

**MINUTES OF THE SAICA ANNUAL GENERAL MEETING (AGM) OF MEMBERS HELD AT SAICA OFFICES,
17 FRICKER ROAD, ILLOVO, SANDTON ON TUESDAY, 26 JUNE 2019 AT 09:00**

Ref. 763341-ver 02

| Attendance | | Present | Apology |
|--|----------------------------------|---------|---------|
| Board Members | LL Bam (Chairman) | LLB | √ |
| | BD Van Dyk (Joint Vice Chairman) | BDvD | √ |
| | MA Khan (Joint Vice Chairman) | MAK | √ |
| | CR de Wee | CRdW | √ |
| | C Du Toit | CdT | √ |
| | NA Essop | NAE | √ |
| | ZP Khanyile | ZK | √ |
| | AT Knott-Craig | ATK | √ |
| | FL Lamola | FLL | √ |
| | V Maharaj | VM | √ |
| | TH Mbatha | THM | √ |
| | HI McClintock | HIMcC | √ |
| | SK Osner | SKO | √ |
| | AAB Pheiffer | AABP | √ |
| | S Phillip | SP | √ |
| | TD Shango | TDS | √ |
| | K Singh | KS | √ |
| | J Swanepoel | JS | √ |
| | TP Zondi | TPZ | √ |
| SAICA Legal representative | Ed Southey | ES | √ |
| In Attendance | B Ngomano (Minute Taker) | BN | √ |
| | F Meyer (Minute Taker) | FM | √ |
| SAICA Members: Attendance in person | | | |
| | Imran Vanker | IV | √ |
| | Anderson C Roy | ACR | √ |
| | Jaroslav Cerny | JC | √ |
| | Sabeeha Dawood | SD | √ |
| | Raffaele G Degni | RGD | √ |
| | Lemao AA Ditodi | LAAD | √ |
| | Troy Dyer | TD | √ |
| | Anton S Ferreira | ASF | √ |
| | Petrus G Ferreira | PGF | √ |
| | Nasiegh Humdulay | NH | √ |
| | Guy RH Imbert | GRHI | √ |
| | Patrick Kabuya | PK | √ |
| | Leon Kaplan | LK | √ |
| | Charl H Kocks | CHK | √ |
| | Thabiso R Madiba | TRM | √ |
| | Ian G McNair | IGM | √ |
| | Makoma T Mokhabuki | MTM | √ |
| | Phaladi TR Mokwena | PTRM | √ |
| | Neil G Morris | NGM | √ |
| | Amanda J Olivier | AJO | √ |
| | Azhar Y Panchbhai | AYP | √ |
| | Vhonani D Ramuedzisi | VDR | √ |
| | Lebogang J Senne | LJS | √ |
| | Juanita Steenekamp | JS | √ |
| | Natashia Suknanan | NS | √ |
| | Jacobus A Van Niekerk | JAVN | √ |

