

MINUTES OF THE 25TH ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA HELD AT 11H00 ON TUESDAY 03 NOVEMBER 2020 IN THE SASCOC AUDITORIUM, ATHOL OAKLANDS

PRESENT : AS PER ATTENDANCE REGISTER

APOLOGIES : NSCC
MRS. DENISE ABRAHAMMS (Board member)
MIKE ROWE (Outgoing board member)

MSA's Chairman, Anton Roux, opened the meeting and welcomed all present.

MINUTE 228 – NOTICE CONVENING THE MEETING

NOTED that the official notice convening the meeting had been distributed to all members as per the requirements of MSA's Memorandum of Incorporation.

MINUTE 229 – CONFIRMATION OF CORPORATE MEMBERS' CREDENTIALS AND PROXY AUTHORITIES

The Chairman confirmed that twenty (20) corporate members were present, thereby constituting a quorum.

MINUTE 230 – APPROVAL OF AGENDA

The agenda as tabled was **APPROVED**. Approval proposed by South African Motorsport Club (SAM) and seconded by South African Regularity Rally Association (SARRA).

MINUTE 231 – CONFIRMATION OF MINUTES OF THE AGM OF THE COMPANY HELD 30 JULY 2019

The minutes of the 24th AGM held on the 20 July 2019 were **APPROVED**. Approval proposed by ZX10 Masters Cup (ZMC) and seconded by South African Vintage and Veterans Association (SAVVA).

MINUTE 232 – MATTERS ARISING FROM THE MINUTES OF THE AGM HELD ON 25/09/2019

NOTED that no matters were raised by the members.

MINUTE 233 – TO RECEIVE THE ANNUAL REPORT ON THE GENERAL AFFAIRS OF THE COMPANY FROM:

233.1 *The Chairman (Mr Anton Roux)*

The Chairman's report as tabled was duly **ADOPTED** and forms an addendum to these minutes.

233.2 *The Chief Executive Officer (Mr Adrian Scholtz)*

The report of the CEO as tabled was duly **ADOPTED** and forms an addendum to these minutes.

233.3 *The Financial Director (Mr Anthony Taylor)*

The Financial Director's report for 2019 was duly **ADOPTED** and forms an addendum to these minutes.

MINUTE 234 – TO RECEIVE AND ADOPT THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

The company's annual Audited Financial Statements as tabled were duly **ADOPTED**.

MINUTE 235 – APPOINTMENT OF AUDITORS

The members **AGREED** to the appointment of GZ. & Co. as MSA’s auditors for the 2020 audit.

MINUTE 236 – TO TRANSACT SUCH BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

236.1 The appointment of Mrs. Denise Abrahams to the Board of Directors for the 2020 – 2023 term of office was **NOTED**.

236.2 It was **NOTED** that the following directors had reached the end of their term of office:
Fayaaz Alibhai
Anthony Taylor
Glyn Hall
Michael Rowe
Sarel van der Merwe

236.3 It was further **NOTED** that Mr. Edward Murray had resigned as a director on 12 October 2020.

MINUTE 237 - TO ELECT DIRECTORS OF THE COMPANY

*As there were only three nominations for four available positions, the Members **AGREED** to the election of the three nominees without the necessity for a vote.*

The following individuals were duly elected for the term of office 2020 – 2023:

MONDE HASHE
CECIL OATES
SIFISO THEMBA

There being no further business to discuss, the Chairman thanked everyone for attending, wished all the members a blessed festive season and new year, and declared the meeting closed.



CONFIRMED: CHAIRMAN

31/03/2021

DATE



MOTORSPORT SOUTH AFRICA NPC

Reg. No 1995/005605/08

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CHAIRMAN'S REPORT TO THE 25TH ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA NPC

The year 2020 is one that the world would like to forget, but unfortunately the consequences of the Covid-19 pandemic will be with us for years to come. The economic consequences will be felt for at least another 5 years.

The real GDP in South Africa is expected to decline by 7,8%. As a country we have lost approximately 3 million jobs since the start of lockdown - this is a decline from 17 million people with jobs to only 14 million people.

No one is able to predict what the impact of this will be on the 12 categories on motorsport in South Africa - Motorcycle Circuit Racing, Motocross, Cross Country/Off Road & Enduro Motorcycle, Karting, Car Circuit Racing, Rallying, Cross Country Cars, Drifting, Drag Racing, X-Track Racing, Spinning and Oval Racing. We do know that nothing will ever be the same again.

