

MINUTES OF THE SAICA ANNUAL GENERAL MEETING HELD ON
23 JUNE 2016 AT 09H00 AT THE SAICA OFFICES, 17 FRICKER ROAD, ILLOVO, GAUTENG

Ref. 588239

Attendance		Present	Apology
Board Members	GC Gorgulho (Chairman)	GCG	√
	LL Bam (Joint Vice Chairman)	LLB	√
	PJ Cronje (Joint Vice Chairman)	PJC	√
	NA Essop	NAE	√
	W Hauptfleisch	WH	√
	TH Hoole	THH	√
	NA Jacobs	NAJ	√
	MA Khan	MAK	√
	FL Lamola	FLL	√
	LY Majova-Songca	LYMS	√
	R Ncube	RN	√
	TM Nombembe	TMN	√
	SK Osner	SKO	√
	S Phillip	SP	√
	MW Schoeman	MWS	√
	LJ Sennelo	LJS	√
	GM Sigasa	GMS	√
	XG Stock	XGS	√
	DA Thomas	DAT	√
	BD Van Dyk	BDvD	√
	TP Zondi	TPZ	√
SAICA Management:			
By Invitation	W Gwaza (Company Secretary)	WG	√
In Attendance	J Baker (Company Secretarial Administrator)	JB	√
	B Huma (Committee Assistant)	BH	√
	S Stewart (Minute Taker)	SS	√
SAICA Members:			
Attendance in person	AK Mohamed	AKM	√
	M Boyns	MB	√
	L Engelbrecht	LE	√
	Z Nxumalo	ZN	√
	P Phili	PP	√
	CC Mulder	CCM	√
	W Botha	WB	√
	J Cerny	JC	√
	J Steenkamp	JS	√
	Azhar Panchbhai	AP	√
	Nazeer Patel	NP	√
	S Knight	SK	√
	A Omar	AO	√
	SP Nyazika	SPN	√
	P Molofe	PM	√
	S Sicga	SS	√
	N Jina	NJ	√
	B Riddle	BR	√
	M Olivier	MO	√
	J Viljoen	JV	√

Attendance		Present	Apology
	K Nyakudarika	KN	√
	K Bromfield	KB	√
	I Allan	IA	√
	L Kaplan	LK	√
	I Lambat	IL	√
	B Royo	BR	√
	R Essop	RE	√
	J Wessels	JW	√
	V Songelwa	VS	√
	GWP van Zijl	GWPvZ	√
	IG McNair	IGMcN	√
	V Sigauke	VS	√
	A Sithole	AS	√
	H Barker Hoogwerf	HBH	√
	MT Ramuedzisi	MTR	√
	N Hamdulay	NH	√
	SJ Graham	SJG	
	BM Kriel	BMK	√
	AS Griesel	ASG	
	J Mojapelo	JM	√
	L Phala	LP	√
SAICA Members: Attendance via Webcast	97 (ninety seven) webcast participants.		

ALL COMMITTEE MEMBERS AND OTHER AUTHORISED PERSONS READING THESE MINUTES ARE REMINDED THAT THEY ARE DOING SO IN AN OFFICIAL CAPACITY AND ARE REQUESTED TO RESPECT THE CONFIDENTIALITY THEREOF