| Attendance | | Present | | Apology | |
|---|-------------------------------|--------------|------------|--------------|----------------|
| | Bernard P Agulhas | BPA | √ | | |
| | Masoom Alli | MA | √ | | |
| | Kedibone A Pilusa | KAP | √ | | |
| | Molefe S Phora | MSP | √ | | |
| | Nitasha Naicker | NN | √ | | |
| | Imre Nagy | IN | √ | | |
| | John F Murphy | JFM | √ | | |
| | Kudakwashe G Moyo | KGM | √ | | |
| | Suraya Gierdien | SG | √ | | |
| | Robert Brons | RB | √ | | |
| | Colin J Braude | CJB | √ | | |
| | Bernard P Agulhas | BPA | √ | | |
| | Michael RD Boyns | MRDB | √ | | |
| | Hiten Y Keshave | HYK | √ | | |
| | Mandisa T Matshoba-Ramuedzisi | MTMR | √ | | |
| | Graham VC Richardson | GVCR | √ | | |
| | Paul D Aird Ross | PDAR | √ | | |
| | Malope Mabizela | MM | √ | | |
| | Thandokuhle Myoli | TM | √ | | |
| | Bongeka Nodada | BN | √ | | |
| | Naomi-Pearl Swartz | NPS | √ | | |
| SAICA MEMBERS WHO PARTICIPATED IN THE AGM VIA WEBCAST CONNECTION | | | | | |
| Christine | O'Neil | South Africa | Jaroslav | Cerny | South Africa |
| Steve | Koseff | South Africa | Raffaele | Degni | South Africa |
| Armand | Bosman | South Africa | John | Devonport | South Africa |
| Cicelia | Potgieter | South Africa | Anthony | Duncan | Australia |
| Izel | Du Plessis | South Africa | Troy | Dyer | South Africa |
| Brett | Annandale | South Africa | Brian | Eaton | South Africa |
| Jan | Lubbe | South Africa | Anton | Ferreira | South Africa |
| Frans | Prinsloo | South Africa | Ruth | Galgut | United Kingdom |
| Sydney | Mhlarhi | South Africa | Robert | Garnett | South Africa |
| Bernard | Schoeman | South Africa | Francois | Greeff | South Africa |
| Ricardo | Teixeira | South Africa | Christiaan | Hattingh | South Africa |
| Jose | Torres | South Africa | Victor | Hickel | South Africa |
| Mandy | Watson | South Africa | Trushar | Kalan | South Africa |
| Roy | Anderson | South Africa | Suresh | Kana | South Africa |
| Peter | Bersiks | South Africa | Bernard | Katz | South Africa |
| Elsa | Taylor | South Africa | Peter | Kilian | South Africa |
| Michael | Boyns | South Africa | Charl | Kocks | South Africa |
| Colin | Braude | South Africa | Ernest | Le Roux | South Africa |
| Robert | Brons | South Africa | Tracy | Middlemiss | South Africa |
| John | Buchanan | South Africa | Rodney | Moore | South Africa |
| Richard | Buchholz | South Africa | Wayne | Morris | South Africa |
| Matthys | Buitendag | South Africa | Karl | Muller | South Africa |
| Sean | Capazorio | South Africa | Kevin | O'Flaherty | South Africa |
| | | South Africa | Vincenzo | Passalacqua | South Africa |
| Graham | Richardson | South Africa | Timothy | Ross | South Africa |
| Stephen | Saad | South Africa | Kenneth | Scher | South Africa |
| Joanne | Searle | Australia | Paul | Sillifant | South Africa |
| Paul | Streng | South Africa | Alwyn | Van der Lith | South Africa |
| Herman | Van Der Merwe | South Africa | Lindsay | Viljoen | United Kingdom |
| Daniel | Vorster | South Africa | Farrel | Wainer | South Africa |
| Harvey | Wainer | South Africa | Kevin | Wainer | South Africa |
| Jacobus | Swanepoel | South Africa | Glen | Blesler | South Africa |
| Hendrik | Greeff | South Africa | Zuhn | Hulme | United Kingdom |
| Martyn | Evers | South Africa | Renske | Howell | South Africa |
| Gil | Gorgulho | South Africa | Laetitia | Bezuidenhout | South Africa |
| Afzal | Jagot | South Africa | Schalk | Walters | Namibia |
| Shaun | Rosenthal | South Africa | Marthin | Greyling | South Africa |
| Henk | Heymans | South Africa | Johannes | Schreuder | South Africa |

| Attendance | | | | Present | Apology | |
|------------|----------------|----------------|--|-------------|--------------|--------------|
| Jan | Vliegenthart | South Africa | | Glenn | Fullerton | South Africa |
| Leon | Basson | South Africa | | Jean | Du Plessis | South Africa |
| Linda | De Beer | South Africa | | Guy | Imbert | South Africa |
| Jacobus | Van Niekerk | South Africa | | Amanda | Olivier | South Africa |
| Christine | Du Toit | South Africa | | Elizabeth | Naidoo | South Africa |
| Gary | Swartz | South Africa | | Imran | Vanker | South Africa |
| Richard | Warren-Tangney | South Africa | | Tanja | Ferreira | South Africa |
| Barend | Van Coller | South Africa | | Cornelius | Kempen | South Africa |
| Gavin | De Lange | South Africa | | Babalwa | Ngonyama | South Africa |
| Paul | Stedall | South Africa | | Sanelda | Beets | South Africa |
| David | Read | South Africa | | Harvey | Sallis | South Africa |
| Margaret | Amofa | South Africa | | Eugene | Le Loux | South Africa |
| Petrus | Ferreira | South Africa | | Thinglemony | Pather | South Africa |
| Jacques | Pienaar | South Africa | | Marthinus | Prinsloo | South Africa |
| Eric | Prange | South Africa | | Patrick | Kabuya | South Africa |
| Magdalena | Eloff | South Africa | | Molefe | Phora | South Africa |
| Adriaan | De Lange | South Africa | | Andrew | Young | South Africa |
| Pieter | Oberholzer | South Africa | | Amanda | Fletcher | South Africa |
| Irma | Anderson | South Africa | | Nasiegh | Hamdulay | South Africa |
| Neil | Morris | South Africa | | Lorcan | Nurse | South Africa |
| Natalie | Brouwer | South Africa | | Stefanus | Smith | South Africa |
| Malope | Mabizela | South Africa | | Carmen | Botha | South Africa |
| Pierre | Van Staden | South Africa | | Robert | Van Rensburg | South Africa |
| Kirsten | Greenfield | United Kingdom | | Joanne | Seligmann | South Africa |

