

## MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS HELD VIA WEBCAST ON WEDNESDAY, 28 MAY 2020 AT 09:00

Hummingbird Ref#: 764185

Board members, Executives and Invitees					
Board Members			In Attendance		
Tsakani Maluleke	Chairman	(TM)	E Southey	Attorney (Webber Wentzel)	(ES)
Kobus Swanepoel	Council President	(JS)	JH Snyman	SAICA Board Secretary	(JHS)
Yasmin Forbes	Lead Independent Member	(YF)	S Stewart	Minute Taker	(SS)
Babalwa Bekwa	Non-executive Board Member	(BB)	S Truter	External auditor (MAZARS)	(ST)
Johan du Toit	Non-executive Board Member	(JduT)	AF Daniels	SAICA	(AFD)
Ilse Lubbe	Non-executive Board Member	(IL)	T Hlasi	SAICA	(TH)
Refilwe Matenche	Non-executive Board Member	(RM)	S Ismail	SAICA	(SI)
Bonolo Ramokhele	Non-executive Board Member	(BR)	F Meyer	SAICA	(FM)
Monica Singer	Non-executive Board Member	(MS)	G Stratton	INCE	(GS)
Patricia Stock	Non-executive Board Member	(PS)	C Kuyper	CorpCam-Webcast	(CK)
Freeman Nomvalo	Chief Executive Officer (CEO)	(SFN)	CC Mulder	SAICA Executive	(CCM)
Fanisa Lamola	Chief Operating Officer (COO)	(FLL)	T Masekela	SAICA Executive	(TM)

SAICA Members via Webcast		
A D Koekemoer	Bonolo Monaisa	Joanie Mong
Adel Van Rooyen	Bradley Van Dyk	Johan Snyman
Adelaide Chiyangwa	Brian Mungofa	Divesh Ramasser
Adnan Patel	Brian Eaton	Dumazile Mkololo
Adrian Dadd	Brian Botes	Ed Southey
Afzal Jagot	Bridgette Khalo	Eduan Swanepoel
Afzal Khan	Caryn Maitland	Edward Leach
Aluvhavi Maingo	Chantyl Mulder	Elelwani Netshisaulu
Amanda Olivier	Chris Hattingh	Elise De Jager
Amanda Dudula	Chris Engelbrecht	Elsabe De Jonge
Amogelang Matebese	Christiaan Vorster	Elsie Nel
Andile Khumalo	Christopher Mathias	Emuron Plaatjies
Andrew Clayton	Ciara Reintjes	Eric Berman
Andries Oosthuizen	Clem Goemans	Eric Prange
Ane Church	Colin Mowatt	Eric Sibisi
Anine Pfeiffer	Conrad De Wee	Eva Noble
Annalene Marais	Cornelis Van Niekerk	Evelyn Smith
Anneri Du Plessis	Corrie Meiring	Fadzai Mazhou
Anton Ferreira	Danrich Keet	Faizal Suleman
Anze Pienaar	David Barnes	Fanisa Lamola
Athenkosi Nteta	David Warneke	Fiona Hansen
Awie Van Aswegen	Debbie Collyer	Francois Le Roux
Azhar Panchbhai	Deon Malherbe	Frans Geldenhuys
Azim Omar	Deon Watson	George Hauptfleisch
Barend Grobbelaar	Devaraj Naidoo	Gerald Mlondo
Blaise Colyvas	Devilliers Lamprecht	Gil Gorgulho
Bongeka Nodada	Dietmar Paul	Graeme Stratton

SAICA Members Continued		
Guy Harris	Mandisa Ntanz	Robin Stone
Hazel Waldron	Mantsoho Khanyile	Robyn Schraibman
Herman Van Der Merwe	Margaret Amofa	Role Van Der Merwe
Hayley Hoogwerf	Margaretha Van Broekhuizen	Ronell Britz
Hester McClintock	Maria Bouah	Rudolf Mbanjwa
Hiten Keshave	Mark McGowan	Russell Thoms
Hlengiwe Ndlela	Mark Stewart	Rutendo Chiyangwa
Ian McNair	Marne Du Preez	Sa Smulders
Imran Vanker	Masentle Moatlhodi	Sandile Phillip
Ipeleng Shuping	Meganathan Iyer	Sandile Hlophe
Itani Mafune	Miguel De Freitas	Shelly Herbert
Jacco Du Toit	Milton Segal	Shirley Machaba
Jaco Van Straaten	Mohammed Khan	Sibusisiwe Moloi
Jacobus Van Niekerk	Mohammed Boakye	Sihle Mapolisa
Jameel Khan	Monica Nunes	Sikhunjulwe Mbuya
Jana Lamprecht	Montaque Swanepoel	Simbongile Manzi
Jana Britz	Motshidisana Masiu	Sipokazi Swana
Janice Boardman	Mphepi Mampuru	Sizwe Nxasana
Jaroslav Cerny	Mzwandile Nkwenkwezi	Somaya Khaki
Jasper Edrich	Naeem Asvat	Suraj Lallchand
Jasper Edrich	Nasiegh Hamdulay	Suraya Gierdien
Jeanne Viljoen	Natasa Zecevic	Susan Truter
Jessica Louw	Natashia Soopal	Tavazina Machigidi
John Stevens	Nazeer Patel	Thabang Motloi
John Stamp	Nina Joubert	Thakhani Masindi
Jolene De Villiers	Nkhethane Nekhavhambe	Thandokuhle Myoli
Jonathan De Vries	Nomacebiso Mduyana	Thembelihle Mbatha
Juanita Steenekamp	Nombedesho Nkushubana	Thinus De Vries
Juanita Steenekamp	Nonkululeko Shezi	Tracy-Ann Finnan
Julius Mojapelo	Patricia Stock	Tsakani Maluleke
Karin Jacobsen	Patrick Kabuya	Tshepang Masala
Karina Coetzee	Paul Streng	Tzippy Subotzky
Kedibone Pilusa	Paula Kulubya	Unathi Mkiva
Keziah Reed	Petrus Ferreira	Usha Maharaj
Khanyisa Mdtshane	Pheladi Mokwena	Victor Sekese
Khomotso Mokwana	Phumzile Kumalo	Vincent Mametja
Kimberly Berry	Pierre Nel	Viola Sigauke
Kobus Swanepoel	Piet Nel	Vishal Ramdas
Lazola Momo	Protas Phili	Vuyelwa George
Lebohang Moabelo	Raymond Chamboko	Wadzanai Mabuto
Likeleli Monyamane	Raymond Ledwaba	Wela Swana
Lindsay Viljoen	Raymond Cramer	William Parker
Lisebo Manete	Refiloe Lehaba	Wim Schoeman
Louise Chunnnett	Refilwe Matenche	Xola Stock
Lourens Du Plessis	Renette Human	Yongama Rongo
Magnus Scholtz	Robert Zwane	Zimkita Mabindla
Mamokete Moreki	Robert Brons	Zoe Joseph

