

**MINUTES OF THE ZADNA ANNUAL GENERAL MEETING HELD ON ZOOM DIGITAL PLATFORM ON
THE 26 SEPTEMBER 2025 AT 10H00**

PRESENT:		
Ms. Palesa Legoze	(PL)	Board Chairperson
Dr. Jonty Tshipa	(JT)	Board Member
Prof. Daniel Mashao	(DM)	SEC Chairperson
Mr. Harris Nkanyane	(HN)	ARC Chairperson
Ms. Siphokazi Simandla	(SS)	HRREMCO Chairperson
Ms. Veronica Motloutsi	(VM)	NICOM Chairperson
Dr. Salome Chiloane-Nwabueze	(SCN)	Board Member
Mr. Qondile Khedama	(QK)	Board Member
Ms. Sizo Mzizi	(SM)	Board Member
BY INVITATION:		
Molehe Wesi	(MW)	Chief Executive Officer
Peter Madavhu	(PM)	Executive Manager: Operations
Angel Selebano	(AS)	Manager: PR & Management
Adv. Lerato Seema	(LS)	Executive Manager: Policy; Licensing & Regulations
Sibongile Ndlovu	(SN)	Executive Manager: Finance
Noncedo Eland	(NE)	HR: Business Partner
Khathutshelo Thovheyi	(KT)	Executive Manager: Digital Services
IN ATTENDANCE:		
Mr. Simon Nyathi	(SSN)	Mkhwanazi Inc. – CoSec
Ms. Khethiwe Pedi	(KP)	Mkhwanazi Inc. – CoSec
Mr Ronny Mkhwanazi	(RM)	Mkhwanazi Inc. – CoSec
APOLOGIES: None.		

ITEM	DESCRIPTION	ACTION
PART A: PROCEDURAL MATTERS		
1.	WELCOME	
	The Chairperson welcomed all attendees and declared the meeting open.	
2.	QUORUM & CONSTITUTION OF THE MEETING	Noting
	There being a quorum, the Chairperson declared the meeting duly constituted.	
3.	ATTENDANCE AND APOLOGIES	Noting
	None.	

ITEM	DESCRIPTION	ACTION
4.	APPROVAL OF THE AGENDA	Approval
	<p><i>Lesiba Mokgokong moves, Siphokuhle Matikinca seconds.</i></p> <p>Resolution 1 of 26/09/2025: The members resolved to adopt the agenda</p>	
5.	DECLARATION OF INTEREST	Noting
	<p>a. In terms of section 75 of the Companies Act of 2008, Directors must declare in writing any direct or indirect personal financial interest in any existing agreement or matters entered or proposed by the Company.</p> <p>b. Since the meeting was held via video conference, all members communicated their declaration of interest on the chat platform.</p> <p>c. The attendees declared that they had no conflict of interest on the agenda items set before the meeting and any outside business that may be conflicting with ZADNA's mandate.</p>	
PART B: MINUTES FROM PREVIOUS MEETINGS		
6.	APPROVAL OF MINUTES	
6.1	Minutes of the Annual General Meeting held on 03 September 2024	Approval
	<p><i>PL:</i> States that minutes were taken as read and presented to the members for commenting.</p> <p>Resolution 2 of 26/09/2025:</p> <p>Poll results:</p> <p>75% approves, 0 decline, 29% no vote.</p> <p>Members resolved to approve the minutes of the Annual General Meeting held on the 3rd of September 2024.</p>	
6.2	Minutes of the Special General Meeting meeting held on 21 January 2025	Approval
	<p><i>PL:</i> States that minutes were taken as read and presented to the members for commenting.</p> <p>Resolution 3 of 26/09/2025:</p> <p>67% approve, 0% decline, 33% no vote.</p>	

