

**MINUTES OF THE ANNUAL GENERAL MEETING OF
THE CAPE TOWN REGIONAL CHAMBER OF COMMERCE AND INDUSTRY,
HELD VIRTUALLY ON THURSDAY 25TH FEBRUARY 2021 AT 15H00**

ATTENDANCE

As per the attendance register.

APOLOGIES

A number of apologies had been received, and those were recorded.

1. WELCOME

Ms Singh, Mr Zimmerman and Mr Ganca welcomed all members and honoured guests to the Annual General Meeting of the Cape Chamber and declared the meeting open.

2. AGENDA

Mr Peimer declared the AGM quorate. The Agenda was **CONFIRMED**.

Proposer: Ms Rabia Achmat

Secunder: Ms Kim Filies

3. CONFIRMATION OF MINUTES

3.1 The Minutes of the Annual General Meeting held on 21st November 2019 which was circulated to all members was duly **CONFIRMED** and signed.

Proposer: Mr Richard von Hoesslin

Secunder: Mr Grant Whittaker

4. FINANCIAL STATEMENTS

The Honorary Treasurer Mr Peter Ross reported on the audited Financial Statements for the Chamber's financial year ending 30 June 2020 as follows:

In business, and in fact in any enterprise like our Cape Chamber of Commerce, Finance is the lifeblood of the business. Without it, things would simply not run smoothly, if at all. It is in fact the source to run any organisation, it provides the money, it acquires the money. The finance function involves the acquiring and utilization of funds necessary for efficient operations. It is the central element in the organisation and can be likened to the hub of a wheel. All other departments are very important but if you seek the most important function of all Finance is the central one. That is why the Annual Financial Statements occupies an important slot

in the agenda of any AGM. We will now look at the main numbers for the financial year ending 30 June 2020.

Income Received for the year ending June 2020:

1. Subscriptions increased by 43% - While this was driven partially by the justified release of prior year deferred revenue. Our partnership with Mercedes Benz also resulted in a number of new members being recruited.
2. Certification fees increased by 10% - This arose as a result of increased certification volumes relating to the exports of Foodstuffs and Vegetable products from July 2019 to Feb 2020.
3. Functions and seminars reduced by 36% - This was mainly attributable to the Covid lockdown in the last 4 months of the year. The Chamber had to adapt to functions being held virtually. Online attendance fees were obviously lower as a result.
4. The overall result was an increase in Total Chamber Revenue by 16% to R15.1m.

Summary of the Chambers Expenses for the year:

1. Salaries and Consulting fees represent the biggest expense of the Chamber being 63% of the overall total. Happily, we recorded an overall reduction in these expenses of 5% year on year. This was mainly attributable to the use of an external service provider, Marathon Finance who helped us to bridge the gap between the departure of our previous Financial Manager and the recruitment of his replacement Sibu Ganca. The 2020 levels are hence back to normal.
2. Membership recruitment costs reduced by 60%. Mainly attributable to the allocation of the monthly amounts paid to our brands communication company TR Communications in the period. This relatively expensive contract was terminated in 2019.
3. Postage and telephone costs increased by 145% during the year. This represents Equipment lease costs, which were previously allocated to another expense category in 2019. This resulted in the increase this year together with an increase in airtimes costs as a result of operations going digital.
4. Rent shows an increase of 26% in the year. This arose as a result of the early termination of the office rental contract at the Chamber's offices in Martin Hammerschlag. A settlement amount of R1m was agreed and settled in June 2020. This has resulted in monthly savings of approximately R200k going forward.

Bottom line of the Chamber:

1. It is very pleasing to report that the Chamber recorded an Operating Profit for the year of R530 750 for the year compared to last year's Operating Loss of R2 640 700. This is the culmination of what was discussed in the previous slides
2. Interest and Dividends Received reduced by 77%. Only the investment income from the managed portfolio was recognised in the current year. In the prior year, income from the unitized ring fenced funds was also included.
3. A profit of R113k was recorded on the sale of assets.
4. However a loss of R412k was made on:
 - 4.1 The writing off Leasehold improvements at the Chambers offices when the lease was terminated.

- 4.2 The write off of Website development costs which were previously being amortised on an annual basis. Glue Up has become the new service provider.
5. The Net Result was a Surplus for the year of R532 386 compared to last year's deficit of R1.3m.