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

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| <p>1. WELCOME</p> <p>1.1. The Chairman welcomed all attendees, both in-person and via webcast to the Annual General Meeting (AGM) of members of the South African Institute of Chartered Accountants. The Chairperson stated that this was an important AGM at which the members would, amongst other things, be required to approve the revised Constitution. The process to revise the Constitution came at a time when the profession had found itself under scrutiny, as a result of the unethical behaviour of some of its members. As well as resolving the governance structure, the project also aimed to close any loopholes and ensure that members who were contravening the code of professional conduct were dealt with.</p> <p>1.2. The Chairman highlighted the following:</p> <p>1.2.1. to encourage member participation at Annual General Meetings, SAICA provides an electronic online voting solution;</p> <p>1.2.2. registration and proxy-voting processes on the electronic platform were opened before 09:00 on Tuesday 5 June 2018, and closed at 09:00 on Sunday, 24 June 2018;</p> <p>1.2.3. only those persons who have not already cast proxy-votes would be able to cast their votes on the e-voting platform. Electronic devices (such as mobile phones, iPads and laptops) may be used to cast e-votes. SAICA provided laptops (in Rooms 26 and 27) for voting purposes. e-Voting Guidelines were available in hard copy at the Welcome Desk in the foyer, in the meeting room, and at the voting station set up by SAICA, and – for those participating remotely – on the SAICA website.</p> <p>1.2.4. prior to 2016, a paper-based voting system was deployed and there were instances where spoilt votes were submitted and therefore disqualified. However, the stringent process inherent to the e-Voting system eliminates the possibility of submitting a spoilt vote;</p> <p>1.2.5. a request was made to webcast-attendees to submit online comments or questions which would then be presented to the Chairman. Online questions would be dealt with after questions from members attending in-person had been addressed; and</p> <p>1.2.6. the Chairman requested members attending in-person to utilize the roaming microphones in order to ensure that webcast-attendees were able to hear and follow proceedings.</p> <p>1.3. At this point, no questions were submitted from the floor or via webcast.</p> | |
| <p>2. QUORUM AND APOLOGIES</p> | |
| <p>2.1. The Chairman noted that a quorum was present and declared the meeting duly constituted.</p> <p>2.2. Apologies were received from:</p> | |

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| <p>2.2.1. Afzal M Khan- Joint Vice-Chair on the SAICA Board;</p> <p>2.2.2. Alan T Knott-Craig – Co-opted Information Technology representative on the SAICA Board;</p> <p>2.2.3. Vanuja Maharaj – Eastern Region representative on the SAICA Board;</p> <p>2.2.4. Zamangwane P Khanyile – AWCA representative on the SAICA Board;</p> <p>2.2.5. Kumeshnee Singh- Eastern Region representative on SAICA Board; and</p> <p>2.2.6. Chantyl C Mulder: SAICA Executive Director: Nation Building.</p> | |
| 3. APPROVAL OF PREVIOUS MINUTES | |
| <p>3.1. The minutes of the Annual General Meeting held on the 26 June 2018 were APPROVED as an accurate reflection of the proceedings.</p> <p>3.2. The minutes of the Special General Meeting held on the 31 July 2018 were APPROVED as an accurate reflection of the proceedings.</p> | |
| 4. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETINGS | |
| <p>4.1. The meeting CONSIDERED an Action Plan arising out of the minutes of the AGM meeting held on 26 June 2018. In addition, the following items were discussed:</p> <p>4.1.1. Point 4 of the minutes of the AGM meeting held on 26 June 2018 refers - A member enquired what disciplinary action had been taken against former SAICA Company Secretary for misleading members who attended the 2017 AGM.</p> <p>4.1.2. Point 12.6 of the minutes of the AGM meeting held on 26 June 2018 refers – A member had further queried whether “there was commitment and courage to make the kind of decisions that needed to be made to restore the trust in the profession”.</p> <p>4.1.3. Point 12.7 of the minutes of the AGM meeting held on 26 June 2018 refers - Mr M Movundlela thanked the Chairman and the Board for the work they were doing. He expressed concern that the Board was still not doing enough and felt that SAICA might not continue to exist for much longer.</p> <p>4.1.4. Point 12.9 of the minutes of the AGM meeting held on 26 June 2018 refers - Mr D Ramuedzisi expressed his concern that, in his opinion, there was still a sense that the current SAICA Board had no sense of where it was taking the profession. The concerns raised at the Northern Region AGM included the following:</p> <p>4.1.4.1. Lack of communication with members by the Institute;</p> <p>4.1.4.2. Being “obscure”;</p> <p>4.1.4.3. The Institute had lost direction; and</p> <p>4.1.4.4. Not listening to its members.</p> <p>4.1.5. Some members felt that, having looked at these concerns/ comments, the salary and performance bonus payment to the SAICA CEO were inappropriate.</p> | |
| 5. CONFIRMATION OF NOTICE AND DOCUMENT CIRCULATION | |
| <p>5.1. The Chairman confirmed that the Notice of the Meeting had been published on the SAICA website and had been sent via electronic mail to members registered on SAICA’s database as able to accept communications in this manner. It had also been published on the SAICA website and had therefore been available to all members for the prescribed period.</p> <p>5.2. The Chairman proposed that the Notice be taken as read. No objections were received from the floor or via the webcast and the Notice was taken as read.</p> | |
| 6. PROCEEDINGS OF THE MEETING | |
| <p>6.1. The Chairman mentioned the following key points regarding the proceedings of the meeting:</p> <p>6.1.1. In terms of section 14.6 of the SAICA Constitution all voting shall be done by way of a poll.</p> <p>6.1.2. The adoption and implementation of the electronic medium for purposes of convening the Institute’s AGM is 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>6.1.3. The e-Voting Guidelines are available in electronic format and on-site in hard-copy. The Chairman reiterated that members could use their own electronic devices to log-on and cast their votes during AGM proceedings or could utilise the voting stations set up in Rooms 26 and 27, which would be available for voting purpose when all the resolutions had been tabled.</p> <p>6.1.4. All proxy-votes received prior to the close off of the proxy-submission-process (as at 09:00 on 24 June 2019) had already been encapsulated within the electronic system and the votes recorded therein.</p> | |

