

MINUTES OF THE 26TH ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA HELD AT 11H00 ON TUESDAY 17TH AUGUST 2021 VIA THE ZOOM ONLINE PLATFORM

PRESENT : AS PER ATTENDANCE REGISTER

APOLOGIES : EXTREME SUPER CARS

MSA's Chairman, Anton Roux, opened the meeting and welcomed all present. He extended a special welcome to the representative from the Department of Sport, Arts and Culture, Mr. Mankopane Manamela, and Mr. Clifford Cobers from SASCOC. The Chairman explained that, rather than delaying the AGM, it had been decided to hold it virtually, a first for MSA, due to the coronavirus pandemic.

MINUTE 238 – NOTICE CONVENING THE MEETING

NOTED that the official notice convening the meeting had been distributed to all members on 29th June 2021, as per the requirements of MSA's Memorandum of Incorporation.

MINUTE 239 – CONFIRMATION OF CORPORATE MEMBERS' CREDENTIALS

The Chairman confirmed that twenty-two (22) corporate members were present, thereby constituting a quorum.

MINUTE 240 – APPROVAL OF AGENDA

The agenda, as tabled, was **APPROVED**.
Approval proposed by Knysna Speed Festival and seconded by Zwartkops Owners Club.

MINUTE 241 – CONFIRMATION OF MINUTES OF THE AGM OF THE COMPANY HELD ON 03/11/2020

The minutes of the 25th AGM held on 11th November 2020 were **APPROVED**.
Approval proposed by Wheelz n' Smoke and seconded by Super Hatch.

MINUTE 242 – MATTERS ARISING FROM THE MINUTES OF THE AGM HELD ON 03/11/2020

NOTED that no matters were raised for discussion.

MINUTE 243 – TO RECEIVE THE ANNUAL REPORTS ON THE GENERAL AFFAIRS OF THE COMPANY FROM:

243.1 *The Chairman (Mr Anton Roux)*

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

243.2 *The Financial Director (Mr Rakesh Beekum)*

The Financial Director's report for 2020, as tabled, was **ADOPTED** and forms an addendum to these minutes.

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

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

MINUTE 244 – TO RECEIVE AND ADOPT THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

The company's annual Audited Financial Statements for 2020, as tabled, were **ADOPTED**.

MINUTE 245 – APPOINTMENT OF AUDITORS

The members **AGREED** to the appointment of GZ. & Co. as MSA's auditors for the 2021 audit.

MINUTE 246 – TO TRANSACT SUCH BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

246.1 Tanya Human (Zwartkops Raceway) stated that the economic fallout from the coronavirus pandemic was having a negative impact on the number of competitors taking part in events, as well as leading to fewer events taking place. She said that this combination of factors was making it very difficult for motorsport venues such as Zwartkops Raceway to maintain financial viability. She therefore suggested the following as possible ways of reducing event costs to event organisers:

- Each association/club racing at an event to pay their own commission levies, rather than these being charged by MSA to the event organiser.
- Allowing race officials to 'double up' on their duties. For example, one of the Stewards could perhaps also act as the Environmental official and the other Steward could perhaps also act as the Covid Compliance Officer.
- Reducing the number of scrutineers and marshals required by MSA.
- MSA discounting its charges such as permit fees for events.

The CEO thanked Ms Human for her input. He explained that the commission levies were in place to allow funds to be generated for use within a specific category of the sport. He added that the situation with regard to circuit racing was rather different to other forms of the sport and MSA would certainly consider Ms Human's suggestion.

The CEO confirmed that MSA would also consider Ms Human's suggestion regarding the 'doubling up' of duties by race officials, both to save costs for event organisers and due to it being increasingly difficult to find available people in the pandemic environment. He added that MSA's requirements regarding marshal numbers were in fact not excessive, the minimum being that all marshal posts simply have to be manned. The CEO went on to say that the move to self-scrutineering in the pandemic environment had already reduced the number of scrutineers required, although the presence of some scrutineers was still necessary to enable random safety checks to be conducted at events.

The Chairman commented that Ms Human's suggestion regarding MSA discounting its fees would need to be discussed by the MSA Board.