To steer MSA through the maze, the board currently consists of the following people:

CAPACITY	NAME	SURNAME	FINCOM	GOV COM	REMM COM
Chairman	Anton	Roux	√	√	√
Chief Executive Officer	Adrian	Scholtz	√	√	
Financial Director	Anthony	Taylor	√		√
Board Member	Fayaz	Alibhai			
Board Member	Glyn	Hall			
Board Member	Ashwin	Harri			
Board Member	Ed	Murray			
Board Member	Mike	Rowe			
Board Member	Richard	Schilling			√
Board Member	Melanie	Spurr			
Board Member	Sifiso	Themba			
Board Member	Sarel	Van der Merwe			
Board Member	Rakesh	Beekum	√	√	√
Board Member	Greg	Mills			
Board Member	Frik	Kraamwinkel			

MOTORSPORT SOUTH AFRICA IS THE ONLY RECOGNISED MOTORSPORT FEDERATION IN SOUTH AFRICA



Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

Directors: A. Roux (Chairman), A. Scholtz (Chief Executive Officer), A. Taylor (Financial), F. Alibhai, R. Beekum, FC. Kraamwinkel, G. Hall, A. Harri, Dr G. Mills, M. Rowe, R. Schilling, Ms M. Spurr, S. Themba, S. Van der Merwe

We have 5 board members leaving the company at this AGM having completed their terms of office and one that resigned earlier this month. I would like to express my appreciation to Anthony Taylor, Fayaaz Alibhai, Glyn Hall, Ed Murray, Mike Rowe and Sarel van der Merwe who dedicated their time, commitment, knowledge and expertise to motorsport and MSA. Thank you very much.

Rather than just providing a comment on the 2019 year, I would like to provide more commentary on events since the last AGM held in July 2019, under the heading of “The Good, The Bad and The Ugly”. I will begin with the ugly and end off on a positive note.

Firstly - “The Ugly”

- Since the beginning of 2019 there have been 11 Courts of Enquiry, 7 Courts of Appeal and 1 National Court of Appeal relating to matters in Karting. Six of the matters in the 11 Courts of Enquiry have related to verbal or physical abuse of competitors or officials. This is even more concerning given that the majority of competitors in Karting are children. This is one of the reasons why there will be some changes in Karting going forward. The Karting Working Group has agreed on a vision for Karting with the two Karting promoters in the country. I would like to thank Richard Schilling and the other members of the Karting working group for the work done this year.
- MSA and some other officials and individuals close to the sport have had to endure a relentless attack since December last year by Steve Wyndham, a former competitor. Mr. Wyndham has made false and defamatory accusations of theft and corruption about MSA employees, directors and former directors. MSA and the other applicants have obtained two court orders against Mr. Wyndham. Mr. Wyndham has complied with one of the conditions of the court order and publicly apologized. Unfortunately, within one week of his public apology, he has started attacking MSA again. Mr. Wyndham has also been invited on three separate occasions to meet with me or the board and he has not once accepted, or even acknowledged, an invitation to engage with MSA. The huge concern we have is that Mr. Wyndham is damaging the reputation of the sport and all involved with it. Sponsors are very concerned about any reputational damage and would rather not be involved in any sport, team or event where there could be any negative impact on them. We have tried to positively engage with Mr. Wyndham on numerous occasions and have unfortunately had to resort to the legal route to protect the interests of both the company and our sport.

Secondly - “The Bad”.

- Historically there are approximately 450 events every year licensed by MSA. Prior to the 2020 lockdown, there were only 78 events. We petitioned to government and were given approval to start competing again in July. Since then, 84 events have been held with another 58 events planned in the last two months of 2020. The total number of events for 2020 should amount to 220 events which is roughly half of what we would normally have in a year.
- We have had a very careful look again at our personal accident insurance cover that protects our competitors and officials. The following table represents

- a summary of our paid premiums and claims incurred.

Year	Gross Written Premium Rand	Gross Claims Incurred Rand	Gross Loss Ratio Incurred
2014	1 171 769	3 263 592	279%
2015	3 939 655	2 851 927	72%
2016	3 244 794	4 364 447	135%
2017	4 037 421	3 721 649	92%
2018	3 903 422	6 770 024	173%
2019	4 422 970	4 947 488	112%
2020	3 222 458	1 650 435	51%
	23 942 491	27 569 561	115%
Accumulated Loss		-3 627 070	

With 58 events to go till the end of the year, it is too soon to predict where the 2020 claims ratio will end up. However, if the claims ratio stabilizes at the current level, the underwriters have indicated that they will return a “no claim bonus” to MSA. Any such “no claim bonus” that may be forthcoming will be utilized to the benefit of competitors and officials who enjoy cover through the policy.