Item	Action	Agenda attachment
1. WELCOME		
<p>1.1. The Chairman welcomed all attendees to the Annual General Meeting (AGM) of members of the South African Institute of Chartered Accountants (SAICA).</p> <p>1.2. A special welcome was extended to SAICA members who joined the AGM via webcast. The Chairman advised all attendees as follows:</p> <p>1.2.1. that, in an effort to encourage enhanced member participation in Annual General Meetings, SAICA introduced an electronic solution which enabled members, for the first time, to participate in the voting process through an online solution;</p> <p>1.2.2. that the registration and proxy-voting processes on the electronic platform were opened before 09h00 on Thursday, 2 June 2016, and closed at 09h00 on Tuesday, 21 June 2016;</p> <p>1.2.3. that only those persons who had not cast proxy votes would be able to cast their votes in the meeting using the e-voting platform. Members would use their personal electronic devices such as mobile phones, iPads and laptops to cast their votes through the e-voting platform (hosted by an external service provider, INCE (Proprietary) Limited)). Alternatively, SAICA had provided laptops (in SAICA Meeting Rooms 26 and 27) for voting purposes. e-Voting Guidelines were made available to members onsite in hard copy and on the SAICA website for members participating remotely;</p> <p>1.2.4. that in the previous paper-based system, there were instances where spoilt votes were submitted and disqualified. However, the stringent process applied to the e-Voting system eliminated the possibility of submitting a spoilt vote;</p> <p>1.2.5. that the members attending the AGM via webcast should submit their comments or questions online and they would be presented to the Chairman;</p> <p>1.2.6. that responses to online questions would be addressed after questions from members on the floor had been addressed; and</p> <p>1.2.7. that members on the floor were required to use the roaming microphones to ensure that the members attending via webcast were able to hear and follow proceedings.</p> <p>1.3. The Chairman further advised the members that the Joint Vice Chairman of the Board and Chairman of the Audit and Risk Committee (AudCo), LL Bam had tendered his apology for the meeting. Therefore, any questions relating to AudCo matters would be answered by MW Schoeman, an AudCo member.</p> <p>1.4. There were no questions or objections raised by members.</p>		
2. QUORUM		
A quorum being present, the Chairman declared the meeting duly constituted.		
3. APPROVAL OF PREVIOUS MINUTES		
3.1. The minutes of the AGM held on 25 June 2015 were APPROVED as a true reflection of the proceedings thereof.		1 (Ref. 535827)
3.2. The motion was seconded by Ivan Allen and Victor Songelwa.		
4. NOTICE OF THE MEETING		
4.1. The Notice of the AGM (the Notice) to members convening the meeting was taken as read. The Notice, with supporting documentation, had been made available to all members on the SAICA website and via electronic mail for the prescribed period to members registered on SAICA's database as able to accept communications in this manner.		2 (Ref. 563196)
4.2. There were no questions or objections from the members.		



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<p>5. PROCEEDINGS OF THE MEETING</p>		
<p>5.1. With regard to the proceedings of the meeting, the Chairman highlighted the following key points:</p> <p>5.1.1. that, in terms of Section 14.6 of the SAICA Constitution, all voting should be by way of poll;</p> <p>5.1.2. that the adoption and implementation of the electronic medium for purposes of convening the Institute's AGM was permissible under the provisions of the Companies Act 71 of 2008 read together with the Electronic Communications and Transactions Act 25 of 2002 ("ECTA") and the Institutes' constitutive documents;</p> <p>5.1.3. that e-Voting Guidelines were available in electronic format and in hard-copy. The Chairman reiterated that members could use their own electronic device to log-on and cast their votes or could utilise the voting stations set up in Meeting Rooms 26 and 27 when the voting period opened;</p> <p>5.1.4. that all proxy votes received by the cut-off period of 09h00 on 21 June 2016 were counted and recorded through the e-voting system prior to the meeting;</p> <p>5.1.5. that members who were appointed as proxy holders, were advised electronically thereof. Proxy holders were required to exercise all discretionary proxy votes assigned to them. In the event that an appointed proxy-holder did not vote on discretionary proxy votes assigned to him/her at the close of the general voting period, those proxy-votes would default to the Chairman. Therefore, prior to closing the voting system, the Chairman would vote on all discretionary proxy votes that were not exercised by the allocated proxy holders. The Chairman would also vote on all discretionary proxy votes that had been allocated to the Chairman; and</p> <p>5.1.6. that, in order to ensure a smooth e-voting process, all resolutions would be tabled for consideration and debate prior to the voting period being opened at which time voting would take place in respect of all resolutions tabled for adoption.</p>		
<p>6. 2015 SAICA ANNUAL GROUP FINANCIAL REPORT</p>		
<p>6.1. The Chairman confirmed that the SAICA Integrated Report and the Annual Group Financial Report for the year ended 31st of December 2015, incorporating the Board Report and the Auditors' Report have been made available in hard copy and on the SAICA website.</p> <p>6.2. The Chairman laid the 2015 SAICA Group Financial Report before the meeting and invited comments and questions from members.</p> <p>6.3. J Cerny (JC) raised the following questions:</p> <p>6.3.1. that XG Stock (XGS), a member of the SAICA Board, was undergoing a disciplinary process through SAICA and an enquiry in the Labour Court. JC commented that XGS was not fit to serve on the SAICA Board and should resign.</p> <p>6.3.1.1. The Chairman noted the members concern and assured him that all processes were being followed to the letter according to the SAICA constitution;</p> <p>6.3.2. that the salary of the Chief Executive Officer (CEO) was excessive.</p> <p>6.3.2.1. The Chairman assured the member that at the time of the appointment of the CEO, there was an extensive consultative process that was followed in determining the salary package. The Chairman added that the CEO's salary was benchmarked against the market and was found to be well within the market range; and</p> <p>6.3.3. that the rental cost of R12 000 000 (twelve million rand) per annum for the new SAICA premises was an insult to members.</p> <p>6.3.3.1. The Chairman highlighted that the new venue provided significantly improved services and facilities that enabled the Institute to achieve greater membership delight. FL Lamola added that a portion of the building was sub-let to offset the costs and that the ability to host all seminars and cater on-site represented a</p>		<p>3 (Integrated Report on SAICA website: pages 86-133)</p>