<b>1. WELCOME</b>	
<p>1.1. The Chairman of the SAICA Board (Chairman) welcomed all attendees to the webcast of the Annual General Meeting (AGM) of members of the South African Institute of Chartered Accountants. The Chairman stated that this was the first time the AGM was being held by webcast only.</p> <p>1.2. She thanked the members for their patience in starting, as she had to ensure that enough members were logged on to achieve the required quorum.</p>	
<b>2. QUORUM AND APOLOGIES</b>	
<p>2.1. The Chairman stated that in terms of paragraph 13.6 of the new Constitution, the quorum at an AGM was 50 (fifty) members personally present, or via the designated electronic platform within 30 (thirty) minutes of the time appointed for the meeting.</p> <p>2.2. Ince (Webcast and E-voting Service Provider) informed the meeting that 130 members were logged onto the webcast. (Note: more members joined the webcast later).</p> <p>2.3. The Chairman noted that a quorum was present and declared the meeting duly constituted.</p> <p>2.4. All twelve 12 (twelve) members of the Board were present.</p>	
<b>3. OPENING COMMENTS</b>	
<p>3.1. The Chairman stated that, in order to retain a level of interaction between the Board and members, she would indicate at appropriate stages of the meeting when members could submit online comments, which she or an appropriate member of the SAICA Board or an executive member of the SAICA Secretariat would answer.</p>	
<b>4. CONFIRMATION OF NOTICE AND DOCUMENT CIRCULATION</b>	
<p>4.1. The Chairman confirmed that the notice to members convening this meeting (the Notice) had been circulated for the prescribed period as provided for in par 15.5 of the Constitution.</p> <p>4.2. More specifically, the Notice had been published in the April 2020 and May 2020 issues of the Accountancy SA magazine and had also been circulated to members via electronic mail and published on the SAICA website, which was accessible to all members.</p> <p>4.3. She therefore proposed that the Notice be taken as read.</p> <p>4.4. No objections were registered and the Chairman took the Notice of the meeting as read.</p>	
<b>5. REGISTRATION AND PROXY VOTING</b>	
<p>5.1. The Chairman confirmed that the registration and proxy-voting processes on the electronic platform had been opened from 09:00 on Thursday 7 May 2020 and had been closed at 09:00 on Tuesday 26 May 2020.</p> <p>5.2. Only those members who have not already cast proxy votes in person would be able to cast their votes and discretionary votes allocated to them by proxy during the meeting using the E-voting platform. E-Voting guidelines were available on the SAICA website.</p> <p>5.3. The Chairman confirmed that the SAICA E-voting platform had been confirmed to be secure by an independent third party (Sensepost) for the purposes of voting at this meeting.</p>	
<b>6. APPROVAL OF THE AGENDA</b>	
<p>6.1. The Chairman stated that, as per the published Agenda, the next item was to be the approval of the minutes.</p> <p>6.2. The Board had however suggested that the meeting should deal with this matter just before the announcement of the results of the vote to allow the Board to address some important recent developments.</p> <p>6.3. The Chairman proposed that she address the members at this point in the meeting, after which the CEO would address members as well. After this, the AGM would commence with the formal business of the meeting.</p> <p>6.4. No objections were raised to the proposed amendment to the Agenda.</p>	
<b>7. CHAIRMANS ADDRESS</b>	
<p>7.1. The Chairman presented slides on her screen for the members to follow via webcast. She highlighted the following:</p> <p>7.1.1. The new Board was appointed in October 2019, consistent with the new SAICA Constitution, and it comprises of:</p>	

