

## NOTICE OF THE SAICA ANNUAL GENERAL MEETING

**Notice is hereby given** that the Annual General Meeting (AGM) of the members of the South African Institute of Chartered Accountants (SAICA) will be conducted through electronic media on **Thursday 27 May 2021 at 09h00**, for the transaction of the following business:

Due to the COVID-19 precautions, member participation will be facilitated through a webcast of the meeting. **To allow for the confirmation of a quorum, members are kindly requested to join the webcast no later than 08h45 to avoid delaying the meeting.**

Members are required to utilise SAICA's electronic e-voting platform for both the proxy and on-the-day voting processes. (See Registration & Proxy Info on page 6.)

The agenda provides for the following resolutions to be tabled at the meeting:

### **QUORUM**

To establish whether a quorum is present.

### **CONFIRMATION OF THE NOTICE AND DOCUMENT CIRCULATION**

To NOTE that a Notice to members convening the Annual General Meeting was published in the March, April and May issues of the *Accountancy SA* magazine.

### **CHAIRMAN'S ADDRESS**

To allow the Chairman of the SAICA Board to provide members with a report for 2020.

### **CEO REPORT**

To allow the CEO to provide members with a short report on the operations of the Institute in 2020.

### **ORDINARY RESOLUTION 1:**

**To CONSIDER the SAICA Group and Institute Annual Statements and Integrated Report which includes the CEO and Chairman's reports for the year ended 31 December 2020.**

(The current SAICA Constitution in paragraph 13.1.1 requires "consideration of the annual financial statements and integrated report" at the AGM. In addition, paragraph 13.1.2 requires "consideration of reports by the Chairperson and the CEO").

### **ORDINARY RESOLUTION 2:**

**To CONSIDER the Independent Auditors Report.**

(The current SAICA Constitution in paragraph 13.1.3 requires "the consideration of a report by the external auditors" at the AGM).

### **ORDINARY RESOLUTION 3:**

**To CONSIDER and, if supported, APPROVE the re-appointment of MAZARS as the external auditors for the ensuing year.**

(The current SAICA Constitution in paragraph 13.1.4 requires “the consideration of the appointment of the auditors” at the AGM).

### **BOARD ROTATION**

In terms of clause 6.2.9 of the SAICA Constitution, one-third of Board members, excluding the *ex officio* members, must retire at each AGM provided that the Board member has served at least 1 (one) year. Ms Tsakani Maluleke, Ms Refilwe Matenche, and Ms Babalwa Bekwa are accordingly required to retire by rotation at this AGM.

A retiring member of the Board is however entitled to make him-/herself available for re-election (in accordance with par. 6.2.10 of the Constitution) and Ms Babalwa Bekwa has made herself available for re-election and the Board, through the nominations committee, has recommended her re-election.

Members are referred to the following paragraphs of the Constitution

*6.2.1 The Board may determine the number of Board Members at any time, subject to the proviso that:*

- (i) the minimum number of Board Members shall be 8 (eight);*
- (ii) the maximum number of Board Members shall be 12 (twelve); and*
- (iii) the composition of the Board must be diverse and must have an appropriate mix of race, gender and diversity.*

*6.2.2 The Board shall comprise a balance of executive and non-executive Board Members, with a majority of the Board Members being independent. Subject to the requirement that:*

- (i) the majority of Board Members shall be Chartered Accountants CA(SA); and*
- (ii) 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.*

*6.2.3 The President or his or her nominee shall be an ex officio non-independent Board Member.*

*6.2.4 The Board must appoint the CEO and approve his or her nominated senior executive to the Board. The CEO and such nominated senior executive shall be ex officio Board Members.*

Accordingly, there are three *ex officio* members of the Board and a maximum of three vacancies to be filled at this AGM:

- **One non-executive Board member who is not a Chartered Accountant; and**
- **Two non-executive Board members who are Chartered Accountants.**

After considering the proposals from the Nominations and Governance Committee and the input from the National Council, the Board proposes the following 5 nominees for consideration.

As non-executive Board members who are not Chartered Accountants, the following candidates are nominated for consideration:

- **1. Ms Babalwa Bekwa**
- **2. Ms Brenda Mfihlo**

As non-executive Board members who are Chartered Accountants, the following candidates are nominated for consideration:

- **1. Mr Vincent Mthethwa**
- **2. Ms Brenda Tsvetu**
- **3. Ms Thembeke Mthethwa**

The comprehensive curricula vitae have been published on the following web page [View](#).