Item	Action	Agenda attachment
<p>significant saving in costs. In addition, the new premises provided greater facilities to allow members to engage directly with SAICA on site. JC stressed that the sub-let was for 3 (three) years, while the SAICA's contract was for a 10 (ten) year period. He further commented that the sub-lease for R2 000 000 (two million rand) was negligible.</p> <p>6.4. GWP van Zijl (GWPvZ) expressed concern that the value of the SAICA property in Bruma, Johannesburg appeared to have declined in value from R27 000 000 (twenty seven million rand) to R17 000 000 (seventeen million rand) in the period of 1 (one) year. PJ Cronje responded that at the time of the 2014 annual report, a valuation was performed by an external service provider. In 2015, it was anticipated that the value would remain, however, when the property was put on the market, the real value of the property became apparent and that was due to increasing vacancy rates in the area amongst a number of other factors.</p> <p>6.5. GWPvZ queried the internal audit fee of R1 300 000 (one million three hundred thousand rand) and asked if it was justified. MW Schoeman responded that the amount was higher than the original budgeted amount and more than what was budgeted for the ensuing year. He highlighted that the internal audit scope was extensive as a result of the finance optimisation project. In addition, SAICA was responsible for oversight of the SAICA entities and to ensure that controls were in place. He pointed out that the planned hours for the ensuing year were 20% (twenty percent) less than the 2015 year.</p> <p>6.6. There were no further questions submitted from the floor or online.</p> <p>6.7. The Chairman advised that the motion to adopt the Annual SAICA Group Financial Report for the year ended 31 December 2015 would be voted on after all resolutions have been tabled for consideration.</p>		
<p>7. AUDITORS' REPORT</p>		
<p>7.1. The Auditors' Report was taken as read.</p> <p>7.2. The Chairman laid the Auditors' Report before the meeting and invited questions and comments from the members. A question was posted online and was handed to the Chairman to read aloud.</p> <p>7.3. The query from D Kruger (DK) was with reference to the disciplinary statistics for 2015 as reported in the Governance section of the 2015 SAICA Annual Integrated Report. DK requested details regarding the following:</p> <p>7.3.1. ageing and explanation of "holding out matters";</p> <p>7.3.2. the ageing of "ongoing matters";</p> <p>7.3.3. the expected time to resolve "ongoing matters"; and</p> <p>7.3.4. details of plans in place to resolve "ongoing matters" as it appeared that some of those matters were ongoing for more than a year.</p> <p>7.4. The Chairman advised that the details were not on hand, however, they would be made available to the members in due course.</p> <p>7.5. No further questions were submitted.</p> <p>7.6. The Chairman advised that the motion to adopt the Auditors' Report would be voted on after all resolutions have been tabled for consideration.</p>	<p>WG</p>	<p>4 (Integrated Report on SAICA website: pages 86 and 87)</p>