7.1.1.1.	6 (six) Chartered Accountants (SA)'s (CA(SA));	
7.1.1.2.	3 (three) members that are not SAICA members, who bring complimentary skills in the areas of strategy, technology, and law;	
7.1.1.3.	the President of the SAICA Council; and	
7.1.1.4.	2 (two) SAICA executives, being the Chief Executive Officer and the Chief Operations Officer.	
7.1.2.	The Board is made up of 67% (sixty-seven percent) women.	
7.1.3.	In the 7 (seven) months that the Board has been in office, it has been able to take on its functions effectively, greatly assisted by the support of the outgoing Board who facilitated an orderly handover.	
7.1.4.	As per the SAICA Constitutional requirements, Board Committees comprising of the Digital Transformation Governance Committee, the Audit & Risk Committee, the Remuneration Committee, the Social, Ethics and Transformation Committee and the Nominations and Governance Committee had been established and are functioning effectively.	
7.1.5.	The Lead Independent Director (LID) had been appointed. All of the Chairmen as well as the LID were present in the meeting to assist with answering any questions the members might have.	
7.1.6.	Working arrangements with the SAICA Council had been formalised in a MOU to give effect to the intentions set out in the Constitution.	
7.1.7.	The SAICA Council represents the member constituency and serves as a critical and consistent link between the SAICA Board, Management and members.	
7.1.8.	The Council's primary task is to provide strategic and membership related input to the Board, and to provide input to the Board nominations process.	
7.1.9.	The Board decided that, as the current strategy resonated with the Board, it would be appropriate to choose a list of priority objectives rather than to change the strategy completely at this point in time.	
7.1.10.	The Board had reviewed the By-Laws and approved revisions to drive increased efficiency in addressing disciplinary matters, which had been a concern raised by many members in the immediate past.	
7.1.11.	The Board had spent considerable time evaluating the documents that have been tabled before the members for the AGM.	
7.1.12.	The Covid-19 pandemic has required that the Board focus on the challenges associated with balancing the need to keep people safe whilst maintaining the viability and performance of the Institute.	
7.1.13.	<b>The meeting noted the following key strategic priorities:</b>	
7.1.13.1.	<b>Rebuilding the reputation and relevance of the profession:</b> <ul style="list-style-type: none"> <li>Ensuring a quick response to negative publicity;</li> <li>ensuring proactive communication to members and society on key matters relating to SAICA as an institution, its members and the profession at large;</li> <li>focusing on the speed and efficiency with which SAICA deals with matters of discipline amongst our members;</li> <li>focusing on leading important conversations in the market place and ensuring that SAICA finds a balance between being a member-biased organisation, whilst holding the public interest perspective firmly in sight to ensure that the profession meets the expectations of society; and</li> <li>maintaining SAICA's relevance both locally and internationally.</li> </ul>	
7.1.13.2.	<b>Member value:</b> <ul style="list-style-type: none"> <li>Ensuring SAICA delivers offerings that are valuable and enhance the standing of members in the different commercial activities they are engaged in as well as the different jurisdictions in which they choose to operate.</li> <li>SAICA continues to advance in establishing and maintaining reciprocal membership arrangements with key institutes operating across a number of countries.</li> </ul>	
7.1.13.3.	<b>Growth and Transformation:</b> <ul style="list-style-type: none"> <li>Focus on ensuring that SAICA actively grows the profession, including increasing access to under-represented racial groups in our population.</li> </ul>	
7.1.13.4.	<b>Internal Efficiency:</b> <ul style="list-style-type: none"> <li>Ensuring that SAICA has the capability to deliver on its strategic priorities in a manner that is effective, efficient and sustainable.</li> <li><b>Covid-19:</b> The key priority was to ensure the safety of staff, members, visitors and the avoidance of the spread of the virus, in a manner consistent with the expectations of Government and society. At the same time, it was necessary to maintain support for members, even during lockdown, highlighting member value as a key area of focus. Some of the initiatives included freely available seminars that focused on equipping members with insight on how to manage the pandemic in their own environment, technical guidance to both SMMEs and other members. SAICA evaluated the impact of COVID-19 on audits and financial reporting and provided a 'question and answer' session for members. SAICA worked with different regulators such as the JSE, Prudential Authority, IRBA etc. to mitigate the impact.</li> </ul>	

<ul style="list-style-type: none"> <li>• Ensuring members were aware of all the regulations as they evolved over time.</li> <li>• SAICA has provided a voice for the profession by highlighting the important contribution of its members in assisting the country to deal with the devastating economic and social impact of the pandemic.</li> <li>• It was necessary to consider the impact of COVID-19 on the SAICA's "going concern" status and steps have been taken to prioritize cost containment measures to secure the continued realization of SAICA's objectives.</li> <li>• As communicated to members in the recent Board Digest, a decision had been taken not to award short term incentives for 2020 and to limit salary increases, as a means to preserving the cash reserves of SAICA and to permit the Institute to continue to operate in an environment of heightened uncertainty.</li> </ul> <p>7.1.14. <b>Progress of the Governance Review process:</b> On completion of the Governance Review Process conducted in 2019, a number of constitutional changes were put forward and adopted by the members at the June 2019 AGM. Additional recommendations of the GRTT have been included in the 2020 work-plan as phase 2 (two) of the Governance Review process. The review process will look at the Constitution, the By-laws and the internal governance arrangements, to ensure that SAICA operates in a manner that is consistent with governance best practice.</p> <p>7.1.15. The By-laws had been revised in order to streamline the disciplinary process to ensure efficiency and transparency.</p> <p>7.1.16. The Social and Ethics committee is conducting a review of the SAICA Constitution to ensure issues raised at the 2019 AGM and SGM are considered. The Committee will also ensure that all of the Institute's governance processes are aligned and will continue to enlist comments and participation from members in this process.</p> <p>7.2. The Chairman handed over to the CEO to address the AGM on the matters relating to member discipline.</p>	
<p><b>8. ADDRESS BY THE CEO</b></p>	
<p>8.1. The CEO highlighted the following:</p> <p>8.1.1. The By-laws provide the framework for the disciplinary process.</p> <p>8.1.2. Members had raised several concerns regarding the disciplinary process inter alia:</p> <ul style="list-style-type: none"> <li>• The slow speed with which high profile cases were processed;</li> <li>• The disparity in which some cases were dealt with rapidly, while others appeared to be overlooked;</li> <li>• SAICA did not adequately communicate the message that it would not tolerate any unethical behaviour of its members; and</li> <li>• A lack of transparency in how these cases were dealt with.</li> </ul> <p>8.1.3. The current Board took members concerns regarding the disciplinary process seriously, and prioritised the review of the By-laws in order to address these concerns.</p> <p>8.1.4. The key aspects considered during the review included:</p> <ul style="list-style-type: none"> <li>• <b>Removing bottle necks in the process.</b> This has been achieved by differentiating between serious contraventions and less serious contraventions. By allowing cases to be dealt with through different mechanisms it ensures that those cases of a less serious nature are processed rapidly, thus freeing capacity to deal with the more serious cases.</li> <li>• <b>The cost of disciplinary cases:</b> The cost of conducting the disciplinary process was a concern and it was necessary to ensure that members were not burdened unnecessarily with those costs. The new By-laws have put mechanisms in place to recover costs from members found guilty of breaching the Code of Professional Conduct.</li> <li>• <b>Publication of outcomes:</b> In the previous By-laws, the publication of the outcomes of the process were at the discretion of the Disciplinary Committee. The new By-laws now ensure that all outcomes are published.</li> </ul> <p>8.1.5. The CEO stated that the changes made to the By-laws should result in a more efficient and transparent process.</p> <p>8.1.6. The CEO stated that it was important that the SAICA disciplinary process embraced Section 33 of the South African Constitution which contained two important provisions,</p> <p>8.1.6.1. <i>Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.</i></p> <p>8.1.6.2. <i>Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.</i></p> <p>8.1.7. The CEO stated that the SAICA disciplinary process could, and sometimes did, get challenged in a court of law. It was therefore critical to ensure that, the process would stand up, even if challenged in a court of law. The CEO stated that to date, where decisions have been challenged in a court of law, SAICA's process had been found to be fair and in accordance with the law.</p> <p>8.1.8. The CEO gave feedback on the following cases that were of specific interest to members:</p>	