## **ELECTION OF BOARD MEMBERS WHO ARE NOT CHARTERED ACCOUNTANTS**

As more persons have been nominated for the Board vacancies of non-executive Board members who are not Chartered Accountants, the result of the voting for resolutions 4 and 5 shall be determined in accordance with the number of votes cast in favour of each resolution so that the vacancies will be filled by the one candidate that receives the highest number of favourable votes.

### **ORDINARY RESOLUTION 4**

**“Resolved that in terms of par 13.1.5 of the Constitution, Ms Babalwa Bekwa be and is hereby elected to the SAICA Board with immediate effect.”**

### **ORDINARY RESOLUTION 5:**

**“Resolved that in terms of par 13.1.5 of the Constitution, Ms Brenda Mfihlo be and is hereby elected to the SAICA Board with immediate effect.”**

This concludes the resolution related to vacancies for Board members who are not Chartered Accountants.

## **ELECTION OF BOARD MEMBERS WHO ARE CHARTERED ACCOUNTANTS**

As more persons have been nominated for the Board vacancies of non-executive Board members who are Chartered Accountants, and although each nominee will be voted upon by a separate resolution, the result of the voting for resolutions 6 to 8 shall be determined in accordance with the number of votes cast in favour of each resolution so that the vacancies will be filled by the two candidates receiving the highest number of favourable votes.

### **ORDINARY RESOLUTION 6:**

**“Resolved that in terms of par 13.1.5 of the Constitution, Mr Vincent Mthethwa be and is hereby elected to the SAICA Board with immediate effect.”**

### **ORDINARY RESOLUTION 7:**

**“Resolved that in terms of par. 13.1.5 of the Constitution, Ms Brenda Tsvetu be and is hereby elected to the SAICA Board with immediate effect.”**

### **ORDINARY RESOLUTION 8:**

**“Resolved that in terms of par. 13.1.5 of the Constitution, Ms Thembeke Mthethwa be and is hereby elected to the SAICA Board with immediate effect.”**

This concludes the resolution related to vacancies for Board members who are Chartered Accountants.

## **ORDINARY RESOLUTION 9:**

### **Background:**

In terms of par. 13.1.6 of the Constitution, the members must approve the increase/decrease and/or any change in the basis of determining the Board and Board committee member fees for the ensuing year. At the AGM in 2020, the Board did not request an annual Board fee increase.

Board fees are payable only to the non-executive members of the SAICA Board. Since inception (October 2019), the basis for calculating the hourly fee of the non-executive members of the Board is the current guideline on fees for audits and audit-related services performed by auditors in private practice on behalf of the Auditor-General of South Africa (currently specified in Circular 01/2021). More specifically, the hourly rate applicable is the charge-out rate for partners, directors and specialists, which is currently (1 April 2021 to 31 March 2022) fixed at R3 119. The fee applicable in 2019 was R3 028.00 and since no increase of fees was suggested by the Board at the AGM in 2020, this still forms the basis of the current Board fee calculation. The proposed fee increase from R3 028 to R3 119 represents a proposed increase of 3%.

For purposes of determining the appropriate fee for the Board Chairman, the conventional rule which was applied in the past has been applied again, which suggests that the Chairman's hourly fee should be R3 119 x 1.5. This results in an hourly fee of R4 678.

For the purpose of determining the appropriate fee for the Chairmen of the Board committees, the hourly rate was fixed at R3119 x 1.25. This is the formula which was applicable in the past. The result is an hourly fee of R3 899.

The fees will be paid on the basis of attendance only and the following attendance fee calculation will apply which is the current basis:

- Board – meeting and preparation time assumed to be 12 hours per meeting.
- Board committee – meeting and preparation time assumed to be 8 hours per meeting.

When making the fee proposal to the Special AGM in October 2019, the previous Board had made some assumptions about the number of meetings required for executing the responsibilities of the Board and the Board committees. Based on those assumptions, an annual budget for payment of fees to the Board and Board committee members per annum was submitted to the members for approval. With the benefit of actual experience since October 2019, the SAICA Board, proposes that the actual number of meetings should be the basis of the Board fee payment. This approach will also be in line with the SAICA Remuneration policy.

The current Constitution (par 6.5) requires that the Board “*must appoint a Lead Independent Board Member (“LID”) to assist the Chairperson in the execution of his or her/her duties and such other functions as the Board may wish to delegate to the Lead Independent Board Member in the Board Charter*”. The previous resolutions of the AGM did not provide for the specific payment of an appropriate fee for the LID. The SAICA Board proposes that the LID be paid a meeting fee equal to that of a Committee Chairman.