246.2 At the invitation of the Chairman, Dr Greg Mills (WPMC) updated the meeting with regard to developments at Killarney, including the efforts being undertaken with regard to the extension of the venue's lease with the City of Cape Town, which was currently due to expire at the end of 2022.

246.3 Tanya Human (Zwartkops Raceway) enquired what could be done to prompt government to once again allow spectators to attend motorsport events, as the attendance of spectators would greatly assist in improving the financial viability of motorsport facilities in the coronavirus environment. She added that motorsport events took place outdoors and over a large area so should be considered low risk with regard to the spread of the virus.

The CEO explained that SASCOC had made a collective approach to government regarding the return of spectators for all sports, as government needed to look at sport holistically. He enquired from SASCOC's Mr Cobers whether he could perhaps provide an update with regard to SASCOC's submission to government. Mr Cobers confirmed that no response had been received to date from government but undertook to follow up.

246.4 Tanya Human (Zwartkops Raceway) stated that Zwartkops Raceway's *Passion for Speed* event early in the new year is a Historic Racing Festival and therefore she was rather concerned that an event mentioned earlier by Dr Greg Mills to take place at Killarney in December would potentially negatively impact on the Zwartkops event.

The CEO commented in response that the events were on opposite ends of the country and more than a month apart on either side of the festive season. Dr Mills added that he did not see any conflict between the events and clarified that the Killarney event would consist of a 9-hour endurance race, supported by races for historic vehicles rather than the normal races for more current vehicles. He added that he believed that two big, high-profile events either side of the festive season would be a good thing for competitors and the sport more generally.

Melanie Spurr (Super Hatch) commented that, while she was supportive of initiatives that were in the sport's best interests, Zwartkops Raceway, and specifically the du Toit family, had done, and continued to do, a great deal for the sport. She believed that every effort should therefore be made to protect the good work being done by them. The Chairman concurred with Ms Spurr's views regarding the good work being done by Zwartkops Raceway.

MINUTE 247 - TO ELECT DIRECTORS OF THE COMPANY

NOTED that Ms Melanie Spurr had retired as a director in accordance with the provisions of the company's memorandum of incorporation, having served 5 years of a double term. This had created a vacancy on the MSA Board, which needed filling via an election process at the current AGM.

The three nominees put forward by the company's members, namely Messrs Kuven Govender, Peter Lanz and Garth Waberski, introduced themselves to the members.

An election then took place anonymously, utilizing the poll function on the Zoom platform. The election process was overseen by the company's independent auditor, Mr. Jaco Smit of GZ & Co. He confirmed himself satisfied with the manner in which the process had been conducted at its conclusion.

MR. GARTH WABERSKI was elected as a director of the company for the term of office 2021 – 2024.

There being no further business requiring attention, the Chairman thanked everyone for their attendance and declared the meeting closed.



CONFIRMED: CHAIRMAN

09-09-2021

DATE



MOTORSPORT SOUTH AFRICA NPC

Reg. No 1995/005605/08

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CHAIRMAN'S REPORT TO THE 26TH ANNUAL GENERAL MEETING OF MOTORSPORT SOUTH AFRICA NPC

This report covers the period since the 25th AGM held on 3 November 2020. It is also the first time in the history of MSA that the meeting is being held virtually. This is not an ideal scenario, however, we do believe that it is better to have a virtual AGM than to defer the AGM.

The Board currently consists of the following individuals:

CAPACITY	NAME	SURNAME	Term of office expires	FIN COM	GOV. COM	REM COM	TRANSF. COM	RACE	GENDER
Chairman	Anton	Roux	AGM 2022	√	√	√	√	W	M
Chief Executive Officer	Adrian	Scholtz	Dec. 2024	√	√		√	W	M
Financial Director	Rakesh	Beekum	AGM 2022	√	√	√	√	PDI	M
Board Member	Denise	Abrahams	AGM 2023				√	PDI	F
Board Member	Cecil	Oates	AGM 2023				√	W	M
Board Member	Ashwin	Harri	AGM 2022					PDI	M
Board Member	Monde	Hashe	AGM 2023					PDI	M
Board Member	Richard	Schilling	AGM 2022			√		W	M
Board Member	Melanie	Spurr	AGM 2021					W	F
Board Member	Sifiso	Themba	AGM 2023				√	PDI	M
Board Member	Greg	Mills	AGM 2022		√			W	M
Board Member	Frik	Kraamwinkel	AGM 2022				√	W	M