And lastly - “The Good”

- We are allowed to race again! It was, and still is, a significant achievement that we managed to find a solution with the Department of Sport and Recreation to enable motorsport in South Africa to commence again whilst under level 3 lockdown. I need to thank all of those that assisted in making this happen and especially Denise Abrahams, who assisted MSA with our application to the Department of Sport and Recreation.
- Credit must go to the board members and management that preceded me at MSA. At the end of December 2019, MSA had a member’s equity of R 10,156 million. This clearly places MSA under no short-term financial duress and we have thus been able to meet all of our financial obligations during this period.
- At this AGM, the CEO will also announce that the board has chosen to return approximately R 1 million to competitors and members in 2021 in the form of rebates on 2021 licenses for those competitors that renewed their annual licenses prior to the start of lockdown on 27 March 2020, and to provide a rebate on membership fees due to MSA in 2021.
- Last year we identified a number of weaknesses in our sport. One being that of the number of qualified officials in motorsport. We have used the lockdown period effectively and it pleases me to inform you that a total of 386 individuals attended and completed our online training webinars.
- Like every track in the country, Killarney International Raceway has had to endure the shock of Covid-19. Fortunately, a combination of prudent management and sound planning has seen the WPMC with a cash reserve which, together with cost cutting and other measures, saw it weather the worst of the storm.
- Moreover, the WPMC used the break in competitions to prepare, under its current President, a strategy for the renewal of its lease, which expires at the end of 2022. The

application process is now underway and is expected to be completed by the middle of next year. The lease renewal strategy was prepared in conjunction with Wesgro, the investment agency of the Western Cape government, and has received endorsements worldwide from the likes of Jean Todt, Emanuele Pirro and Ginetta's Dr Lawrence Tomlinson. The strategy put figures to motorsport's contribution which makes seminal reading for all of us, and I urge you to read the document which is available on the MSA and WPMC websites. Killarney is a R230 million facility funded in its entirety by members and not a penny of government money. It contributes an estimated R350 million annually to the economy. WPMC will continue with WRX next year and has plans to put on an international endurance race in our summer months. I would like to thank the WPMC President, Dr Greg Mills, for not only his role at Killarney but also in assisting the KWG in achieving consensus around some of its more finely argued points.

In conclusion, I'd like to remind everyone that we have many explanatory documents, reports as well as updates available on the Motorsport South Africa website. I'd also like to thank everyone for standing together for Motorsport in South Africa. This year has been trying for all of us and I am pleased to see the continued passion that exists within competitors and supporters towards motorsport.



Anton Roux
3 November 2020



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REPORT BY THE CHIEF EXECUTIVE OFFICER FOR THE MSA ANNUAL GENERAL MEETING TO BE HELD ON 03 NOVEMBER 2020

When MSA and its members came together for last year's AGM, none of us could have foreseen what a year 2020 would turn out to be. Had we known then what we know now, I am sure we would all have had far more appreciation for the good things that happened in 2019, the last 'normal' year we are likely to see for some time.

The 2019 racing season ended on a high note with the FIA World Rallycross Championship (WRX) again finishing its season in Cape Town, and the iconic 9-Hour endurance race being revived at Kyalami. The WRX event was a championship-deciding cliffhanger and credit must go to Worldsport South Africa, who took over as the local promoter of the event with very little time to put everything together and did an admirable job in the circumstances. The 9-Hour was also a great success (despite the efforts of the Highveld weather) and the team responsible for putting the event together can feel justifiably proud of what they achieved.

On 01 November 2019, MSA welcomed on board a new Sporting Services Manager, Vic Maharaj. Although Vic joined the company with a wealth of experience in various aspects of motorsport, his first year with the company has proven to be a baptism of fire in every possible way. His calm nature has definitely helped him to cope! It has been a pleasure to have Vic as part of the MSA team and I look forward to working with him into the future.

The 2020 racing season had barely got underway when Covid-19 struck with a vengeance, and the accompanying national lockdown meant a cessation of motorsport events for nearly 5 months. A great deal of work went on behind the scenes to obtain approval from government for motorsport to resume and this came in mid-July, with local motorsport events re-starting in August, under strict health protocols. Although the safety of the motorsport community is obviously of paramount importance, compliance with the protocols aimed at mitigating the spread of the virus is extremely onerous for all involved, particularly event organisers. MSA therefore thanks them sincerely for their assistance and cooperation to date.

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Despite the obvious safety concerns and financial challenges, when the sport was finally able to resume following the hard lockdown, it quickly became clear that the enthusiasm for the sport remains undimmed. This has been really good to see and I commend the efforts of all those who are getting on with the job of continuing to make events happen in extremely trying times.

On a less positive note, it is clear that '*Covid fatigue*' has become a major factor amongst people in general, not just in South Africa but around the world. This is unfortunately leading people to be less likely to adhere to the basic health protocols of mask-wearing, social distancing and hand cleansing. This is bad news both from a health and safety point of view, but also for society at large if the lockdown regulations are again to be tightened in response. MSA therefore urges the local motorsport community to lead by example and to continue practising the basic health protocols that will hopefully ensure our sport, as well as our daily lives, does not suffer any further devastating disruptions.