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| <p>6.1.5. 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. In the event that an appointed proxy-holder had not voted on the discretionary proxy-votes assigned to him/her at the close of the general voting period, these proxy-votes would default to the Chairman. Therefore, prior to closing the voting system, the Chairman would vote on all discretionary proxy votes which have not been exercised by the allocated proxy holders. The Chairman would also vote on all discretionary proxy votes that had been allocated to the Chairman.</p> <p>6.1.6. Members who were eligible to vote, and who had their own electronic devices, were encouraged to vote for each resolution during the AGM proceedings at the same time as resolutions were tabled for adoption. Those members who were eligible to vote and wanted to make use of the voting stations set-up at SAICA, were requested to proceed to Rooms 26 and 27 after the AGM proceedings and to vote in respect of all resolutions tabled for approval.</p> <p>6.1.7. Members were encouraged to consult the e-Voting Guidelines, which had been made available both in electronic format and on-site in hard copy.</p> <p>6.1.8. All eligible members would be required to pre-register to vote using their identity number and SAICA Identity Number in conjunction with their predefined onetime pin.</p> <p>6.1.9. If any member experienced problems when logging-in, they were requested to seek assistance from the persons operating the e-Voting Helpdesk (outside Rooms 26 and 27).</p> <p>6.2. The Chairman requested that the voting be opened by INCE (the external service provider hosting the e-voting platform). It was confirmed that the platform had been opened.</p> <p>6.3. The Chairman confirmed that members could log-on at https://www.saicaagm.co.za and follow the on-screen prompts. The Chairman reiterated that members should make use of the e-voting guidelines and assistance provided by SAICA's on-site IT team if needed.</p> <p>6.4. A member raised a concern regarding the voting not being by way of a secret ballot. It was clarified that the SAICA Constitution and the SAICA By-Law did not make provision for voting by way of a secret ballot. It was not common practice in the corporate world to have voting by a secret ballot. In addition, the ballot papers were also open for inspection and therefore not a secret.</p> | |
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7. 2018 SAICA GROUP ANNUAL FINANCIAL REPORT