ITEM	DESCRIPTION	ACTION
	<p>The members have resolved to approve the minutes of the Special General Meeting held on 21 January 2025.</p>	
<p>7.</p>	<p>MATTERS ARISING REPORT</p>	
<p>7.1.</p>	<p>Matters Arising from previous minutes from the SGM of 19 January 2025</p>	<p>Noting</p>
	<p><i>MW:</i> States that during the previous meeting, several key matters arose that warrant further attention and strategic planning. Firstly, the launch of the nom.za domain was announced, with an emphasis on revisiting and refining its intended utilization to ensure optimal benefit for the South African public, as the namespace is now open to all citizens. This initiative aims to enhance digital identity and accessibility across the country. Secondly, the issue of school digitization was discussed extensively during the Special General Meeting (SGM), particularly the challenge of securing sustainable funding for the program. The structured relationship previously held between zaDNA and its donor manager was critically evaluated, leading to a collective resolution by zaDNA members to terminate that arrangement. In its place, the organization will explore prospective sponsors through a more inclusive and transparent approach, opting to establish a panel rather than rely on a single donor manager. This shift is intended to broaden stakeholder engagement and diversify funding sources. The floor was subsequently opened to questions, inviting further input and dialogue from attendees to shape the way forward.</p> <p><i>Sentle Olifant:</i> Comments that during the previous meeting, concerns were raised regarding the donor arrangement associated with the organization’s funding strategy. The issue was flagged as a significant red flag, indicating potential risks or misalignments in the current structure. However, the explanation provided at the time lacked clarity and detail, leaving members uncertain about the underlying causes and implications. This ambiguity prompted further scrutiny and highlighted the need for a more transparent and accountable approach to donor engagement. The matter remains unresolved, with calls for a clearer framework and better communication to ensure future funding processes are both secure and well-understood.</p> <p><i>MW:</i> States that the donor manager arrangement was structured around a tapered success fee model, with a standard requirement of a 10% success fee. It was agreed that any proposal exceeding this threshold would necessitate renegotiation to ensure financial prudence. The service provider involved was expected to fulfill specific funding commitments outlined for the first year of the program. However, due to their inability to secure and deliver the agreed-upon funds, the organization resolved to revoke the relationship.</p>	

ITEM	DESCRIPTION	ACTION
	<p><i>Sentle Olifant:</i> Raised a critical question regarding the transparency of zaDNA’s donor engagement process as to how zaDNA entered into and subsequently terminated a donor manager relationship without its members being fully informed of who the donor manager was in the first place?</p> <p><i>MW:</i> Affirms by stating that the donor manager relationship that zaDNA entered into and later terminated, was with a company called STARTUP LAB.</p> <p>The members note the Matters Arising from the SGM of 21 January 2025.</p>	
PART C: AGM MATTERS		
8.	ITEMS FOR CONSIDERATION	
8.1	Chairperson Feedback Report	Noting
	<p><i>PL:</i> Reported a strong performance over the past year, highlighting significant strides in strengthening the digital ecosystem and promoting inclusion. The organization successfully met 17 out of 19 annual targets and achieved all 24 national targets, reflecting its commitment to operational excellence. Governance and structural reforms were addressed, including the appointment of new Board members to ensure both renewal and continuity. Inclusion and skills development were emphasized as core mandates, not peripheral concerns, with 335 registrar reseller trainees empowered to participate in the DNS economy. Technical reliability was demonstrated through a 99.9% uptime in live drills, and transparency in reporting remained a key focus. While most goals were met, two targets—supporting township businesses and digitizing the Royal Household—were not achieved, signalling areas for future attention. Looking ahead to 2025/26, zaDNA will prioritize safeguarding and securing the namespace, improving domain retention and growth, institutionalizing compliance across the ecosystem, and accelerating digital inclusion. Lastly, expressed gratitude to the team and operators, acknowledging that there is always room for improvement, and concluded by opening the floor for questions.</p> <p><i>Jan Vermuleun:</i> States that zaDNA provided a detailed operational and financial update, addressing key areas of performance and concern. The Service Level Agreement (SLA) remains a cornerstone of its operational commitments, with uptime metrics closely monitored. An after-action report was received from ZARC regarding the unexpected downtime experienced in March, outlining the root causes and corrective measures taken to prevent recurrence. On the financial front, zaDNA is currently facing challenges in maintaining its annual budget ceiling of R23–24 million. These constraints stem from rising operational costs, unforeseen expenditures, and limited donor support, which have collectively strained the organization’s financial sustainability. Comments that the</p>	