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8. RE-APPOINTMENT OF EXTERNAL AUDITORS		
<p>8.1. It was NOTED that the external auditors for the 2016 financial year need to be appointed and the meeting was requested to consider the appointment of KPMG as the auditors for the ensuing year.</p> <p>8.2. The motion for the appointment of KPMG was put to the meeting. The Chairman invited comments and questions from the members.</p> <p>8.3. JC inquired what the audit fee amount quoted by KPMG was for the ensuing year. MW Schoeman advised that the audit fee was R1 300 000 (one million three hundred thousand rand) and included the assurance of SAICA's Integrated Report. This was a reduction in fees compared to the previous year. JC commented that he was in possession of an independent quotation for R150 000 (one hundred and fifty thousand rand) for audit services. He, therefore, suggested that the appointment of external auditors be put to tender.</p> <p>8.4. MT Ramuedzisi inquired about the selection process for the appointment of the external auditors and whether SAICA had limited its process to include the big four auditing firms only.</p> <p>8.5. MW Schoeman assured the members that an open tender process was followed and that 9 (nine) firms had initially responded. Very specific criteria were set and weighted. A very thorough independent evaluation process was undertaken.</p> <p>8.6. No questions were submitted via webcast.</p> <p>8.7. The Chairman advised that the motion for the appointment of KPMG as the SAICA external auditors for the ensuing year would be voted on after all resolutions had been tabled for consideration.</p>		
9. CONSTITUTIONAL AMENDMENT		
<p>9.1. The Chairman stated that the proposed amendment to the SAICA Constitution seeks to promote continuity; ensure retention of institutional knowledge and historical insight; and to enhance the successful achievement of SAICA's strategic objectives. It was highlighted that the members of the SAICA Board served on a voluntary basis, therefore, were not remunerated by SAICA. The Chairman requested that the proposed amendment be taken as read. There were no objections. The Chairman invited questions and comments from the members.</p> <p>9.2. JC commented that boards that had in excess of 20 (twenty) members were unwieldy and had logistical difficulties which added further to the related costs. He did not see the relevance of the proposal, therefore, suggested that the resolution should contain a statement indicating what the impact of the proposed change would be. The Chairman noted JC's suggestion and highlighted the following points in response:</p> <p>9.2.1. that a great deal of Board work is conducted within the Board sub-committee structures. This requires extensive time commitments from Board members. Having additional Board members will encourage a more equitable and less onerous spread of service on Board sub-committees; and</p> <p>9.2.2. that the amendment to the Constitution will encourage the retention of experienced members with institutional knowledge for a longer period. Regional representative would now serve a four-year-term as opposed to a two-year-term with an overlap between outgoing and incoming members. The overlap-period would result in more members serving at any one time and would encourage effective succession planning</p>		<p>5 (Proposed changes detailed on AGM Notice. Tracked changes version: 564512)</p>