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| <p>7.1. The Chairman informed the meeting that the SAICA Annual Group Financial Report for the year ended 31 December 2018, incorporating the Board Report and the Auditors' Report, had been published on the SAICA website. Hard copies were also available on-site.</p> <p>7.2. The Chairman tabled the 2018 SAICA Group Financial Report and invited comments and questions.</p> <p>7.3. Members raised the following questions and comments:</p> <p>7.3.1.1. Reportable irregularities – A member requested the Board to provide information on the investigation of the SAICA CFO. The Board stated that the investigation related to certain unauthorised credit card transactions. SAICA Management had received a forensic report in this regard and had commenced the internal disciplinary process against the CFO. The CFO had resigned prior to the internal process being finalised.</p> <p>7.3.1.2. The member argued that some Members were under the impression that the charges against the CFO (a Chartered Accountant) had been dropped following his resignation. The Chairperson confirmed that disciplinary proceedings had commenced, as a formal complaint against the CFO had been filed.</p> <p>7.3.1.3. SCI report – A member requested an explanation as to how the scores were measured and whether the scores had been verified by an external independent body. The Board stated that an external survey had been completed by members regarding the value that SAICA offers to the profession. Upon the final scores being received from members, the scores were verified by the external auditors. The organisational performance score had also been interrogated by the Human Resource/ Remuneration Committee.</p> <p>7.3.1.4. SAICA CEO Remuneration – Some Members objected to the CEO's remuneration stating that the salary was too high. The Chairman explained that to obtain a candidate of the required stature, the Institute had to pay commercially competitive salaries. He further explained that the CEO's salary, as disclosed in the SAICA annual financial statements, included a performance-based bonus.</p> <p>7.3.1.5. The Chairman reiterated that an annual salary of R4 300 000 (four million three hundred thousand rand) with the potential for an additional bonus, was believed to be competitive for a person of the CEO's calibre who was expected to run an institute such as SAICA.</p> <p>7.3.1.6. The Chairman stated that the recruitment process for the new CFO had taken longer than expected due to remuneration issues. The majority of potential candidates had been asking for much more than what SAICA</p> | |
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| | was offering. There was therefore a general need to adjust the salary scale for executives, otherwise SAICA would end up attracting poor quality candidates. |
| 7.3.1.7. | Some Members disagreed with the statements made by the Chairman, stating that they were aware of many skilled candidates who would be available at a reasonable salary scale. |
| 7.3.1.8. | The bonus payment to the previous CEO was queried and some Members requested clarity on what informed the pay-out of the bonus. The Chairperson indicated that the bonus payment to the previous CEO had been in accordance with the employment contract signed with him. |
| 7.3.1.9. | A member requested clarity on the new positions which had been introduced i.e. Executive Director Education and Executive Director Governance roles. Mr Freeman Nomvalo (SAICA CEO) explained that the positions had been created as there was a need to address issues such as the CA(SA) pipeline growth as well as some dedicated governance personnel to address the disciplinary proceedings back-log, |
| 7.3.1.10. | A member raised a concern with regards to the SAICA ex- CEO performance bonus structure given the lack of transparency around his Key Performance Indicators (KPIs) in his contract. |
| 7.3.1.11. | A member pointed out that at the 2018 AGM, it was stated that the salary of the ex-CEO (during his secondment to the Zondo Commission of Inquiry) would be recovered from the Commission. The SAICA CEO indicated that SAICA was in the process of recovering the funds. There had been delays in obtaining the payment from the Commission, however, he reassured the members that the Commission had committed to pay the full amount owed to SAICA. |
| 7.3.1.12. | A member queried what talents the new SAICA CEO possessed which had resulted in his appointment. The Chairman indicated that the new CEO's qualities and expertise had been communicated to members transparently prior to his appointment. |
| 7.3.1.13. | A member queried what value SAICA had derived from the appointment of Dr Terence Nombembe and what he had achieved for SAICA. The Chairman stated that when he was still the CEO, Dr Nombembe had contributed a number of valuable things for the Institute and the profession as a whole. He had engaged in robust discussions with key stakeholders and had been instrumental in organising responses from the profession and gathering various stakeholders to have meaningful discussions around MAFR amongst many other valuable contributions. |
| 7.3.1.14. | A member expressed the view that it was not commercially viable to pay bonuses to the executives when it was clear that the set Key Performance Indicators (KPIs) had not been met/achieved. A Member referred the meeting to page 99 of the Integrated Report in support of the remuneration debate, in which SAICA stated that the outcomes were supported by the strategic and financial matrix that was signed by the Board. Assuming that that strategic and financial matrix had been supported by SAICA members, the KPIs would then be supported or informed by achieving the strategic objectives as the strategic objectives were what informed the success of the profession |
| 7.3.1.15. | A member noted the Disciplinary statistics report as included in the 2018 Integrated Report, and indicated that while it was good to receive such information, it would be beneficiary for members to be informed of the outcomes or progress of these matters. The importance of SAICA taking decisive actions against members who contravened the code of professional conduct was emphasised as a means to restore the public trust. |
| 7.3.1.16. | The SAICA CEO stated that the Institute publishes the outcomes of some of the cases on a regular basis on the SAICA website. |
| 7.3.1.17. | A member expressed the view that at the 2018 AGM, there had been a large number of members/trainees who were being disciplined, however it appeared as if only a few of these matters had been finalised and reported on. |
| 7.3.1.18. | Reciprocal arrangement – A member pointed out that previously, SAICA had reciprocal arrangements in place with a number of institutes. This specifically included the Certified Public Accountants (CPA) in America. However, the CPA was not reflecting in the current list and the members requested reasons for this. The SAICA CEO clarified that SAICA had never had a reciprocal agreement with the CPA America in the past, however SAICA had been engaging with the CPA in this regard and that SAICA was awaiting a response from the CPA Institute. |
| 7.3.1.19. | Transformation - A member requested clarity on the reasons why SAICA's appointments were based on race and not on skills. The Chairman stated that SAICA's objective was to transform the profession, therefore, while looking for the best skilled candidates, the focus was to target transformation candidates. |
| 7.3.1.20. | Other matters - A member indicated that as per the 2018 Annual Financial Statements, SAICA was involved in litigation, however there was no mention of that in the 2019 Annual Financial Statements. The member emphasised the importance of informing members about the status or outcomes of litigation and how it was settled. |
| 7.3.1.21. | A member raised a concern with regards to the system of continuing professional development (CPD) and requested SAICA to engage with members in respect of that process. The member indicated that some members would like the new CPD policy to be voted on by the members. The member submitted a letter to the Chairman and requested him to address the concerns. |
| 7.3.1.22. | A member referred to programmes in support of Small, Medium and Micro-Sized Enterprises (SMMEs) within the membership base as included on Page 36 of the 2018 Integrated Report and enquired about current programmes in place, and if SAICA was considering supporting programmes. The SAICA CEO indicated |