The Balance Sheet summary:

1. Property Plant & Equipment reduced during the year due to Depreciation and the write-off of Leasehold improvements as report earlier.
2. Investments are mainly equity securities and unit trust portfolios held with three asset management companies (Investec, Sanlam and Liberty). The figures are after net additions and disposals during the year and using adjusted values as at financial year end.
3. Net current assets represent Trade and Other receivables and Cash and cash equivalents.
4. Total Liabilities includes Trade Payables, Deferred Revenue and Certification Deposits held.

The Chamber's Balance Sheet remains strong with Accumulated Reserves of R23.9m, which is more or less in line with last year.

So just in closing, the Chamber had a reasonably good year in the financial year ending 30 June 2020. So let's bask in that glory for a short while.

The current Financial Year ending June 2021 is proving to be more difficult from a financial perspective. Covid-19 has and is having an impact on both our members and also ourselves. I have dealt with this aspect in the Honorary Treasurer's Report in the AFS, which was circulated prior to the AGM.

That concludes the Financial Report, thank you.

"No questions were posted on the online chat in respect of the Financials".

Mr Ross called for the adoption of the Audited Financial Statements of the Cape Chamber of Commerce and Industry for the period ending 30 June 2020. The Annual Financial Statements were duly **APPROVED**.

Proposer: Mr Peter Hugo
Secunder: Mr Eric Leong Son

5. APPOINTMENT OF AUDITORS

Mr Ross reported that BDO South Africa Inc. were appointed as the Chamber's auditors in 2018. They took over from the previous auditors, KPMG. The remuneration paid in 2020 amounted to R219k, an 8% increase of 8% on last year's fees.

The Board and Chamber management were very satisfied with the services, which had been rendered.

Mr Ross called for the re-appointment of BDO as the Chamber's auditors for the coming year.

APPROVED.

Proposer: Mr Rustim Ariefdien
Secunder: Ms Pauline Nel

6. PRESIDENT'S ADDRESS

Prior to the President's address, a minutes silence was held for Dr Gerald Wolman who sadly passed away on 24th February 2021.

The President Ms Janine Myburgh delivered her presidential address as follows:

Good afternoon to all our Dignitaries, Consular Corps with special mention to the Consul General of Japan, Consul General of Germany, Consul General of Namibia, Consul General of India, Consul General of Zimbabwe, Consul General of Brazil and Minister Sharna Fernandez, Minister of Social Development, Board members, Council members, the Chamber secretariat and most importantly our Chamber members online.

I want to start off by thanking my predecessor, Geoff Jacobs for his service to the Chamber, in whose place I filled in since October 2020.

Making a third farewell address as President of this Chamber of Commerce and Industry must be setting some kind of record. Yet here I am again, saying goodbye and good luck to the next incumbent.

As they say, no rest for the wicked!

The media certainly made sure of it of late.

The Chamber of Commerce and Industry is the first port of call for journalists when requiring a comment on breaking news.

Marking this year as particularly memorable was that it coincided with the Covid pandemic and the dreadful impact it has on businesses, hitting the smallest the hardest.

Within days, the tourism industry in the Cape shuddered to a halt, staff paid by the hour were sent home in droves.

Restaurants unable to serve liquor saw their clientele vanish. By the end of the first month, the sector was on its knees. Bottle stores closed; township clubs closed; group celebrations of any kind that continued were forcibly dispersed by the police and the army.

When international air travel was halted, it put an end to any hopes for respite from the end of year tourism season. It wrecked many wine taking tours, and virtually shut down the Garden Route.

The Chamber was called on to comment on everything that went wrong in the handling of Covid 19.

Mostly these mistakes came from the sledgehammer approach of the Covid Command Council. Its policy was to act in haste and regret at leisure – again the regret was mostly felt by the private sector.

On the other hand, half of our numerous Public servants were sent home on full pay. Unfortunately, dealing with government took even longer than it normally did.

At various times we had bans on exporting wine and grapes, and an end to liquor and tobacco sales, variable curfews, the closure of beaches and restaurants, and on one spectacular occasion, an attempt to govern what kind of T-Shirt we could buy and what kind of pants and footwear we could buy.