ITEM	DESCRIPTION	ACTION
	<p>update underscores the need for enhanced cost management and diversified funding strategies to ensure long-term stability.</p> <p><i>Tshifiwa Gift:</i> Enquires as to how zaDNA plans to accurately identify royal households and township-based businesses that have not yet been digitalized, and will members of the organization be permitted to contribute input or recommendations to support this identification process?</p> <p><i>PL:</i> Addressed the issue of external funding, noting that anticipated financial support from partner entities has not materialized as expected. Despite initial commitments, the funds did not come through, creating a shortfall in the organization’s projected budget. This development has impacted the planning and execution of certain initiatives, prompting zaDNA to notify its members accordingly.</p> <p><i>MW:</i> Confirmed that a formal report was presented to the relevant authority following an engagement with the operator concerning a critical incident linked to the encryption key for the namespace. The cost and nature of this engagement led to an unfortunate event, which is currently under investigation by the appropriate authorities. Upon identifying the incident, zaDNA promptly implemented remedial steps to mitigate any further risk and reinforce the integrity of the namespace. In parallel, the organization outlined its approach to identifying royal households and township-based businesses for digitization efforts. For royal households, zaDNA relies on the list provided by the Department of Cooperative Governance and Traditional Affairs (COGTA), which recognizes and validates these entities. For township businesses, local municipalities serve as the primary source for obtaining accurate and up-to-date listings, ensuring that outreach and inclusion efforts are well-targeted and credible.</p> <p><i>Nomso Kana:</i> Inquired concerning the availability and implications of the ZACR report. Members are seeking clarity on whether the report detailing the March downtime incident is publicly accessible, and whether zaDNA is taking proactive measures to prevent a recurrence of such a shutdown. This reflects a broader concern around operational resilience and transparency. Additionally, in the context of supporting township-based businesses, it has been suggested that zaDNA engage with the Department of Small Business Development (DSBD), which holds valuable data on both formal and informal enterprises within township communities. Such collaboration could enhance the effectiveness of zaDNA’s digital inclusion efforts and ensure that outreach is both targeted and inclusive.</p> <p><i>Jan Vermuelen:</i> Given the current budget constraints, he inquired that if zaDNA is unable to operate within its annual allocation of R24 million due to rising renewal and service costs, what specific programmes, initiatives, or operational areas would need</p>	

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	<p>to be scaled back or sacrificed to maintain financial sustainability without compromising the core mandate of protecting and growing the namespace?</p> <p><i>PL:</i> Acknowledged that while the organization can operate within its annual budget of R24 million, the challenge lies in the additional programmes it undertakes beyond its core mandate. These supplementary initiatives, though valuable, place strain on financial resources. Despite this, it is emphasized that its commitment to inclusivity, stressing that the expectation is to leave no one behind—particularly rural and township schools that remain underserved in the digital landscape. The organization is actively exploring strategies to onboard these institutions and ensure equitable access to digital infrastructure. Importantly, it is clarified that sustainability is not hindered by domain name registration revenue alone, but rather by the scope and scale of broader developmental programmes that require additional support and coordination.</p> <p><i>MW:</i> Addressed concerns regarding its cash reserves, acknowledging that a substantial amount of funding has been accrued, prompting scrutiny over financial efficiency. In alignment with the ministry’s mandate for cost optimization, the organization emphasized the need to prioritize key programmes that deliver the most impact. Engagements with royal households will continue as part of its broader inclusion strategy, and a pilot initiative under the SIGFA programme is set to launch, with the expectation of generating meaningful results. Additionally, zaDNA confirmed that deliberations with system operators regarding the recent incident are scheduled to conclude by the end of next week, after which a comprehensive report will be shared to ensure transparency and accountability.</p> <p><i>Jan Vermuelen:</i> Raised a question regarding zaDNA’s current fiscal standing. Stated that considering the reported decline from R400 million, does zaDNA currently hold only R360,000 in available funds, and if so, is this the full extent of its present financial reserves?</p> <p><i>PL:</i> Suggests that <i>Jan</i> holds his questions until the agenda reaches the finance item.</p> <p>The members noted the Chairperson’s report.</p>	
8.3	2024/25 Audited Annual Financial Statements	Approval
	<p><i>HN:</i> Provided a detailed financial update, noting that the latest financial statements were classified as non-material but flagged for non-compliance. This outcome was influenced by transitional challenges, including the movement of responsibilities between successive boards and the secretariat. The organization is currently operating</p>	

