

**"ANNEXURE B1
DRAFT MINUTES**

2021 Special General Meeting

Friday, 26 February 2021

1. WELCOME & APOLOGIES

The Chairperson, Ms Palesa Legoze welcomed all those present.

Apologies from Ms Meisie Leeuw from the DCDT, Mr Alan Levin and Mr Walter Muller were noted

2. QUORUM & CONSTITUTION OF THE MEETING

There being a quorum in effect, the meeting was declared duly constituted.

A member enquired whether the ZADNA staff formed part of the quorum. In response, it was reported that the Articles of Association allowed all active citizens of the Country to be Members of the Company. However, it was agreed that staff not be included as part of the quorum.

3. ADOPTION OF THE AGENDA

The agenda was approved without any amendment.

4. CONSIDERATION OF RECEIVED PROXY FORMS

There were no proxy forms received.

5. APPROVAL OF THE PROPOSED 2021/22 BUDGET

Mr. Nicholas Msibi presented the proposed budget, and the following was highlighted from the discussions:

- a. It was noted with concern that the Board had not shared a report on the Company's consultative process regarding the Wholesale domain name price increase. The Chairperson informed the members that the Board would consider the request and provide feedback to the members. **{Action – Ms Legoze}**

- b. A member made an observation about the proposed increase and the lack of clarity on the rationale/purpose thereof.
- c. The Membership raised strong views on the lack of reporting in respect of the awareness campaigns conducted. The meeting agreed that in the future, there would be reports to the Membership in this regard. **{Action- Board}**
- d. There was a request to add actuals to the budget. The Treasurer welcomed the proposal **{Action- Finance}**.
- e. The following concerns were noted from the discussions:
 - i. The Director's expenditure increased from R400 000 in 2014 to R1.1m in 2021, and it was proposed that the budget line item be reduced back to R400 000 or that it be in line with the National Treasury rates.
 - ii. The R4m increase on the overall budget considering the financial impact that pandemic has had on the consumer.
 - iii. The DCDT is expanding the Company mandate without funding the programs.
 - iv. In respect of the online/digital presence, Members advised that the Company website lacked critical information and was not relevant. The Board noted the concerns and reported that the website redesign was in progress.
- f. It was agreed to change the line item "*Public Awareness*" to "*Awareness and Training*".
- g. There was a request to conduct a social audit to establish the Market- and Awareness Research impact.

The members posed the following questions:

- **What was the reason/s for the increase in travel costs considering the COVID-19 travel restrictions?**

In response, it was noted that the Company had to put contingency plans in place concerning local and international travel. It was also noted that the Management and Board accompany the Minister from time to time on the Department Imbizo, Parliament Portfolio Committee presentation *et al.*, all of which must be budgeted for.

- **Why the Registrar/Registry Licensing Framework program.**

The Chairperson explained that the Company had a responsibility as set out in the ECT Act to regulate the registry and registrars' licensing.

- **Is the increase in the budget due to the domain name increase?**

A member inquired whether the Board had considered that some international domains were cheaper than local domains and may be sold over the local domains.

It was noted that the domain name prices had not increased for six years. It was highlighted that the key fact for the increase was to ensure continuous maintainance of the infrastructure and equipment, to ensure that the quality of service is not compromised and that the za namespace should always be robust and resilient. It was important that the increase be implemented.

- **What is the purpose of the increase in market research, and what Marketing is undertaken by the ZADNA?**

It was explained that the ECT Act requires that the ZADNA conducts market research from time to time in order to implement best practice and understand the Market.

- **How much are the reserves, and what is the limit?**

In response, the reserves amounts were provided to members.

- **Why is the Company involved in Internet Governance?**

ZADNA is mandated in the white paper to be the custodian of the internet governance hence the involvement.

In conclusion, the meeting noted the submission from Mr Cornelius Bothma, who advised that he was not in support of the budget based on the following:

- i. Lack of transparency on what was spent in the previous year;
- ii. Lack of objective justification for line items on a budget with increases of 15%+, such as a 30% increase in salaries and a repeat of reseller development programs.

The proposed 2020/2021 budget was **APPROVED** by 69% percent whilst 14% abstained.

6. ANY OTHER BUSINESS

6.1 Director Allowance Policy

- i. The meeting noted that the Board was in the process of reviewing the Directors remuneration, including industry benchmarking. The Board anticipated concluding their review in April 2021.
- ii. The Directors were remunerated R10 000 for Board and AGM and R2000 for Committee meeting preparation and attendance. It was noted that the policy had been in place since 2017.
- iii. A letter to the Membership in this regard will be circulated after the meeting. **{Action- Board}**

- iv. It was agreed to convene an informal meeting after the Board in April to consider the Directors remuneration report.

6.2 Merger Update

The Members noted that the DCDT was in the process of finalising the procurement of the service provider to draft the ToR's for the merger and that the appointed service provider would engage all affected entities in the planning of the program.

6.3 Impactful projects

The CEO provided the meeting with an update on key strategic matters and focus areas for ZADNA for the next five years. The following was highlighted:

- (1) digitisation of schools, digitising informal- and township entrepreneurs;
- (2) empowerment of youth, people with disabilities and women;
- (3) building a resilient domain name space through stakeholder engagement;
- (4) the development of a regulatory framework for Registry and Registrar Accreditation and;
- (5) playing a pro-active role in influencing internet policy.

7. **CLOSE**

The Chairperson thanked all the attendees for their input and contributions. There being no further business, the meeting was closed at 17:20.