The effect of Covid on business is of course no laughing matter and I am proud to say that the Chamber worked miracles in adjusting its way of working. We were soon working from home and running Zoom training courses instead of face-to-face meetings.

Now, all of us in the private sector must begin to face the tremendous task of rebuilding an economy that was already teetering on the brink before Covid hit.

The challenges are enormous. One of the biggest will be taking on the vast illicit economy that has taken advantage of government controls on legitimate enterprises. As always, the private sectors preferred weapons will be service, quality, choice, and price.

However, crime continues to be the major challenge of many of our members, the extent of which was highlighted by a snap survey the Chamber carried out. As the year progressed, we saw a rise in robberies and an alarming spread and escalation of protection rackets.

In such times, it is always a temptation to insist that the State should intervene in business to an even greater extent. This is perfectly understandable, after all the States' prime function is to protect its citizens and their property.

But we should be mindful. Once invited in, governments tend to stay on as unwelcome guests, who are full of ideas of how we should run our own businesses.

That is not to say there is not a role for the State in an economic recovery. For example, a crackdown on the illicit economy would be welcome. This has grown by leaps and bounds during the lockdown, dealing a heavy blow to legitimate taxpayers in the retail trade in particular.

Illicit trading in cigarettes, for example, which was 25%-28% of the market before the lockdown, afterwards, jumped to 100% when legal selling of cigarettes was banned.

The Treasury lost an estimated R6.5 billion in liquor tax – slightly less than the loss from the ban on tobacco which is estimated at R8 billion. That's an estimate loss of R15.5 billion.

Prime among the Government's duty of care must be sorting out the State Owned Enterprises, which have become bottomless pits sucking in taxpayer money. Leading the queue for reform should be Eskom.

There are others almost as big to worry about -- The Development Bank of South Africa, PRASA, Denel, SABC and Transnet, and how can we forget our flightless bird SAA?

And then there is the elephant in the room—the rampant corruption in the public services. Evidence to the Zondo Commission has stripped the cover off this festering illness in the body politic.

It is no exaggeration to say that the strength of our Constitution, the survival of an independent Judiciary and the hard-earned freedoms of 1994, are at stake.

Much depends on how the highest court in the land reacts to the blatant disdain for the law shown by the former president.

On top of that, we all face the massive task of re-setting the economy post Covid 19.

Dangers lurk here as well. Much of what is suggested looks unpleasantly like developing a corporate state, where business is subsumed, into a cosy alliance with the bureaucracies, at all levels of government with the consumer left to the mercy of regulatory pricing.

Worse still is the intention to ram through the Expropriation Bill that will allow bureaucrats to confiscate any private property without compensation, independent of the courts or the rights embedded in the Constitution.

Meanwhile, it has become even more obvious this year that most South Africans have yet to face the fact that governments of whatever stripes does not create wealth – the private sector does that. It is the Private Sector that creates the wealth.

It may be that only when the cupboard is well and truly bare that this truth will be understood.

So, as we grin and bear the oncoming of the potential third wave of Covid 19 infections, this one accompanied hopefully by less severe restrictions.

We have to mourn the demise of so many people. We mourn the loss of so many small and medium enterprises that have gone to the wall these last 10 months. The loss and cost in human and material terms has yet to be finally calculated.

That said, the one thing about South African entrepreneurs is that we are resilient and have the ability to bounce back innovatively from adversity. Certainly faster than any government in seeing and seizing a business opportunity.

Ladies and Gentlemen, I want to stop here and thank the members of the Board of the Chamber who have shown commitment and exceptional fortitude throughout the crises.

I want to thank the Chamber secretariat for the smooth sailing of the ship. Without you, we could not do it.

It is now my distinct pleasure to announce the Board members elected for 2021.

Diane Boorman - Brand Analytics
Derryn Brigg - Derryn Brigg Consulting
Paul Hartnady - Profitlab
Naziema Jappie - Director: CETAP/CHED UCT
Afsana Khan - Endor By Design
Jeremy Marillier - Combined Fishing Enterprises (Pty) Ltd
Jacques Moolman - Tsogo Sun - The Cullinan
Janine Myburgh - Myburgh Attorneys Incorporated
Sid Peimer - Cape Chamber ED
Peter Ross - ActivPro Business Solutions cc
Tilman Von Zukowski - Efficient Wealth

Ladies and Gentlemen, I also have the pleasure of announcing the Executive Committee for 2021.