In terms of the provisions of MSA's Memorandum of Incorporation, either Mel Spurr or Ashwin Harri are required to stand down at this year's AGM, having served 5 years of a double term. Mel graciously agreed to step aside and therefore Ashwin will serve out the final year of his term of office. I would like to thank Mel for her dedication to MSA over the years. She has challenged the board on many occasions and contributed to some rigorous debate which has led overall to an improved decision-making process. Thank you very much for your contribution to Motorsport, Mel, you will be missed by all.

Covid-19 has also had a dreadful impact on our officials. Most notably, we have had three senior officials pass away during the pandemic. They were Tony Taylor (senior CoC, administrator and event organizer), Dick Shuttle (Chairman of the MSA Karting Management Group) and Wally Pappas (senior CoC/Steward and administrator). These gentlemen provided decades of their time to motorsport, and they will be sadly missed. Our condolences are extended to their family and friends.

There may be many more officials and motorsport employees who have succumbed to this sickness and our deepest sympathy is with all of their loved ones.

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



Directors: A. Roux (Chairman), A. Scholtz (Chief Executive Officer), R. Beekum (Financial), Mrs. D Abrahams, A. Harri, M. Hashe, FC. Kraamwinkel, Dr G. Mills, C. Oates, R. Schilling, Ms M. Spurr, S. Themba

Highlights

Training of Officials

Nearly 1 000 individuals attended training webinars presented by MSA since the beginning of 2020 to the end of July 2021. The table below represent the training that was provided.

Total number of participants:	GCR	TC/Scrutineer	Covid	Event Secretary	Environmental	TOTAL
	263	344	227	72	70	976
Circuit Cars & Motorcycles	63	143	60	12		278
Karting	27	39	40	8		114
Cross Country M/Cycles & Quads	35	29	19	15		98
Enduro	23	12	16	9		60
MX	38	30	29	14		111
Rally	6	21	10	4		41
Drags	8	9	7	3		27
Cross Country Cars	8	13	7	0		28
Oval Tar	25	31	5	3		64
Oval Dirt	6	6	15	4		31
Other (i.e. marshals, photographers)	24	11	19	0		54

Total number of non-white participants:	GCR	TC/Scrutineer	Covid	Event Secretary	Environmental	TOTAL
	6	8	6	0	0	20
Circuit Cars & Motorcycles	2	4	2			8
Karting		1				1
Cross Country M/Cycles & Quads						0
Enduro						0
MX						0
Rally	1					1
Drags	2	2				4
Cross Country Cars						0
Other	1	1	4			6

Total number of female participants:	GCR	TC/Scrutineer	Covid	Event Secretary	Environmental	TOTAL
	79	52	83	59	0	273
Circuit Cars & Motorcycles	13	12	1	8		34
Karting	6	7	17	4		34
Cross Country M/Cycles & Quads	19	9	13	13		54
Enduro	7	4	10	9		30
MX	10	5	12	10		37
Rally	1	2	4	4		11
Drags	1	3	3	3		10
Cross Country Cars	3	2	4	0		9
Oval Tar	10	7	3	3		23
Oval Dirt	3	0	5	4		12
Other	6	1	11	1		19

These training course results are encouraging, but also disappointing at the same time. 28 % of all attendees were females, while only 2% of attendees were from previously disadvantaged communities. The Transformation Committee is tasked to encourage more PDI's to attend these training webinars which are all provided free of charge to the participants.

We are doing well Internationally

Several competitors are doing incredibly well internationally and making us all proud. There are currently 69 international license holders competing in a wide range of different categories of motorsport.