8.1.8.1.	<b>Anoj Singh:</b> Closing arguments would be presented in July 2020, after which the Disciplinary Committee would rule on the appropriate sanction.	
8.1.8.2.	<b>Steinhoff collapse:</b> SAICA had struggled to obtain information and evidence, however, charges are being finalised against one of the two individuals implicated in this matter and will be issued in due course.	
8.1.8.3.	<b>VBS Bank:</b> Complaints had been lodged against 6 (six) individuals. 2 (two) of those individuals were not SAICA members and another was appealing sequestration in the Supreme Court which might impact on the course that SAICA will follow. 1 (one) case had been dismissed as there had been insufficient evidence of improper conduct. 2 (two) cases were under investigation by IRBA, and the charges were being finalised for another 2 (two) cases.	
8.1.8.4.	<b>Ntsebeza Inquiry:</b> Seven cases had been opened based on the outcome of the inquiry. The case against Mr J Wessels had been concluded in 2019. Another 2 (two) cases had been finalised but had been appealed. 2 (two) cases were being investigated by IRBA and charge sheets had been finalised against the last 2 (two) cases.	
8.1.8.5.	<b>Tongaat – Hullett:</b> 4 complaints had been lodged and these were in the process of being followed up. The detailed report from KPMG was not available and Management had been advised by the insurance company not to share the detailed report with SAICA, however, they would assist SAICA in drafting the necessary charges.	
8.1.8.6.	<b>Old Mutual:</b> 1 (one) complaint had been lodged, however, there was a court case still underway, the outcome of which would determine the process to be followed by SAICA.	
<b>9. PROCEEDINGS OF THE MEETING</b>		
9.1.	The Chairman stated the following key points regarding the proceedings of the meeting:	
9.1.1.	In terms of section 13.11 of the current SAICA Constitution all voting would be by way of a poll using the E-voting platform.	
9.1.2.	The use of electronic media 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.	
9.1.3.	All proxy-votes received prior to the close-off of the proxy-submission-process (as at 09h00 on Tuesday 26 May 2020) had been captured.	
9.1.4.	Members who had been appointed as proxy-holders, had been electronically advised thereof. Proxy holders were required to exercise all discretionary-proxy votes assigned to them.	
9.1.5.	The Chairman would vote on all discretionary proxy votes that had been allocated to her as Chairman.	
9.1.6.	In the event that an appointed proxy-holder had not voted on discretionary proxy-votes assigned to him/her at the close of the general voting period, these proxy-votes would default to the Chairman to vote.	
9.1.7.	After tabling each resolution, there would be an opportunity for questions by members. The nature of a webcast meeting would mean that members would need to submit written Questions and Comments. All of these would be picked up by Willi who will relay them to the Chairman for response. To the extent that the Board may be unable to respond to questions, these questions and answers would be posted on the SAICA website following the meeting.	
9.1.8.	Because the meeting was being conducted by webcast, members who were eligible to vote, would do so using electronic devices to cast E-votes.	
9.1.9.	Members were encouraged to consult the on-the-day E-Voting guidelines which had been made available.	
9.2.	The Chairman requested that the voting be opened by INCE, the external service provider hosting the E-voting platform.	
<b>10. RESOLUTION 1: 2018 SAICA GROUP ANNUAL FINANCIAL REPORT</b>		
10.1.	The Chairman highlighted the following:	
10.1.1.	The current SAICA Constitution in paragraph 13.1.1 required "consideration of the annual financial statements and integrated report" at the AGM. In addition, paragraph 13.1.2 required "consideration of reports by the Chairman and the CEO".	
10.1.2.	The Chairman and CEO reports had been included in the Integrated Report.	
10.1.3.	The Financial Statements and Integrated Report had been made available to members on the SAICA website.	
10.2.	The Chairman tabled the first resolution which required members to consider and approve the 2019 SAICA Group Annual Financial Report and the SAICA Integrated Report for the year ended 31 December 2019 and invited questions and comments from the members.	
10.3.	The questions and answers were recorded as follows:	