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	<p>under a deficit, primarily driven by employment costs linked to recruitment commitments made in collaboration with partner entities. Additional financial pressures stem from operational expenses such as utilities, travel, and the expansion of the board from seven to nine members, which introduced further expenditure. The appointment of a new secretariat also contributed to increased funding requirements. In response, new financial statement notes were introduced —specifically notes 5, 21, and 12—to improve transparency and reporting accuracy. Despite these challenges, the board has implemented cost management measures and continues to prioritize fiscal discipline. The organization affirmed its ability to meet obligations as they arise, maintaining a liquid position through careful budgeting and oversight.</p> <p><i>SN:</i> Provided a breakdown of its current cash and cash equivalents, confirming a total of R366,000 in available funds. Of this amount, R350,000 is held in physical cash reserves, while R9,000 is maintained in a call account for immediate liquidity. In addition to these short-term assets, the organization holds a longer-term investment valued at R6 million, which is scheduled to mature in March 2026. This financial structure reflects a mix of accessible operational funds and strategic investments aimed at supporting future sustainability.</p> <p><i>PL:</i> Stated that the pack should be taken as read.</p> <p><i>Calvin Brown:</i> Raised a question concerning page 23 of the Annual Financial Statements (AFS). States that the document indicates that R9.9 million is owed to the authority and has been outstanding for over three months—who specifically is responsible for this liability, and what are the underlying reasons for the delay in settlement?</p> <p><i>SN:</i> Clarified that the outstanding amount of R9.9 million, as reflected in its financial statements, is owed by two debtor entities: MICSETA and USAASA. These organizations are responsible for the delayed payments that have remained unsettled for over three months.</p> <p><i>Calvin Brown:</i> Inquired that from the detailed income statement, where specifically is the R9.9 million owed by MICSETA and USAASA reflected as income, and how is it categorized in terms of revenue recognition and reporting compliance?</p> <p><i>SN:</i> Clarified the categorization of outstanding receivables in its financial reporting, noting that the amounts owed by MICSETA and USAASA are reflected differently within the income statement. The amount due from MICSETA is listed under revenue, aligning with its classification as part of the organization’s core income streams. In contrast, the amount from USAASA is recorded under "other income," indicating its nature as a non-operational or supplementary financial contribution.</p>	

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	<p><i>Calvin Brown:</i> Given that the outstanding amount owed by MICSETA and USAASA has remained unpaid for over a year, what is zaDNA’s assessment of the likelihood of recovering these funds, and what measures—legal, administrative, or strategic—are being considered to facilitate repayment or mitigate the financial impact of prolonged non-settlement?</p> <p><i>MW:</i> Confirmed that interventions related to outstanding financial matters and operational challenges are currently underway and have reached an advanced stage. These efforts reflect the organization’s commitment to resolving key issues through structured engagement and strategic oversight</p> <p><i>Nomso Kana:</i> Inquired whether USAASA can write a formal statement regarding when the financials will be settled.</p> <p><i>Jomo Masango:</i> A request for financial clarity was raised regarding the opening and closing balances in zaDNA’s latest financial statements, with particular attention to the allocation of expenditure. It was noted that a significant portion of spending is directed toward compensation, yet under the new board structure, only two members are currently active, prompting questions about the proportionality of board-related costs. Further scrutiny was directed at identifying where the bulk of financial resources were spent, especially considering the recent transition to a new board and secretariat</p> <p><i>MW:</i> Outlined the primary areas of expenditure within its financial framework, emphasizing that Human Resources remains the largest cost driver. This includes salaries, recruitment, and staff-related operational support. According to the ARC chair, other significant line items include activities directly aligned with zaDNA’s core mandate—particularly those focused on namespace development and digital infrastructure. These strategic initiatives are essential to maintaining and expanding the .za domain ecosystem. Additionally, the organization incurs notable costs related to its physical premises, which house its operational offices and administrative functions. Collectively, these categories represent the bulk of revenue allocation, reflecting zaDNA’s commitment to both human capital and mission-driven service delivery.</p> <p><i>Calvin Brown:</i> Acknowledged the need for financial prudence considering an overdue payment that has remained unsettled for two years, originating from the 2024 financial period. Further expressed concern about the likelihood of recovering the debt, given the extended delay and the potential impact on its cash flow and budgeting forecasts.</p> <p>Resolution 4 of 26/09/2025: Poll</p>	