I will be serving as the immediate Past President.

Peter Ross as Treasurer for another term.

Ladies and Gentlemen, our Vice President for 2021 is Derryn Brigg of Derryn Brigg Consulting.

I am very proud and extremely excited to announce that our President for 2021 is Jacques Moolman from Tsogo Sun who can come forward to formally hand over to him.

I want to assure Jacques of our full support.

Congratulations.

I thank you for your attention.

Thank you and good-bye.

7. THE EXECUTIVE DIRECTOR'S ADDRESS

Mr Peimer delivered his Executive Director's address as follows:

Good evening, to all honored guests, members, staff, stakeholders and partners.

A new buzzword has entered our lexicon. That buzzword is pivot. To be sustainable – or even to thrive – during these times, one has to be flexible and hyper vigilant to opportunities. Essentially to pivot at a moment's notice. It's not easy – no change is easy – especially when you feel pressed into it. However, we have fortunately been prepared, and as we have seen with the financial results that Peter presented, good fortune is where opportunity meets preparedness. The most important preparation I

feel was mindset. Due to our focus on innovation as the competitive currency of today, the team at the Chamber was well prepared. We also understand that if you're not evaluating your value proposition on a frequent basis, your competition is.

Usually after an AGM, we could lament the state of the economy over refreshments, however suffice it to say that once the pandemic has subsided – and it eventually will – we will still be left with state owned enterprises sucking us dry and a social infrastructure in need of intensive care. We spend enough time on this during the year, so I will not elaborate now.

The Chamber has continued with a steady influx of new members – thanks to the great work done by the Chamber team. But we are also an attractive proposition because for the cost of a packet of chips a day, where can an organization get the assurance of the Chamber's support and a list of value offerings in excess of two dozen contemporary benefits? Nowhere else, I know of.

At the last AGM I provided some form of optimistic prognosis for the future by sharing the net profit of the four months after the financials up to the AGM. The figures were encouraging and it was somewhat predictive for the year, allowing a positive result in spite of four of the months in our current financials being lockdown months.

So what is the prediction for the future – or until the next financial results due in July? Well we know what works – pivoting and innovation. We have already initiated new and unique projects, the Work Readiness Programme together with PPS that prepares final year graduates for the working world being just one. Our strategy of engagement is unchanged, and its efficacy can be seen with an increase to 250 events per annum. The forecast until June 2021 shows a net loss of 1.5 million Rand. This is well within our reserves, but there lies my challenge on the financial front – finding 1.5 million by the end of June. But I have a secret weapon. I have a team who are exceptional. And we will not give up without a good clean, but tenacious fight. Thank you team.

In closing, I have had two presidents this past year – a big thank you to both Geoff Jacobs and Janine Myburgh for their ongoing support. Also the support of the Board, the numerous committees and last but not least, our partners and members. We are here for you and it is an honour to be of service. Thank you.

8. CONFIRMATION OF COUNCIL

Mr Peimer presented the list of 2021 Council Members which were constituted as follows:

- All the Board members

Diane Boorman, Derryn Brigg, Paul Hartnady, Naziema Jappie, Afsana Khan, Jeremy Marillier, Jacques Moolman, Janine Myburgh, Sid Peimer, Peter Ross, Tilman Von Zukowski.

- The Chairpersons and Vice Chairpersons of the Portfolio Committees

Grant Whittaker, Hillary Brinkhuis, John Tshabalala, Amrish Bissoon, Alana James, Stefan Smuts, Kim Filies, Jeremy Marillier, Stephane Rogovsky, Rhomona Gounden, Peter Haylett, Fulu Mphuthi, Eric Leong Son, Jenni Vermaas, Diane Boorman, Nomfundo Calana, Peter Hugo, Yazeed Abrahams.

- Representatives from each of the Chapter Committees

Rabia Achmat, Saadiqah Barends, Dan Snyder, Anika Nell, Chris Voysey, Jenni Vermaas, Amanda van der Merwe, Howie Frylink, Ntobeko Boyana, Natasha Wagiet, Rolinda Schultz, Mary-Jean Thomas-Johnson, Pauline Nel, Jason Kruger, Kosie de Villiers, Richard Von Hoesslin, Richard Daneel.