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| <p>7.3.1.23.</p> | <p>that there were programmes in place in support of SMMEs and that the impact report would outline the activities/programmes in this regard. There were about 35 SMMEs that were being supported through financial training by SAICA as indicated on Page 39 of the 2018 Integrated Report. These programmes were being coordinated through the regional executive offices within the four SAICA regions.</p> <p>A member requested a status update of the Ushintsho project deliverables and cost. The Digital Transformation Governance Committee (DTGC) Chairperson explained that the Ushintsho project was a project aimed at the digital transformation of SAICA and specifically mentioned the aspects related to the current SAICA Customer Relationship Management (CRM) system. He further indicated that the project was at its initial phase but would ultimately be replacing the current CRM system.</p> | |
| <p>8. AUDITORS REPORT</p> | | |
| <p>8.1.</p> <p>8.2.</p> <p>8.3.</p> <p>8.4.</p> | <p>The Auditors' Report was taken as read.</p> <p>The Chairman tabled the Auditors' Report and invited questions and comments from the members.</p> <p>A member enquired whether the auditors were not supposed to report on litigation. The Chairman reported that SAICA was not sure if the auditors were to report on such cases.</p> <p>There being no further questions, the Chairman stated that the motion to adopt the Auditors' Report could now be voted on.</p> | |
| <p>9. APPOINTMENT OF EXTERNAL AUDITORS</p> | | |
| <p>9.1.</p> <p>9.2.</p> <p>9.3.</p> | <p>The appointment of the External Auditors was taken as read.</p> <p>The Chairman laid the appointment of the External Auditors before the meeting and invited questions and comments from the members.</p> <p>There being no questions, the Chairman stated that the motion on the appointment of the External Auditors could be voted on.</p> | |
| <p>10. CONSTITUTIONAL REVIEW</p> | | |
| <p>The Chairman tabled the revised Constitution. It was noted that Mr Roy C Anderson, the Chairman of the GRTT would assist the Chairman to respond to any questions raised. The following comments from Members were noted:</p> | | |
| <p>Reference</p> <p>Mr Ferreira –</p> <p>Paragraph 5</p> <p>Paragraph 6.2.1</p> <p>Paragraph 6.2.2.2</p> | <p>Questions/comments</p> <p>The minutes of the AGM of 2018 stated that SAICA Management had initiated the Governance Review of SAICA in its entirety including the Constitution.</p> <p>A question was also directed to Mr Anderson relating to the statement he made at the plenary meeting that “if the profession does not change its way of doing things, the state would change the profession”.</p> <p>The new constitution did not address those people using the CA(SA) designation illegally.</p> <p>The Board should recommend the appointment of the new Board at the AGM to consider and approve, and not the other way around.</p> <p>Concern was raised regarding the number of CAs proposed to sit in the Board, a suggestion is that</p> | <p>Responses</p> <p>The Governance review had been initiated by the SAICA Board as per the 2018 AGM. The process was explained at the previous AGM and Management had followed those processes in putting together the GRTT to undertake the task.</p> <p>Mr Anderson stated that he had paraphrased a view that was being expressed within various government portfolios, and, while not an official statement, he wished to encourage SAICA members with the CA(SA) designation to be proactive in addressing how to strengthen the profession, as opposed to finding the profession in a position where it was legislated by external parties.</p> <p>The use of the CA(SA) designation by non-members was prohibited in the CA (SA) Designation Act and therefore it need not be included in the Constitution.</p> <p>New appointments would first be discussed at the Council and Board, and new Board appointments had to be approved at the AGM.</p> <p>This was noted.</p> |

