SAMVAL Committee Meeting Minutes
29 August 2024

Date of Meeting	29 August 2024	**Time**	08:00
Chaired by:	Vaughn Duke, Chair	**Location**	Zoom
Minutes prepared by:	Moipone Mkhize		

Present:

Vaughn Duke (Chair)	Beverly Mona	Zakaria Rashid
Hannes Bornman	Tania Marshall	Nicholaas Steenkamp
Annalie De Bruyn	Matt Mullins	Mark Turnbull
Andy MacDonald	Rocky - Andrew	Veri Yadi
		Andrew Van Zyl

SAIMM Secretariat:

Moipone Mkhize — Camielah Jardine

Apologies:

Kelly Redman — Teresa Steele-Schober — Andrew Kinghorn

Topic	Discussion
1. Welcome and apologies	Mr Duke welcomed everyone to the meeting. The minutes of the previous meeting were accepted.
2. Industry attendance	Beverly Mona from IDC was invited and attended the meeting. She thanked the committee for welcoming her and reported that she sat within the ESG division, which was post-investment, but focusing on mining clients. She added that she had been working with Vaughn as well on another different transaction on the mining side.
3. Feedback on recommendations by the SAMCODES ESG Working Group	Vaughn Duke reported that they should be focusing more on the actual modified version 2024 of the SAMVAL code Andy McDonald reported that he had a summary page on the changes to the SAMVAL code, which provided an overview in terms of the key changes or key recommendations that had been added to the SAMVAL code. He provided the background and said this started from the ESG inquisition that was held in August of 2021, arising from which the need was recognized that they needed to look at integrating ESG disclosure into the SAMCODES under the auspices of the SSC (SAMCODES Standards Committee), they formulated an ESG working group, which he ended up chairing. They had various participants from the industry, from competent people, competent persons, from SAMREC, SAMVAL, and SAMESG. They spent the last two and a half years working through a range of work streams to end up where they made certain recommended

	changes or additions to the SAMREC and SAMVAL codes to increase, or not increase, but to make ESG disclosure more obvious and through the code. The SAMESG guideline had been extensively rewritten and expanded. He added that for interest, the SAMREC Table had 1, five items as 5.5.1.25 referring to ESG matters, has now been expanded to items and moved forward to section 1.6. That table then appeared in the same as guideline as well with a lot more additional discussion behind it because it was providing guidance. These were recommendations for the code committees to work through because if there were any changes to the codes, they had to go through an extensive approval process, both with public consultation, like FSEA and the JSC before it could be implemented. Andy Macdonald said, at this stage, these were purely recommendations but based on two and a half years of extensive work. The key changes that were introduced in the SAMVAL code were on page 3, and then on pages 5 and 6. They have changed the use of a technical expert to a subject matter expert, because the thought process was technical doesn't cater to environmental and social, soft skills. They also used the term subject matter expert. On page eight, and then into table one, there were two changes and some modifications there. Veri Yadi ESG reported that looking at just the definition, he would like to understand how we could value the property based on the ESG number. Vaughn Duke explained that there was a process of putting a number, to one's obligations around ESG, but one has to first understand what those obligations were. He asked that this question be sent in as one of the comments but, Veri Yadi must also make sure that he had read the material, as that would take him through the process, and he would start understanding what was involved in putting a valuation together, and then as a competent person, commenting on it. Andy Macdonald said that there was a table in the guideline. In particular, there was a statement that since the SAMVAL code was principle-based, the onus was placed on the competent valuator to select the appropriate valuation approach to be used. Some aspects of the ESG factors could be quantified, or at least estimated, whereas other aspects could only be assessed on a qualitative perspective. There were lots of issues or aspects that needed to be considered both from an environmental, social and governance perspective in the table towards the end of the SAMESG guideline, which was not telling what the number was but telling what they were suggesting what needed to be considered in arriving at a value or how it impacted on the values that they attached or discount rates. These were the parameters that needed to be considered Vaughn Duke asked Andy Macdonald to send a one-pager guideline on where to go and look to Moipone Mkhize so that she can send it to everybody. Alternatively, they could send comments back to him first and then set up a meeting for feedback. He mentioned that those were the two options for the committee to consider. He added that comments needed to be collated and returned to the working group by 27 September 2024. Moipone and Vaughn to compile the comments and put them into a bullet-point list of what needed to be discussed.

	The working group would then meet at 10:00 on 03 October 2024. Annalie asked that the document be sent in a word format so it could be editable
4. International SAMVAL Conference	Vaughn Duke reported that he attended a meeting a month back where he suggested that the International SAMVAL conference be hosted in South Africa, from the middle to the end of the second half of next year, which did not leave a huge amount of time. He added that they would need a committee to help drive that and to work together with SAIMM. He asked for volunteers who wanted to get involved. The following people volunteered: Mark Turnbull, Tania Marshall, Matt Mullins, Andy Macdonald. Vaughn Duke said he would draft a note and send to Andy Macdonald by next week for input, then send it the secretary and the chairperson of IMVAL for round-robin. He would also send it to JORC Canada and all different committees. He would also suggest a date to them. Tania Marshall suggested that the conference be held in Johannesburg.
5. General	Vaughn Duke reported that the total budget from IMVAL was about $9,000 and they have about $172 remaining in the fund. He added that he would have to go back to the SSC to see whether they got some funding, as there was a provision put aside. He added that they might need somebody to contribute. Zakaria Rashid mentioned that there were various developments that were still ongoing with the sustainability standards being issued by the International Accounting Standards Boards and assurance standards being worked on by the Auditing Standards Boards as well.He said he was interested in that piece of information that supports this notion that it was not a focus for investors. Matt. Mullins said he would look up some articles for send them to members, but there had been a lot written up in various publications, including last week's Financial Times, which had a long article on the cooling of the design for ESG type investing and where BlackRock stood.
6. Next meeting	The next meeting was scheduled for 03 October 2024 at 10:00.
7. Meeting closure	Mr Duke thanked everyone for their attendance and input. The meeting ended at 09:00.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
29/08/24	Circulate Annalie's presentation on the JSC to committee members.	Annalie Du Bruyn	03/10/24	**Done**	

29/08/24	Send one-pager to Moipone Mkhize for circulation.	Andy Macdonald	03/10/24		
29/08/24	Review the SAMESG guidance document and suggested modifications to the SAMVAL code for special meeting on the 3rd October 2024.	All	03/10/24		
29/08/24	Generate draft guidance notes on the use of discount rates and RoVs.	Vaughn Duke	03/1024		
29/08/24	Prepare a note to Imval regarding Samval's offer to host a joint conference on valuations for the sub-committee's review	All Sub-committee Members	03/10/24	**Done**	