10.3.1.	<b>AT(SA) designation:</b> Mr Gorgulho referred to page 4 of the integrated report which stated that SAICA was the custodian of three complementary accounting designations, CA(SA), AGA(SA) and AT(SA). He stated that the two designations, namely CA(SA) and AGA(SA) had been included in the constitution, however no provision had been made for the AT(SA) designation. He queried how the AT(SA) designation fit into the SAICA governance framework. He stated that it used to be incorporated in a company but the Integrated Report stated that that entity had been wound up. He wanted to know what steps were being taken by the board to rectify this. The CEO explained that originally, AT(SA) had been a joint venture (JV) with AAT(UK). It was therefore not included under the SAICA Constitution. The relationship with AAT(UK) had ended, and the designation now falls under SAICA. The Constitutional review will address that issue. The CEO also clarified that, the designations of AG(SA) and AT(SA), while managed by SAICA, only granted associate status and not full membership of SAICA.	
10.3.2.	<b>AT(SA) Code of Professional Code of Conduct:</b> Ms Mabindla queried if AT(SA)s were bound by the SAICA Code of Professional Conduct. The Chairman confirmed that they were bound by the same Code as CA(SA)s.	
10.3.3.	<b>Composition of the Board:</b> Mr Gorgulho referred to page 83 of the Integrated Report which stated that Board membership under the new constitution consisted of a maximum of three members that must be non-chartered accountants and a maximum of six members must be CA(SA)s. The president of the SAICA Council and the CEO are ex officio members and one other member of management may be recommended by the CEO. He stated that this seemed to be inconsistent with the SAICA constitution which stated that (i) the minimum number of Board Members shall be 8 (eight); (ii) the maximum number of Board Members shall be 12 (twelve); (iii) the majority of Board Members shall be CA(SA)s; (iv) a maximum of 3 (three) and not less than 2 (two) of the non-executive Board Members must be non-Chartered Accountants and shall be independent. (v) the President or his or her nominee shall be an ex officio non-independent Board Member. The Chairman stated that the composition of the Board met all the SAICA Constitutional requirements. 6 (six) of the Board members were CA(SA)s which was a majority of the Board members. The three non-executive Board members were not Chartered Accountants. The President of the Council and the CEO were ex-officio and the CEO had chosen an additional executive member, who was the COO. Mr Snyman explained that the constitution referred to three "independent" directors not being CA(SA)s. The term independence should be interpreted as non-executive directors, in which case the CEO and COO did not count towards the numbers of non-Chartered Accountants. Mr Snyman stated that the appointment of the new Board had been done through a tightly governed process and proposed that he could deal with the question in more detail in the responses to the questions that would be posted on the website following the meeting.	JS
10.3.4.	<b>Composition of the Board – King IV:</b> Ms Mabindla queried how the composition of the Board compared to the King IV recommendations and why SAICA did not adopt the recommendations in full. Mr Snyman stated that the new SAICA Constitution aligned well with King IV and cited that the inclusion of non-Chartered Accountants in the Board, rotation of members and the appointment of Board members by the SAICA members at the AGM were examples of changes that had been made to align with the King IV recommendations.	
10.3.5.	<b>Chairman of the Southern Region:</b> Mr Gorgulho stated that the Integrated Report listed Mr S Phillip as the President of the Southern Region. He stated that Mr Phillip had completed his role as Southern Region President in May 2018 and that the current President (who had been elected during 2018) was Mrs S Gierdien. Mr Snyman apologised for the error and stated he would attend to it after the meeting.	JS
10.3.6.	<b>Central Region membership:</b> Mr Lamprecht stated that the membership figure of 100 (one hundred) for Central Region was incorrect. Mr Raymond Cramer added that it was unlikely that there was only 100 members in the central region at the end of the 2019 financial year and queried to what extent members could rely on the rest of the information in the Integrated report. Mr Snyman apologised and stated that this had been an oversight during the quality review process. He stated that he would attend to rectifying the figures after the meeting.	JS
10.3.7.	<b>Ranking of CA(SA) as a profession:</b> Mr Cerny stated that the profession used to be number 1 (one) in the world and then dropped to number 30 (thirty). He stated that in 2019, the profession had recovered to number 18 (eighteen). He queried if the Board agreed that transparency in the profession showed integrity and would help the rating of the profession. He queried if SAICA was committed to the improvement of this rating. The Chairman responded that SAICA remained committed to dealing with all reputational issues and was committed to improving the ranking of the CA(SA) designation in the profession.	
10.3.8.	<b>2015 Contravention of the board exam rules:</b> Mr Cerny queried if the manner in which the disciplinary process had been handled had contributed to the fall in the reputation of the profession. He requested full disclosure regarding the outcomes of the trainee disciplinary cases, broken down into various outcomes e.g. not guilty, fines less than R5000 (five thousand rand), suspension etc. The Chairman stated that SAICA had committed to transparency in how disciplinary matters are dealt with and outcomes	