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| | the representation of non CAs should be 25% of the Board. | |
| 6.3.2 | The funding model for the Institute should be approved by the AGM annually (should not only be the Board decision) as it determines the membership fee for the following year. | The Institute's funding model must be decided upon by the Board and bringing the funding model to the AGM for determination would be unrealistic. |
| | Who appoints and determines the size of the Board Committees? | The Board should be entrusted with the task to decide on the number of committees and the constitution thereof. |
| 6.3.1.12 | Changes of the by-laws should be approved by the AGM/Members. | The By-Laws will be amended by the Board, and should there be a need for clarity on the sentiments of members or challenges, the Board would be able consult the AGM/members. |
| | Drastic changes had been made to the CPD and members have had minimal say on it. | This was noted. |
| 6.11 | There is no indication of what process should be followed by members when removing a Board member. | This was noted. |
| 7.2.2 | Capital expenditure should be approved by AGM/Member annually. | This was noted. |
| 7.2.9 | Appointment of the CEO must be done in terms of rules and guidelines by the AGM (the Board should recommend to the AGM for approval). | This was noted |
| 8.1 | A member requested an explanation of paragraph 8.1. | Mr Anderson explained that the Board will be advised by the Council. The composition of the Council shall be representatives of the SAICA constituencies. |
| 13.1.6 | What is a special non-binding vote? | Mr Anderson explained that it was an indicative view to inform the Board of membership sentiments. |
| 13.4 | The proposal to have the AGM before the 31 May 2020 should not be considered. | Mr Anderson stated that best practise was to schedule the AGM within a short period after the financial year-end. He stated that there was no need to a six-month delay, however, he would take the comment as noted. |
| | Is it still appropriate to continue an agreement with IRBA in terms of members disciplinary matters, does the agreement with IRBA preclude SAICA from disciplining its members who are also IRBA members? | The Chairman stated that the agreement with IRBA did not preclude SAICA from disciplining its members. In matters where a member was also a Registered Auditor, IRBA would lead with their disciplinary processes and SAICA would then take IRBA's findings into account for purposes of SAICA's processes and ruling. |
| | Will the Board members be paid based on meetings attendance, what will happen, when a Board member missed a meeting? | The Remunerations/Nominations Committee would decide upon the Board member's remuneration, and whether a penalty was appropriate for non- attendance of scheduled meetings. |
| | Should SAICA not be converted to a NPC? | Mr Southey from Webber Wenzel explained that SAICA was formed as a voluntary organisation and not for commercial activities. It could have been an NPC, but at the time SAICA was formed, it was not common to have Section 21 companies as NPC. There was not much difference between a voluntary association and an NPC. While it would not be difficult to convert SAICA into a NPC, there would be no benefits/advantages to |