Assistance from the Department of Sport, Arts and Recreation

During 2020 MSA responded to an invitation to apply for Covid-relief financial assistance from the Department of Sport, Arts and Culture. We received an amount of R 2,7m during December 2020 from the Department. These funds were given to MSA with the purpose of retaining employment of all our staff within MSA. We appreciate all the support that we received from the Department of Sports, Arts and Culture.

Lowlights

Number of Competitors

The economic impact of the Covid-19 pandemic has caused a significant drop in competitors as well as license revenue as highlighted by the financial director's report. Many competitors have also opted not to renew their licenses on an annual basis but rather to take out a day license for a specific event.

We have seen growth in license numbers for Cross Country Cars and have issued more licenses in this category than in 2019. Circuit cars have also shown some growth in the number of licenses (4%); however, we are experiencing a reduction in licenses for drags and karting. The Karting reduction is mainly as a result of the decision by Rotax to move to Womza. It is furthermore evident that many competitors have opted to take out only "one event" licenses when they compete.

Number of Events

The number of events held have reduced significantly since 2019 when 472 events were held. During 2020 we hosted 206 events and up to the end of June 2021, 132 events have been hosted with another 163 events scheduled for the last six months of 2021. We are not nearly back at the 2019 number of events but 2021 is a much better year than 2020.

	TOTAL EVENTS		
	2019	2020	2021
JAN	7	6	2
FEB	34	46	20
MAR	58	26	30
APR	39	0	26
MAY	48	0	29
JUN	51	0	25
JUL	37	1	7
AUG	49	15	28
SEP	43	36	37
OCT	43	35	45
NOV	49	29	31
DEC	14	12	15
	472	206	295

Spectators

We acknowledge that hosting events without spectators causes financial hardship to promoters, clubs, circuit owners and sponsors. SASCOC has made representation to government on behalf of all sports regarding the return of spectators and it is hoped that this approach will bear fruit as soon as possible once the vaccine rollout in the country gains sufficient traction. Any changes to the current status regarding spectators will be communicated as soon as the information becomes available

Conclusion

I need to thank the board, every MSA employee, all the volunteer officials and all promoters and clubs that continue to arrange events in these very uncertain and turbulent times.

It is also clear to me that during these difficult times we have less and less volunteers arranging events and at events to perform all the duties that need to be performed. We will have to develop "career paths" for all these "volunteer" individuals and begin to increase the stipends that are being paid to them to maintain and improve the standards that we have become accustomed to.

I remain hopeful that we, as Motorsport South Africa, will be able to host and participate in more race meets in the coming months.



Anton Roux
4 August 2021



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REPORT OF THE FINANCIAL DIRECTOR TO THE 26th 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 2020 that were circulated to the members prior to the meeting.

MSA has experienced a year of unprecedented disruption by the COVID-19 pandemic that has had ramifications to the members and the organisation. We have managed to sustain the organisation but also be empathetic to the members as well.

During December 2020 the company received a grant from the Department of Sports, Arts and Culture to the value of R 2 697 437. The purpose of this grant was to assist Motorsport South Africa NPC in retaining its employees during the challenging financial times as a result of the Covid-19 pandemic. The directors would like to thank the South African government for the assistance provided to Motorsport South Africa.

To this end, we have taken measures to sustain the business and therefore foresee MSA as a going concern.

Revenue and other income

The Revenue was negatively affected R5 823 458 as compared to the previous year R9 595 586 due to license income, permit fees, competitor levies, and promotional items. The Government grant received R2 697 437 was well received and assisted MSA with its operations. Our investment income stood strong at R802 894.

Expenditure

The management team worked hard on expenditure reduction. Total expenses were R9 060 787 as compared to the previous year of R10 037 474.

Net Surplus

Despite the hardships experienced, the last-minute grant from the Government, managed MSA to achieve a surplus of R255 928.

Balance Sheet items

MSA has a retained income of R10 411 453 that has been built up over a number of years. This type of foresight by the previous Boards will help MSA sustain itself.