	would be communicated to members in various forums, as was illustrated at the beginning of this meeting.	
10.3.9.	<b>Remuneration of the previous CEO.</b> Mr Cerny stated that the previous Chairman had assured members in June 2018 that the previous CEO would not be paid by SAICA, as the Zondo Commission would be paying him. On page 53 of the AFS it showed amounts being paid to the previous CEO. He stated that this was an example of how SAICA had lied to its members and queried how the previous Chairman would be disciplined. The Chairman stated that the full amount of Mr Nombembe's salary had been recovered from the Zondo Commission. Mr Cerny requested a breakdown of the Zondo Commission payment in terms of how much had been recovered and how much of it was related to the 2018 financial year as against how much to the 2019 year. He queried why the statements show over R1,000,000 paid to the previous CEO in the 2019 year. He argued that if the money had been recovered, there should be no expense reflected in the 2019 AFS. The COO explained that part of the R1, 000 000 million (one million rand) had been leave pay which the ex-CEO had accrued while still in the employ of SAICA. She further stated that the recovered amount was reflected under sundry receipts as one could not do a set-off against salaries.	
10.3.10.	<b>Disciplinary action against Nkonki:</b> Mr Cerny stated that the Integrated Report had been supplemented with an update on disciplinary matters in a letter from the CEO. He stated that Nkonki was absent from the letter and queried if SAICA was showing favour to the firm as the firm had previously been SAICA's external auditor. He stated that IRBA had not taken action and proposed that SAICA institute action against the firm to avoid further reputational damage. The Chairman explained that Nkonki was an audit firm and as such, under the jurisdiction of IRBA. SAICA would continue to follow those proceedings to identify any disciplinary matters against SAICA members that may emerge.	
10.3.11.	<b>East Rand District court cases against IRBA:</b> Mr Cerny stated that he had identified 2 (two) members of IRBA management that have brought the profession into disrepute and would be lodging formal complaints with SAICA. He stated that he expected SAICA to address these matters as serious. This was noted.	
10.3.12.	<b>New Board:</b> Mr Cerny stated that the East Rand District expected the current Board to act in honesty and transparency going forward.	
10.3.13.	<b>Webcast technical issues:</b> One member queried why the questions being asked by members was not visible on the webcast and another queried why the speakers were not visible. Many members expressed similar views. The Chairman stated that there were unfortunately limitations on technology in terms of showing the speakers and questions, and stated that, as the questions were being read out loud, members would be able to follow the questions and discussions.	
10.3.14.	<b>Technical articles:</b> Ms Monyamane queried the reason for the decline in technical articles published in 2019 as compared to 2018 and queried if there was an annual target for the production and publishing of technical articles.	
10.3.15.	<b>Training Contracts:</b> Ms Berry stated that there appeared to be a change in what has been included in contract liabilities (note 19.3) for 2019 in comparison with 2018 re trainee contracts. She queried why there was no note to explain this when training contracts had been a revenue stream of SAICA since before 2019. She stated that the financial statements of SAICA should be of high quality and beyond reproach. She requested an explanation of how the disclosure meets the requirements of IFRS, specifically as to whether this represents an error for the prior year. Mr Obrey Nekhavhanbe (CFO) explained that the training contracts had been revised in order to accommodate complaints from the training offices regarding fees paid up front and when trainees moved to a different training office, the training office had to try and recover the fees from the individual. Now, payment was not made up front but rather annually which was accounted for differently. Ms Mabindla queried if the change was in line with IFRS 15. The CFO confirmed that the change was dealt with in Note 18 in the AFS, and confirmed that it was reported in accordance with IFRS 15. Ms Berry remained unhappy with how the matter had been dealt with. Ms Truter from Mazars stated that both the Audit and IFRS teams had reviewed the disclosure and proposed that, as the matter was fairly technical, both she and the CFO could make themselves available to Ms Berry to discuss the matter in further detail after the meeting.	
10.3.16.	<b>Continued relevance of SAICA:</b> Ms Mabindla queried how the Board would measure the continued relevance of SAICA, especially to Members in Business. The fact that the AGM struggled to obtain a quorum of 50 (fifty) members when the organisation has more than 40,000 (forty thousand) members should be a concern to the Board. The CEO stated that there were three indicators used to measure the relevance of the profession, not just to Members in Business but to all members. The first is through the Edelman Trust which gives a global indicator of how citizens perceive Governments, Business, the Media and NGOs. This assists SAICA to measure the relevance of the profession in industry, commerce and compared to other stakeholders. This analysis is conducted every two years and would be conducted again in 2020. The second mechanism is a survey through Ask Afrika, a South Africa survey company, that determines the perception of the market of the CA(SA) brand. This survey provides an objective measure of the prominence of the profession. Both these indicators, which reflected a decline in prior	



<p>years, have started to show an improvement in how the profession is perceived and CA(SA)s compared favourably to other professions across the board. The third measure is the Professional Health Index, which is a survey aimed at SAICA members and how they perceive the profession in South Africa. This survey is done quarterly and addresses issues such as reputation, how aspirational the CA(SA) designation is, the employability of CA(SA)s etc. The CEO stated that the Professional Health Index also showed improving results after the original drop following the KPMG scandal in 2018.</p> <p>10.4. Member number 00140897 requested that the minutes record his decision to abstain from voting on resolution 1 as his concerns regarding issues in the Integrated Report had not been addressed.</p> <p>10.5. There being no further questions, the Chairman stated that the motion to adopt Resolution 1 could be voted on.</p>	
<b>11. RESOLUTION 2: AUDITORS REPORT</b>	
<p>11.1. The Chairman tabled the Auditors' Report for consideration by the members. She stated that the current SAICA Constitution in paragraph 13.1.3 requires "the consideration of a report by the external auditors" at the AGM. She stated that the Auditors' Report had been made available as part of the 2019 Group Annual Financial Report which was published on the SAICA website.</p> <p>11.2. The Chairman invited members to submit any questions or comments.</p> <p>11.3. There being no questions or comments, the Chairman stated that the motion to adopt Resolution 2 could be voted on.</p>	
<b>12. APPOINTMENT OF EXTERNAL AUDITORS</b>	
<p>12.1. The Chairman stated that paragraph 13.1.4 of the current SAICA Constitution requires "the consideration of the appointment of the auditors" at the AGM. She tabled the resolution for the appointment of Mazars as the external auditors for the ensuing year and invited members to submit any questions and comments they might have. The question and answer was recorded as follows:</p> <p>12.1.1. <b>Auditor appointment process:</b> Ms Mafune queried if there had been multiple bids for the audit and if the process had been opened to smaller firms. The CFO stated that the process had been conducted as an open bid which meant that the smaller firms had been able to submit proposals. All the bids had been evaluated against set criteria by a sub-committee of the Board and in line with the procurement process.</p> <p>12.2. There being no further questions, the Chairman stated that the motion on Resolution 3 could be voted on.</p>	
<b>13. RESOLUTION 4: THE APPROVAL OF BOARD FEES</b>	
<p>13.1. The Chairman tabled resolution number 4, which proposed that the current Board fees remain unchanged for the ensuing year. In terms of par. 13.1.6 of the Constitution, the members must approve the Board and Board committee member fees for the ensuing year.</p> <p>13.2. The Chairman invited the members to submit any questions or comments.</p> <p>13.3. There being no questions, the Chairman stated that the motion on Resolution 4 could be voted on.</p>	
<b>14. RESOLUTION 5: APPROVAL OF THE REMUNERATION AND RELATED IMPLEMENTATION POLICY</b>	
<p>14.1. Paragraphs 13.1.7 and 13.1.8 of the current SAICA Constitution requires the approval of the Remuneration Policy and Implementation Policy by a special non-binding vote at the AGM.</p> <p>14.2. The Chairman tabled resolution 5, which requires a special non-binding vote on the Remuneration Policy and Implementation Policy.</p> <p>14.3. The Chairman invited the members to submit any questions or comments. The question and answer are recorded as follows:</p> <p>14.3.1. <b>Remuneration benchmark:</b> Mr Khan stated that the percentages appear high for higher job grades and queried if the figures had been benchmarked. The Chairman responded that SAICA had conducted benchmarking exercises and that the policy had been reviewed by the Remuneration Committee, which included the participation of an independent remuneration expert.</p> <p>14.4. There being no further questions, the Chairman stated that Resolution 5 could be voted on.</p>	
<b>15. APPROVAL OF PREVIOUS MINUTES</b>	
<p>15.1. The minutes of the Annual General Meeting held on the 26 June 2019 were <b>APPROVED</b> as an accurate reflection of the proceedings subject to the following corrections:</p> <p>15.1.1. 13 (thirteen) of the names listed as attending in person had been duplicated in the list of those members attending via webcast.</p> <p>15.1.2. Mr Phili stated that he had been present at the meeting, but his name was not reflected.</p>	<b>JS</b>