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| <p>Expecting members to vote for new Board members will not be realistic, therefore members should entrust the current Board to appoint the new Board members through the stringent processes in place. Members should just support and guide the Board where possible.</p> <p>What is the difference between the role of the Board and the Council?</p> <p>Why was disciplining members not addressed by the GRTT?</p> <p>While there was no doubt that various members from big firms had brought the profession into disrepute, it appeared that SAICA was dealing with some members decisively while other members appeared to be able to continue without being disciplined.</p> <p>Consider bringing the annual budget to be approved by members.</p> <p>SMEs were of the view that SAICA expedite the disciplinary cases for SMEs but the big offenders from big firms/corporates are not treated with the same urgency.</p> <p>Apart from the Constitution, members should look closely to what they are required to do for the profession, for the communities and the country as a whole.; However, members would not be able to do everything for everybody.</p> <p>The view was expressed that the Constitution should be taken as is with the possible deficiencies considering that members across the world are ready to vote remotely, however should be revised where necessary and presented at the special meeting later in the year.</p> <p>The review of the Constitution and request for member's review and inputs should be given an adequate period to allow members time to review and fully participate in the process taking into</p> | <p>doing so, therefore it was advisable to continue as a voluntary association.</p> <p>This was noted.</p> <p>The role of Council is to advise the Board. The Board is "hired-and-fired" by members at the AGM. The Council only steps in when it believes that the Board have deviated from its mandate. The Council will also act as Board in the case where the whole Board has been dismantled.</p> <p>The disciplinary processes and procedures did not fall within the GRTT scope; hence it was not address.</p> <p>SAICA believes that it is important to deal with its members who have acted unethical decisively. There is no evidence of any form of discrimination in how unethical members are dealt with. SAICA is concerned with dealing with members fairly. SAICA has recently improved the processes by increasing resources to ensure that matters are dealt with promptly. SAICA was not set up nor is it adequately equipped to deal with the large volumes of matters currently under consideration, hence the introduction of the disciplinary levy to increase the capacity of the Legal and Governance Department within SAICA to expedite the cases.</p> <p>The Capex budget would be presented to the new Board and the new Board would decide on how this was approved. It would be impractical for members to decide on the operational budget.</p> <p>All cases, irrespective of their nature and intensity, are dealt with the same urgency. How a matter proceeds depends on variables such as the complexity of the matters and availability of information/evidence that supports investigations and the issue of sanctions.</p> <p>SAICA is constituted based on its current purpose and strategy, as stated in the Constitution. It is the right of the members to decide on whether those objectives are no longer valid, to narrow the focus and streamline it.</p> <p>This point would be taken into consideration. However, members had already been consulted in the process of drafting the Constitution. There had been opportunity to participate actively in the process.</p> <p>This was noted.</p> | |
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account that members have other commitments. The four weeks that was given for the review of the Constitution was inadequate.

A call was made for Mr Bam to step down as the SAICA Board Chairman considering that he is the CEO of Deloitte which was implicated in some resent high profile matters.

The Chairman responded that Deloitte was not a member of SAICA, and as he was a member of good standing, he saw no reason not to participate in the activities of the Board. (Some Members appealed to Mr Bam to step down regardless of whether he was involved or not until such time the investigations had been completed.)

Given the perception around the conflict of interest that can possibly arise, particularly in the case where the firm (Deloitte) or a member implicated is an employee of the firm whose CEO happen to be the Chairman of the regulating body/association which is expected to take action in this instance, should it not be a good thing for the Chairman of the Board to step down until such time as the investigations has been finalised.

Members were requested to consider abiding by the fundamental principle of not guilty until proven otherwise. There is currently no charge being investigated for any Deloitte employee. The SAICA Board does not determine who gets charged and members are charged in their individual capacity.

The Chair stated that if he was charged or being investigated, he would not have any difficulty stepping down.

11. RESULTS OF THE VOTE

11.1. After tallying the votes received by e-Voting in respect of items 7 and 8 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:

| Resolutions | For | | Against | | Abstain | | Total |
|--|-----|--------|---------|--------|---------|--------|-------|
| | # | % | # | % | # | % | |
| Approval of the 2018 SAICA Group Annual Financial Report | 228 | 85.07% | 13 | 4.85% | 27 | 10.07% | 268 |
| Acceptance of the he Auditors' Report | 237 | 88.43% | 8 | 2.99% | 23 | 8.58 | 268 |
| Appointment of Mazars as external auditors for the ensuing year | 216 | 80.60% | 28 | 10.45% | 24 | 8.96 | 268 |
| Approval of the amended Constitutions in terms of section 19 of the current Constitution | 205 | 76.49% | 42 | 15.67% | 21 | 7.84 | 268 |

11.2. The Chairman declared that the members **RESOLVED** to **ADOPT** all resolutions.

12. GENERAL

12.1. The Chairman invited members to raise matters for general discussion, if any.

12.2. The following additional comments were noted:

12.2.1. The Board should consider strengthening the measures that are in place to measure the achievement against the three pillars of the Integrated Report. It was further suggested that results of the measurements should be reported over a period of time to establish if there were any improvements. Benchmarking them with international institutions and association with similar activities as SAICA could also be considered

12.2.2. Some Members expressed appreciation to the Board for leadership and for playing an influential role globally. The willingness to participate at the Pan Africa Federation was not taken lightly.

12.2.3. There should be a peer review of members undergoing disciplinary processes to establish whether the case necessitate immediate suspension or not.

12.2.4. Management was requested to consider setting up a mechanism or online platform for members to provide their input and suggestions.

13. CLOSURE

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| There being no further business to discuss, the Chairman thanked members for their invaluable contributions and closed the Annual General Meeting. | |
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Approved as a true reflection of the proceedings

Chairman

Date