- Representatives elected by the membership

Nic Cronje, John Middleton, Steve Reid, Rustim Ariefdien, Richard Von Hoesslin, Peter Haylett, Moira Mahon, Gerhard Swart, Zakira Palekar, Douglas Blackmur.

- Recent Past Presidents of the Chamber

Michael Bagraim, Fred Jacobs, Janine Myburgh, Jeremy Wiley.

The list of 2021 Council members were **APPROVED**.

Proposer: Ms Rhomona Gounden

Secunder: Mr Kosie de Villiers

9. ADDRESS BY NEWLY ELECTED PRESIDENT

The newly Elected President Mr Jacques Moolman delivered his presidential address as follows:

Foremost I wish to commend the effort and good work of our predecessors, past presidents, boards and councils, for the progress and development of this organization. The reason why we are all here today, is because of their hard work, dedication and doing so generously and freely over many years.

I am most honoured and humbled to be elected President of the Cape Chamber, and with the help and support of the Board, council and members, I will do my best to meet the challenge.

I would also like to congratulate each of the new Board members, Council members, Chairpersons and Vice chairpersons, our members have shown their confidence in you, and me, by electing us to our respective positions, I look forward to serving with you.

The Board and I, on behalf of the Cape Chamber, wish to extend an enormous and heartfelt thank you, to our Past President, Janine Myburgh, for leading the Chamber

not simply to weather some stormy seas, but to emerge stronger every time. I also wish to caution her, that I will be depending on her continued support throughout the year.

There are many challenges ahead, as we, the Chamber and the business community, weather the storm Covid 19 has created, most of us are faced with difficult constraints in business. Let us not forget the Chambers Mantra Where opportunity meets. I urge you to grab the opportunities the Chamber offers and together we can weather this storm and constraints, and those that may follow - together.

Our Portfolio Committees are one of those areas where you could find opportunity, and make a difference in your industry, they are the vehicle through which the talent, voice and energy of chamber members are enlisted, organized and directed. Your participation ensures our organisation will continue as a vigorous and vital force in the business community and remain the voice of business. I invite our members with the expertise in those fields to become members of our committees, the chamber needs you.

During the last few months, two additional Board Sub Committees have been convoked and have had their first meetings:

They are the Social and Ethics Committee, chaired by Jeremy Marillier, with the purpose to look into compliance on social and ethics issues, including triple bottom line reporting, economic, social and environmental sustainability, decent work, procurement, transformational goals, human rights, labour standards, anti-corruption and all issues falling within that mandate. They have developed a draft Ethics Policy which will be tabled at the March Board meeting for adoption.

The second is the Constitutional review committee, chaired by Derryn Brigg, whom have started the mammoth task of addressing the issues raised by the Board, and that of the Vetting Committee towards the end of last year. Their mandate is to have an updated version – incorporating both the Chamber’s Act of Parliament, the principles of King 5 and the Companies Act, as the basis of the new constitution - ready for review by Council before the next AGM. The assistance of fellow Council members will be called on from time to time, and I thank the committee for the time they will be committing willingly and freely.

We have a strategic priority to increase the Chamber’s revenue streams, and a strategic session will be called within the next month, we invite you to send your ideas and suggestions onto our Executive Director, Mr Sid Peimer, your participation will be greatly appreciated.

Having worked with Sid, the managers and the secretariat, I know that the Chamber values of “Drive, Integrity, Respect. Innovation and Trust” is well embedded, and I am looking forward to working with you - Sid, the management team and staff of the Chamber this coming year.

The Chamber has remained contemporary and relevant with a wide range of services, including information, training, networking, trade facilitation and robust advocacy on behalf of our members. I urge you as members to reach out to each other, participate in Chamber events and grab your opportunity, and make your voice known.

The Cape Chamber is “the voice of business.”

Thank you

10. ENTERTAINMENT

The award winning entertainer Greg Gelb entertained the audience with his blend of comedy and sleight-of-hand magic.

A Lucky draw was won by Bridget van der Merwe of Revelstone, which was kindly sponsored by Fire and Ash Marketing

There being no further business for discussion, the Annual General meeting was declared closed at 16h15.

PRESIDENT

DATE