15.1.3.	Mr Snyman stated that the system that recorded attendance was different to the system that recorded voting, so the mistake would not impact the outcome of the voting results. He agreed to review the attendance information and make the necessary corrections.																																																																
15.2.	The minutes of the Special General Meeting held on the 23 October 2019 were <b>APPROVED</b> as an accurate reflection of the proceedings.																																																																
<b>16. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS</b>																																																																	
16.1.	The Chairman provided the following feedback on the matters arising:																																																																
16.1.1.	<b>SAICA CFO disciplinary case (refer item 7.3.1 of 26/06/2019 minutes):</b> The Chairman stated that the disciplinary case had commenced but was still in progress. A case had also been lodged with the South Africa Police Services. (SAPS).																																																																
16.1.2.	<b>Recovery of the ex-CEO salary from the Zondo Commission (Refer item 7.3.6 of 26/06/2019 minutes):</b> As previously stated, the full amount has been recovered from the Zondo Commission.																																																																
16.1.3.	<b>Outcomes published for disciplinary cases (refer item 7.3.10 of 26/06/2019 minutes):</b> As part of the initiatives to improve transparency, quarterly reports were being published with findings of both the PCC and DC hearings. The new By-laws now make it compulsory for all matters to be published.																																																																
16.1.4.	<b>Efficiency of the disciplinary process (refer item 7.3.11 of 26/06/2019 minutes):</b> The Board reported that while the number of annual complaints against members had stayed the same in 2019 compared to 2018, it was very encouraging that in 2019, 184 cases were finalized compared to the 128 cases finalized in 2018, which was a good indicator of improving efficiency.																																																																
16.1.5.	<b>Reciprocal agreement with CPA (refer item 7.3.12 of 26/06/2019 minutes):</b> The Board was glad to report that SAICA had signed a mutual recognition agreement late last year with AICAP and NASBA. However, two challenges had been experienced: (i) Each state needed to ratify the agreement for the agreement to be effective in that state and (ii) members were struggling to register with the requisite bodies due to delays in NASBA not implementing changes to their online systems. Management was working to resolve these challenges.																																																																
16.1.6.	<b>Status of litigation (refer item 7.3.14 of 26/06/2019 minutes):</b> SAICA was not currently involved in any serious litigation and no notably settlements had occurred in 2019.																																																																
16.1.7.	<b>Additional Changes to the Constitution (refer item 10 of 26/06/2019 minutes):</b> The various proposals and comments on the new Constitution had been noted by the new Board. At its meeting on 11 March 2020 it had initiated a second phase of the governance review process. This second phase included consideration of all comments received from members relating to the Constitution. This review was scheduled to commence on 1 June 2020. Members would again be invited to submit any comments and suggestions they may have and the intention was to further enhance the governance and operations of SAICA.																																																																
<b>17. VOTING PROCESS AND RESULTS OF THE VOTE</b>																																																																	
17.1.	Members were given time to complete the voting process. Some members reported technical difficulties which INCE was able to resolve.																																																																
17.2.	After tallying the votes received by E-Voting in respect of the 5 (five) proposed resolutions, the Chairman presented to the meeting (on screen) the consolidated voting results which were calculated electronically and supplied by INCE as follows:																																																																
	<table><tr><th></th><th></th><th colspan="2">For</th><th colspan="2">Against</th><th colspan="2">Abstain</th><th>Total</th></tr><tr><th></th><th>Resolutions</th><th>#</th><th>%</th><th>#</th><th>%</th><th>#</th><th>%</th><th></th></tr><tr><td>1</td><td>The 2018 SAICA Group Annual Financial Report</td><td>156</td><td>87.64</td><td>8</td><td>4.49</td><td>14</td><td>7.87</td><td>178</td></tr><tr><td>2</td><td>The Auditors' Report</td><td>164</td><td>92.13</td><td>4</td><td>2.25</td><td>10</td><td>5.62</td><td>178</td></tr><tr><td>3</td><td>Appointment of Mazars as external auditors for the ensuing year</td><td>156</td><td>87.64</td><td>16</td><td>8.99</td><td>6</td><td>3.37</td><td>178</td></tr><tr><td>4</td><td>Approval of the Board fees</td><td>168</td><td>94.38</td><td>5</td><td>2.81</td><td>5</td><td>2.81</td><td>178</td></tr><tr><td>5</td><td>Approval of the Remuneration and implementation policy.</td><td>142</td><td>79.78</td><td>11</td><td>6.18</td><td>25</td><td>14.04</td><td>178</td></tr></table>			For		Against		Abstain		Total		Resolutions	#	%	#	%	#	%		1	The 2018 SAICA Group Annual Financial Report	156	87.64	8	4.49	14	7.87	178	2	The Auditors' Report	164	92.13	4	2.25	10	5.62	178	3	Appointment of Mazars as external auditors for the ensuing year	156	87.64	16	8.99	6	3.37	178	4	Approval of the Board fees	168	94.38	5	2.81	5	2.81	178	5	Approval of the Remuneration and implementation policy.	142	79.78	11	6.18	25	14.04	178	
		For		Against		Abstain		Total																																																									
	Resolutions	#	%	#	%	#	%																																																										
1	The 2018 SAICA Group Annual Financial Report	156	87.64	8	4.49	14	7.87	178																																																									
2	The Auditors' Report	164	92.13	4	2.25	10	5.62	178																																																									
3	Appointment of Mazars as external auditors for the ensuing year	156	87.64	16	8.99	6	3.37	178																																																									
4	Approval of the Board fees	168	94.38	5	2.81	5	2.81	178																																																									
5	Approval of the Remuneration and implementation policy.	142	79.78	11	6.18	25	14.04	178																																																									
17.3.	The Chairman declared that the members had <b>RESOLVED</b> to <b>ADOPT</b> all resolutions. She stated that the results would also be published on the SAICA website if members wished to confirm the outcomes.																																																																