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<p>whilst enhancing the effective achievement of strategic objectives.</p> <p>9.3. No further questions were submitted.</p> <p>9.4. The Chairman advised that the motion to adopt the Constitutional amendment would be voted on together with all other resolutions that had been tabled for consideration.</p>																																																
<p>10. NOTES ON VOTING</p>																																																
<p>10.1. For the convenience of the members, the Chairman reiterated the following points regarding the voting process:</p> <p>10.1.1. that members who were eligible to vote would shortly be requested to use their own electronic devices, or make use of the voting stations provided by SAICA, and vote electronically in respect of ALL the resolutions tabled for approval;</p> <p>10.1.2. that members were encouraged to consult the e-Voting Guidelines which were made available both in electronic format and in hard-copy format;</p> <p>10.1.3. that members who did not register on the e-Voting platform prior to the meeting, would have received a predefined password via SMS issued on Thursday, 22 June 2016. The predefined password should be used in conjunction with the member's SAICA Identification Number in order to access the e-Voting platform. Any member who had not received the predefined password via SMS should approach the team manning the e-Voting station (outside Meeting Rooms 26 and 27) for assistance; and</p> <p>10.1.4. that members were required to log-on to https://www.SaicaAGM.co.za and follow the on-screen prompts. SAICA's IT team was available to provide assistance, if required.</p> <p>10.2. The Chairman TABLED the following RESOLUTIONS for ADOPTION:</p> <p>10.2.1. the 2015 SAICA Group Annual Financial Report;</p> <p>10.2.2. the Auditors' Report;</p> <p>10.2.3. the appointment of the Auditors; and</p> <p>10.2.4. the Constitutional amendment.</p> <p>10.3. The Chairman declared that the e-Voting platform was now open for members to cast their votes for all the resolutions considered in items 6 to 9 in the minutes above. The meeting took a one hour recess to allow members to cast their votes.</p>																																																
<p>11. RESULTS OF THE VOTE</p>																																																
<p>11.1. After tallying the votes received by e-Voting in respect of items 6 to 9 dealt with in the minutes above, the Chairman presented to the meeting the consolidated voting results which were calculated electronically and supplied by INCE as follows:</p> <table border="1" data-bbox="209 1585 1185 1850"> <thead> <tr> <th rowspan="2">Resolutions</th> <th colspan="2">For</th> <th colspan="2">Against</th> <th colspan="2">Abstain</th> <th rowspan="2">Total</th> </tr> <tr> <th>#</th> <th>%</th> <th>#</th> <th>%</th> <th>#</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>The 2015 SAICA Group Annual Financial Report</td> <td>247</td> <td>91.48</td> <td>8</td> <td>2.96</td> <td>15</td> <td>5.56</td> <td>270</td> </tr> <tr> <td>The Auditors' Report</td> <td>255</td> <td>94.44</td> <td>3</td> <td>1.11</td> <td>12</td> <td>4.45</td> <td>270</td> </tr> <tr> <td>The appointment of the Auditors</td> <td>238</td> <td>88.15</td> <td>28</td> <td>10.37</td> <td>4</td> <td>1.48</td> <td>270</td> </tr> <tr> <td>The Constitutional amendment</td> <td>219</td> <td>81.11</td> <td>20</td> <td>7.41</td> <td>31</td> <td>11.48</td> <td>270</td> </tr> </tbody> </table> <p>11.2. The Chairman declared that the members RESOLVED to ADOPT all resolutions that were presented.</p>	Resolutions	For		Against		Abstain		Total	#	%	#	%	#	%	The 2015 SAICA Group Annual Financial Report	247	91.48	8	2.96	15	5.56	270	The Auditors' Report	255	94.44	3	1.11	12	4.45	270	The appointment of the Auditors	238	88.15	28	10.37	4	1.48	270	The Constitutional amendment	219	81.11	20	7.41	31	11.48	270		
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12. GENERAL		
12.1. The Chairman invited members to raise matters for general discussion, if any.	TMN	
12.2. IG McNair pointed out that item 11.5 of the previous AGM minutes referring to a request for a comparison of SAICA's staff compliment over the previous 10 (ten) years to the staff compliment of other similar institutions had not been made available. TM Nombembe (CEO) advised that this information was incorporated in the SAICA budgeting process and the SAICA business plan. He assured the members that the details would be made available toward the end of November 2016.		
12.3. GWPvZ expressed his appreciation for the introduction of the e-Voting facility. However, there was concern regarding the small percentage of members that participated. He added that from the perspective of a practicing member, he noted that less than 3% (three percent) were represented at the AGM. JC added that at the Special General Meeting held in September 2015, 2600 (two thousand six hundred) votes were cast. The Chairman assured the members that both the Board and management would give attention to identifying steps to encourage a higher level of member participation in AGM proceedings.		
12.4.		
12.5. No further questions were submitted.		
13. CLOSURE		
All the items on the agenda having being dealt with, and there being no further business to discuss, the Chairman formally closed the proceedings of the AGM at 10h40. He thanked everyone for their attendance.		

Prepared by the HMSS Secretarial Services minute-taker : 6 July 2016
 Edited by the Committee Assistant : 10 November 2016
 Edited by the Company Secretarial Administrator : 17 November 2016
 Approved by the Company Secretary : 3 April 2017
 Approved by the Chairman of the SAICA Board : 11 April 2017

SIGNED : _____

DATE : _____