The lockdown has had, as with so many other businesses, a major impact on MSA's finances and the company will, despite the implementation of various cost-cutting measures, show a significant financial loss in 2020. Fortunately, MSA's healthy financial position pre-Covid means that the company is not in any short-term danger and therefore able to play its part in helping the sport to get back on its feet in 2021. As part of this process, it is MSA's intention to discount 2021 licence prices for those competitors who took out annual competition licences prior to 01 April 2020 and therefore lost out on the use of their licences during the lockdown. To assist its members, MSA is also intending to discount their affiliation fees in 2021.

Amid all the negative aspects of the hard lockdown, there were fortunately a few positives as well. MSA took the opportunity to move all of its officials training programmes online. This involved the creation of content to be used as the basis for a series of webinar training sessions, which have proved to be very popular. There is no question that online training is a more accessible option for current and prospective race officials than attendance at physical seminars and it is therefore hoped that this initiative will help to provide much-needed growth in the community of race officials. For the members' interest, the various online seminars have been attended as follows at the time of writing this report:

- Technical Consultant/Scrutineer – 186 individuals
- Event Secretary – 59 individuals
- General Competition Rules – 108 individuals
- Resumption of Motorsport (Covid compliance) - 133 individuals

Another positive to come out of the lockdown was the massive boost given to online racing. I already mentioned in my report for last year's AGM that online racing would become more and more prominent going forward but nobody could have foreseen how quickly this would happen. Online racing will be a key focus area for MSA in 2021 and beyond, with the intention being to both embrace the mass market via easily-accessible online racing platforms, as well as create formal championships for the more serious online racers. It is also hoped that new competitors in the traditional forms of motorsport will emerge from online racing going forward.

Over a period of time, the MSA board started to become increasingly concerned about various aspects of South African karting. These aspects ranged from diminishing accessibility due to factors such as the cost of equipment and a high level of technical complexity associated with the sport, to the propensity of some karting parents to force MSA to needlessly incur unnecessary legal expenses in defending High Court review applications when the parents concerned refused to accept the rulings handed down by MSA appeal courts. This state of affairs led the MSA board to appoint a Karting Working Group (KWG), under the chairmanship of MSA board member Richard Schilling, at the end of 2019 to investigate various aspects of local karting, particularly at a national championship level. The KWG held numerous meetings, both in person and online during the lockdown, including with the two series promoters, and ultimately presented a final strategy document, which was approved by the MSA board during October. The KWG document will now be presented to karting stakeholders in an online webinar format, and MSA is both confident and determined that local karting will see the benefits in 2021 and beyond.

Although Covid-19 has played havoc with motorsport all over the world in 2020, South Africans racing overseas have still managed to achieve some stunning results that have done the country proud. Performances worthy of special mention here include Toyota Gazoo Racing South Africa again showing well at the 2020 Dakar with two finishers in the top five in the overall standings, Brad Binder winning a race in his rookie year in the premier MotoGP category, Darryn Binder winning a Moto3 world championship race, Sheldon van der Linde winning a DTM race, Jordan Pepper winning the Bathurst 12 Hour endurance race and Cameron Petersen winning the MotoAmerica Stock 1000 Motorcycle Championship.

In closing, I would like to, once again, thank all of those involved in the administration, promotion and organisation of local motorsport for their efforts in keeping the sport moving forward in what are extremely tough times for the country and the world. Thank you also to the MSA staff for their hard work and support and to the MSA board members, both current and retiring, for their contribution to the company. There is no doubt that 2021 is going to be a difficult year on all fronts and MSA stands prepared to do whatever it can to assist the sport to weather the storm.

Thank you one and all and stay safe.

Best wishes,

A handwritten signature in black ink, appearing to read 'A Scholtz', with a long horizontal flourish underneath.

ADRIAN SCHOLTZ
CHIEF EXECUTIVE OFFICER



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REPORT OF THE FINANCIAL DIRECTOR TO THE 25th ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA

The members' attention is drawn to the audited annual financial statements of the company for the year ended 31 December 2019 that were circulated to the members prior to the meeting.

Revenue

The gross revenue of the company declined by 2.8% for the year ended 31 December 2019 to an amount of R9.6 million. Investment income decreased by 14% to R 933 193. Including legal fees recovered of R150 221, and interest earned, total revenue for the year amounted to R10.68 million.

Licence revenue remained static at R5.7 million for the year under review.

Expenditure

Overall expenditure decreased by 5.85% to R 10 million.

Net Surplus

The net surplus for the year under review amounted to R 602 708 compared to the R 302 560 for the year ended 31 December 2018.

Balance sheet items

The company remains in a stable position with an increase in reserves of 6.2% to R10 155 522.

ANTHONY TAYLOR
FINANCIAL DIRECTOR

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