<b>18. GENERAL</b>	
<p>18.1. The Chairman invited members to raise matters for general discussion, if any.</p> <p>18.2. The resulting questions and comments are recorded as follows:</p> <p>18.2.1. <b>Technical Issues:</b> Numerous members expressed dissatisfaction with the quality of the webcast, citing the lack of visibility of speakers and questions, poor sound quality and connectivity issues as areas of concern. The Chairman acknowledged the frustration of members and stated that this was the first time a SAICA AGM had been conducted via webcast only. She stated that lessons had been learned and that SAICA would strive to improve by the following AGM.</p> <p>18.2.2. <b>Tax Practitioners:</b> Mr Mokwana stated that he had recently tried to apply as a tax practitioner. He stated that the application process was not made clear to him and that he was required to complete a survey as part of the process. He queried why he was required to pay an additional R2000 when he already paid SAICA membership fees. He stated that historically, a SAICA member was considered an honorary tax practitioner. This question was echoed by several other members. The CEO clarified that it had never been automatic that a SAICA member was recognised as a tax practitioner. He stated that regulations implemented by South Africa Revenue Services (SARS) had required SAICA, as a recognised body for tax practitioners to ensure that those practitioners adhere to the regulations, and the membership fee was related to the additional administration and audit cost of the tax practitioners.</p> <p>18.2.3. <b>Matters arising document:</b> Mr Streng proposed that, for the sake of efficiency, matters arising should be a formal document included in the AGM documentation as an annexure to the minutes. The Chairman agreed that this would be implemented in future.</p> <p>18.2.4. <b>Ordinary resolution to vote the Board Members</b> Brian Mungofa queried why there was no resolution to vote for new Board Member in terms of paragraph 13.1.5 of the new SAICA Constitution. The Chairman stated that the rotation of Board members would only commence after they had been in office for one full year, and would commence at the 2021 AGM.</p> <p>18.2.5. <b>Special Levy:</b> Mr Edrich requested the CEO to provide a breakdown of the number of honorary life members who paid the special levy, of how many had been refunded and why the Acting CEO had been allowed to impose the levy in question. The CEO stated that both the decision to impose the levy as well as the subsequent decision to reverse the levy were Board decisions and not the decisions of Acting CEO. He stated that the requested breakdown could be made available to the members.</p> <p>18.2.6. <b>IRBA:</b> Mr Prange queried if the Board had any interactions with IRBA with regards its proposal to regulate all accountants and if so, wanted to understand the Board's position on this. The Chairman stated that the IRBA's ambitions of becoming a super regulator remained a discussion point. She stated that the relationship between IRBA and SAICA was sound and that regular interaction between the Institutes took place. The Board has highlighted to management the need to maintain an effective relationship.</p> <p>18.2.7. <b>AT (SA)</b> Ms Khaki queried if AT(SA) would be entitled to the same benefits as SAICA members despite the significantly lower membership fees payable by AT(SA). She further stated that, to qualify for registering as an AT(SA), one needs to have (at minimum) an NQF Level 3 - the equivalent of a Grade 11. She queried if SAICA was not concerned that the SAICA brand would be diluted as a result of incorporating this brand under the SAICA banner.</p> <p>18.2.8. <b>CPD Policy</b> Mr De Freitas queried the progress made in rolling out the new CPD policy. He stated that there was confusion among SAICA members regarding the new policy. He stated that he was aware of a pilot project that was underway to determine the different career streams and queried if this should not have been done before a roll out of the policy to the broader member base.</p> <p>18.2.9. The Chairman noted the questions of the members and proposed for the meeting to adopt a recommendation by a member that further questions could be addressed in the question and answer document to be posted on the website after the meeting. She requested the CEO to ensure that the last two questions pertaining to AT(SA) and the CPD Policy would receive priority attention.</p>	<p>CEO</p> <p>CEO</p>
<b>19. CLOSURE</b>	
<p>There being no further business to discuss, the Chairman thanked members for their invaluable contributions and closed the Annual General Meeting.</p>	

Approved as a true reflection of the proceedings

Chairman

Date