Rakesh Beekum
Financial Director

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REPORT BY THE CHIEF EXECUTIVE OFFICER FOR THE MSA ANNUAL GENERAL MEETING TO BE HELD ON 17 AUGUST 2021

In my report for last year's AGM I said that MSA would post a significant Covid-19 induced financial loss for the year. Fortunately this proved not to be the case as, a few weeks after the AGM, MSA received the very welcome news that it would be receiving an unexpected level of Covid relief funding aimed at assisting job retention amidst the economic devastation caused by the pandemic. A sincere vote of thanks and appreciation is offered to the South African government as its contribution significantly reduced the financial deficit on MSA's 2020 operations.

This year has seen further pandemic-related disruption to the motorsport calendar, although fortunately not, at the time of writing, to the extent of that experienced during 2020. What has however been devastating is the human toll that the Covid 3rd wave has taken. So many members of the local motorsport community have passed on due to Covid complications that it has been truly shocking and difficult to comprehend. I would like to offer my, and MSA's, sympathies to all those who have lost family members, friends and colleagues to this terrible virus. I would also like to pay particular tribute to senior race officials and motorsport administrators Wally Pappas, Dick Shuttle and Tony Taylor, all of whom I worked with over many years. They contributed greatly to MSA, and the sport more widely, over many decades and will be sorely missed, as will all of those the sport has lost in this tragic year.

Looking to the future, the necessity to bring more, younger race officials into the sport has never been more imperative. This will therefore be an area MSA will be paying particular attention to, with emphasis on attracting officials of colour. The sport's competitor base is becoming increasingly diverse and so too must the core of race officials in order to keep pace. MSA's members and all those involved in the sport are therefore encouraged to advise MSA of the names of any individuals, particularly people of colour, who may be interested in becoming race officials and MSA will take things from there.

I spoke about karting in my report to last year's AGM and, since then, a seismic shift took place when the Rotax series elected to withdraw from running under the auspices of MSA. The various Rok series classes remained under MSA and, as this series has classes that are more closely aligned with the CIK international classes, fresh impetus was given to the

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proponents of South African championship karting becoming more internationally relevant. The change also allows for a more focussed approach, which in itself can often hold benefits. Time will tell how this will all work out but the MSA karting year to date has certainly been calmer and less controversial than in recent years. It is sincerely hoped that this state of affairs continues and becomes part of the 'new normal' we hear so much about!

As mentioned in my AGM report last year, online racing has become a focus area for MSA in 2021. While Covid has unfortunately delayed any possibility of embracing the wider public in any mass market initiatives, MSA partnered with ATK E Sports (Pty) Ltd to run a series of online racing events leading up to a final *MSA Showdown* event at the end of July. The *MSA Showdown* was won by a 17 year old black youngster, Koketso Pilane, and he therefore qualified to represent South Africa in the digital racing component of the FIA Motorsport Games to be held in France in October 2021. MSA wishes Koketso well as he represents the country on what will be his first overseas trip.

Despite the travel restrictions imposed as a result of the coronavirus pandemic, many South Africans have still been able to manage to race internationally during 2021, with some noteworthy results being achieved in racing categories ranging from Circuit Racing to Hard Enduro motorcycle sport.

Staying on the international front, it has been confirmed that a round of the FIA Formula E World Championship will be taking place on a street circuit in Cape Town, starting in 2022. It will be the first opportunity for fans to see this all-electric racing series in action on local soil and there is sure to be a great deal of interest in the event for this reason. The local promoters of the event are intending to utilise Formula E as a catalyst for Cape Town to be positioned as the country's foremost city in the fields of sustainability and e-mobility so this event will be about more than racing alone.

In closing, I would like to once again express my deepest thanks to all of those, from MSA's members and various volunteer structures to event organisers and race officials, for all that they do to continue to make the sport happen in exceptionally trying circumstances. Thank you also to all the competitors who continue to take part in motorsport events, despite all the economic pressures and the uncertainty that has become part of our daily lives. Collectively, you are the backbone of local motorsport and your combined efforts will ensure that all of us who hold motorsport dear to our hearts will still have a sport as we slowly emerge from the pandemic.

Thank you and stay safe,



ADRIAN SCHOLTZ
CHIEF EXECUTIVE OFFICER