The current proposed fees represent the Board fees exclusive of VAT. VAT may be payable in addition to the above amounts to qualifying Board members. This will have a zero net effect on SAICA.

**Resolution:**

**“Resolved that the Institute be, and is hereby, authorised to pay the following fees per meeting to non-executive Board members for their services as non-executive Board members for the period from the date of the passing of this special resolution, as follows:**

			Total fee per meeting:
1	Board	Chairman	R 56 136
2	Board	Non-executive Member	R 37 428
3	Other Board Committees	Chairman	R 31 192
4	Other Board Committees	Non-executive Member	R 24 952
5	Lead independent member	For board meetings	R 46 788

(The current SAICA Constitution in paragraph 13.1.6 requires “approval of the increase/decrease and/or any change in the basis of determining the Board and Board committee member fees for the ensuing year”).

**VOTE ON RESOLUTION 10:**

**To CONSIDER the approval of the Remuneration and related implementation Policy by a special non-binding vote for the ensuing year.**

(The SAICA Constitution in paragraph 13.1.7 and 13.1.8 requires the approval of the Remuneration Policy and Implementation Policy by a special non-binding vote at the AGM).

**VOTE ON SPECIAL RESOLUTION 11**

**Background:**

Following requests by members, and an undertaking by the Board at the AGM on 28 May 2020, the Constitutional review initiative commenced on 1 June 2020 when members were requested to provide suggestions to further enhance the SAICA Constitution.

Members were specifically requested to take the time to motivate their proposed amendments to the Constitution and send these to the Governance Division of SAICA by e-mail.

The email address was active from 1 June 2020 and closed on 31 July 2020. Following the consideration of comments received from members and the SAICA legal team, amendments were made to the SAICA Constitution for review by the SAICA Management team as well as the SAICA Executive Committee.

The proposed amendments were carefully reviewed by the Social Ethics and Transformation Committee of the Board, and based on its recommendations, the Board proposes the following amendments to the members:

**Resolution:**

**“Resolved that the Constitution be amended in terms of Section 18 of the current Constitution as proposed in the circulated documents.”**

**APPROVAL OF PREVIOUS MINUTES**

**To CONSIDER and APPROVE the minutes of the previous Annual General Meeting held on 28 May 2020.**

**REGISTRATION AND PROXY VOTING**

Registration and proxy voting via SAICA’s e-voting platform opens at 09h00 on Thursday, 6 May 2021 and closes at 09h00 on Tuesday, 25 May 2021, 48 (forty-eight) hours before the time appointed for the AGM.

Please note: In order to use the e-voting facility, members must register, [logon](#) and cast their proxy e-votes by following the on-screen prompts which have been detailed in the [e-voting and webcast guidelines](#). There will be no paper-based proxy voting option. All voting will be conducted through the e-voting system.

**ON-THE-DAY VOTING**

On the day of the meeting, members who did not exercise proxy votes, will be able to [logon](#) to the AGM e-voting platform, and supply their SAICA membership number, South African ID number, or Passport number and follow the on-screen prompts to vote. Read [e-voting and webcast guidelines](#) for assistance in this regard. We however suggest that members register for voting during the abovementioned registration period. Members will be allowed to cast their e-votes when the voting is opened during the AGM proceedings. All voting will be electronic. There will be no paper-based voting.

**WEBCAST PARTICIPATION AT THE AGM**

SAICA members must utilise the webcast option to participate remotely in the AGM proceedings, by logging on to the Webcast Dashboard ([Read e-voting and webcast guidelines](#)). This will enable online submission of comments or questions, which will be presented to the Chairman for action, at the Chairman’s discretion. The AGM will be adjourned to enable the e-voting process to be completed and the meeting will be reconvened to enable the Chairman to announce the results. Members joining via webcast and casting an electronic vote are requested to stay connected during this process. Additional instructions on the proceedings at the AGM will be provided by the Chairman at the meeting.

**QUERIES**

Email [AGM@saica.co.za](mailto:AGM@saica.co.za) to log any technical support queries relating to the e-voting platform.

**TERMS AND CONDITIONS**

Please read [the SAICA AGM e-voting Terms and Conditions](#).

Issued by:

**Jaco Snyman**  
**Board Secretary**  
The South African Institute of Chartered Accountants