairs of the organisation. Staff members were also thanked for their co-operation and their commitment to the success of the organisation.

8. APPROVAL OF THE 2018/2019 AUDITED ANNUAL FINANCIAL STATEMENTS

- a. The Audited Annual Financial Statements had been pre-circulated to members and were taken as read.
- b. The Chairperson of Audit and Risk gave an apology to the members in respect of the delay to finalise the financial statements of the organisation noting that the delay was due to the re-statement of the 2016/17 and 2017/18 financial statements, which the Audit and Risk Committee considered as a re-drafting of the AFS. The treasurer thanked the members for their patience and understanding.
- c. It was reported that the team was proud to present a clean set of accounts (unqualified audit report) for the fourth consecutive year. Overall, the AFS showed growth of the organisation.
- d. There was an emphasis of matters on the audit report referring to the restatement of the AFS for 2016/17 and 2017/18;
- e. ZADNA achieved total assets of R18.5 million, and increase from R15.2 million in 2017/18. In 2014/15 when current Board resumed office, total assets were R9 million and this figure had doubled;
- f. The accumulated surplus was R8.7 million in 2014/15 and was R16.2 million in 2018/19;
- g. The trade liabilities were R2.3 million in 2018/19, made up mainly of VAT of R1.4 million for the 2018/19 financial year after settlements were made and paid for the previous years;
- h. Revenue of R14.6 million was achieved, an increase from R13.9 million in 2017/18. The revenue had grown from R6.8 million in 2014/15 financial year;
- i. A surplus of R2.7 million was achieved as result of increase in fees from R7 to R12;
- j. The organisation had a cash balance of R4 million against a balance of R1.6 million in 2017/18.

8.1 Upon a lengthy discussion including the various questions covering, among many, clarity on revenue increase, the details of the dismissal of the previous CEO, cyber security, appointment of new auditors, large salary increase, increased/high Board fees, money owed by the previous CEO; preparation of the budget, profit made by ZADNA yet it was an NPC. These matters raised were noted by the Board for action. Highlights on some of the response to the questions were as follows:

- a. The auditors were on a three-year term and the resolution was for the confirmation of the second-year term and not for the new appointment of auditors.
- b. An agreement was reached between ZACR and ZADNA that fees should be increased from R7 to R12 to enable ZADNA raise sufficient revenue to cover all the costs as per amendments made to enable ZADNA to discharge its duties and to cap the cost of the fees at R17 million;
- c. The accumulated assets had increased as the organisation had not realised a loss in the last three years and it was the current Board's view that there should be enough money for the next

- Board to carry out its obligations as there were a number of things to be done at ZADNA to enable the organisation's domain to grow;
- d. The engagement of the South African domain industry about the domain was important and the Board would pursue it as suggested by a questioner;
 - e. There was no salary increase in 2017/18 and the increase in the expenditure was a as a result of new appointments;
 - f. The reasons for the termination of the contract of the former CEO could not be publicised at the AGM and what the Chairperson had elaborated was sufficient and all procedures and policies were followed;
 - g. The Board fees had to be considered in terms of the fact that from the previous year backwards, when ZADNA was facing numerous challenges, the Board would hold numerous meetings and be paid for only one sitting. The new Board fees were set to retain quality Board membership and great value had been added to ZADNA as evidenced by the financial improvement;
 - h. The fees had to be increased from R7 to R12 as the organisation made losses of R4 million and R3 million in 2015/16 and 2016/17 respectively and the increase would abate the accumulated losses and enable the organisation to grow;
 - i. The budget for the financial year 2019/20 was approved in February 2019 and the budget for year 2020/21 was being finalised and would be tabled in February 2020 for approval;
 - j. The Chairperson and the Board thanked the members for their robust questions and urged them to adopt a positive approach towards the Board by engaging through emails at any other time prior to the AGM so that all the matters that needed attention could be dealt with, not necessarily at AGM.

7.2 The AGM condoned the circulation of the Annual Financial Statements for the year 2018/19 after the notice had been sent, as per the agreement reached at the last GM.

RESOLUTION NUMBER 01 OF 19 SEPTEMBER 2019 AGM

WHREAS in terms of Section 62 (3)(d)(i) of the Companies Act No 3/2011, the Annual Financial Statements for the year under review should be attached to the notice of the Annual General Meeting being sent out to the members of the company who are being invited to the Annual General Meeting at least fourteen working days before the date of the meeting;

AND WHEREAS the notice for the Annual General Meeting sent out to members for the 2018/19 Annual General Meeting of the company did not have the Annual Financial Statements attached to it.

IT IS HEREBY RESOLVED that the dispatching of the Annual Financial Statements for the 2018/19 at a shorter period, be and is hereby condoned.

7.3 The Annual Financial Statements for the year 2018/19 were approved by the AGM.

9. APPROVAL OF THE EXTERNAL AUDITORS

The appointment of Rakoma and Associates as external auditors on second year term, was approved by the members.

10. THE APPROVAL OF THE 2020/2021 FINANCIAL BUDGET

The meeting was informed that the budget was being finalised and would be tabled to members in February 2020.

11. ANY OTHER BUSINESS

There were no matters for discussion under this item.

12. CLOSE

The meeting ended at 17H25

Attendance Register

Board Members:

Adv. Motlatjo J. Ralefatane
Mr. Nicolas Msibi
Mr. Mcebo Khumalo – on tele
Mr. Anthony Brooks
Ms Nirvani Dhevcharan

ZADNA Staff:

Mr Peter Muadavhu – ACEO
Ms Hendrina Williams - member
Ms Nature Ngomane
Mr. Louis Bezuidenhout - member

Members:

Mr. Gabriel Ramokotjo
Mr. Calvin Brown
Ms. Tracy Kganakga
Mr. Basjan Kleyn
Ms. Boitumelo Sebogodi
Mr. Ursuley Matjeke
Mr Mathume Maredi
Mr Kgabo Manala
Mr J Latsube
Mr Lunga Xuma
Mr Onke Ntloko
Mr Luvo Grey
Mr Sikelela Sovasi
Mr William Stucke
Mr J. Labuschage
Mr Xolisa Ndzishe
Mr Mike Sibe
Mr Lucky Masilela
Mr Walter Matli
Mr Tom Kinstler
Mr Guy Halse – on tele
Mr Wayne Diamond – on tele
Mr Andre Coetzee – on tele
Mr Alan Levin
Mr Mogamat Abrahams – on tele
Mr W Stuckie – on tele
Mr P Hjul – on tele
Mr P Slein – on tele
Mr Lunga Xuma – on tele

Proxies:

There were no proxies received.

DTPS:

Mr. Zaanaria Mphye
Mr. Jomo Masango

Financial and Secretarial Services:

Mr Justine Tembo
Mr German Moutlaneng
Ms Ziyanda Skade
Ms Siphwe Ngwenya
Ms Sisanda Mutambiranwa

External Auditor

Ms. Nyasha Chitate (Rakoma and Associates)
Mr Collins Malunga