ITEM	DESCRIPTION	ACTION
	<p>54% approve, 8% decline, 38% no vote</p> <p>Members resolved to approve the 24/25 Audited Annual financial statements.</p>	
PART D: OTHER BUSINESS		
9.	ANY OTHER BUSINESS	
	<p><i>Kgodishang Tshwaane:</i> Suggest strategies to support township onboarding as part of its broader digitisation mandate. One such approach involves engaging with ICT resellers and hardware suppliers to encourage the donation of computers and related equipment to underserved communities. By leveraging partnerships with private sector stakeholders, zaDNA may bridge the digital divide and ensure that township schools and community centres have the necessary infrastructure to participate in the digital economy. This initiative aligns with the organization's commitment to inclusivity and equitable access, and forms part of a broader effort to empower rural and township learners through technology-driven opportunities.</p> <p><i>PL:</i> Acknowledged that zaDNA cannot directly provide computers or digital infrastructure for township onboarding initiatives. Instead, the organization intends to engage and collaborate with strategic partners—such as ICT resellers, private sector stakeholders, and community organizations—to facilitate donations and support digitisation efforts.</p> <p><i>Calvin Brown:</i> Inquired whether members will be able to receive the media report.</p> <p><i>PL:</i> Stated that she is unaware of the specific media report in question. However, the board is aware that a report exists and is in the process of reviewing and applying its mind to the matter. At this stage, the organization is unable to verify or validate the contents of the report until a thorough internal assessment has been completed.</p> <p><i>Jomo Masango:</i> Confirmed that formal notice was sent and the relevant department was notified in a timely manner regarding the Annual General Meeting (AGM). However, concerns were raised about the delayed submission of the Annual Report, which was not received within the expected timeframe. Further states that the Minister expressed disappointment over this lapse, emphasizing the importance of aligning the delivery of the Annual Report timeously before the AGM.</p> <p><i>MW:</i> Confirmed that the Integrated Annual Report, which includes the Financial Statements, was finalized and approved only that day. Further, advised that Mr. <i>Masango</i> check his email, as the report had already been shared with him. While the</p>	

ITEM	DESCRIPTION	ACTION
	<p>notice to the department regarding the Annual General Meeting was sent timeously, it was acknowledged that the actual sharing of the notice occurred later than expected.</p> <p><i>Jan Vermuelen:</i> Indicated that he is seeking a formal follow-up from zaDNA in response to a recent media report concerning the organization's financial situation. He acknowledged that an investigation is currently underway, which may shed light on the issues raised. However, he also noted that, he is unable to comment on or assess the accuracy of his reporting in the media report from the previous day, pending further clarification and verification from zaDNA.</p> <p><i>PL:</i> Confirmed that a formal report has been received and is currently under review by the board. The organization emphasized that the board is actively applying its mind to the contents of the report to ensure a thorough understanding and appropriate response. Once the internal review process is complete, the report will be shared with relevant members.</p> <p><i>Precious Maseya:</i> Responded to the CEO's explanation regarding the Annual Report by reiterating a key concern. Stated that the report must be submitted to Parliament by 30 September each year, in accordance with established legislative and governance procedures. She emphasized that this deadline is not merely a formality but a critical compliance requirement. While acknowledging that zaDNA is aware of these obligations, she expressed concern over the last-minute receipt of the report, which undermines the ability of stakeholders to review and engage with the content meaningfully.</p> <p><i>PL:</i> Acknowledged the importance of aligning its reporting timelines with statutory requirements and stakeholder expectations. In response to concerns about the delayed submission of the Annual Report, the organization committed to reviewing its internal processes to ensure that future reports are finalized and submitted by the end of August.</p> <p><i>Tshifhiwa Maeko:</i> Emphasized that zaDNA should take a proactive approach by directly engaging with schools, SMMEs, and royal houses to advance its digitisation efforts. He noted his close working relationship with schools and referenced a departmental initiative to develop websites for educational institutions, raising the question of whether zaDNA is formally involved in this rollout. He further sought clarity on the methodology zaDNA uses to identify both registered and unregistered township businesses, highlighting the importance of inclusive outreach. Additionally, he pointed out that some royal houses are not formally registered and asked how zaDNA intends to recognize and incorporate these entities into its programmes.</p>	

ITEM	DESCRIPTION	ACTION
	<p><i>MW</i>: Confirmed that the digital technology management team has been tasked with engaging <i>Tshifhiwa</i> offline to discuss key aspects of the digitisation initiative. The organization anticipates that the outcomes of this engagement will inform the way forward and be shared with members in due course. It was acknowledged that the project is extensive in scope, involving multiple programmes and stakeholders, and that implementation will need to account for the diverse legislative frameworks and operational approaches across provinces.</p> <p>The members noted the importance of proactive engagement and strategic partnerships to support township digitisation, raised concerns about the delayed Annual Report and its parliamentary submission deadline, sought clarity on media reporting and financial investigations, emphasized the need for inclusive outreach to schools, SMMEs, and royal houses, and acknowledged the complexity of implementing programmes across diverse provincial legislative frameworks.</p>	
10.	CLOSURE	
	<p>With no further business to discuss, the Chairperson thanked all present for their contributions and closed the meeting at 11:30.</p>	

Signed as a true reflection of what was discussed at the meeting.

Chairperson

Date