

## COPYRIGHT SOCIETY OF BOTSWANA

### MINUTES OF THE ANNUAL GENERAL MEETING (AGM) HELD AT MAHARAJA CONFERENCE CENTRE, GABORONE ON SATURDAY , 1<sup>st</sup> DECEMBER 2018 AT 09:00HRS

#### PRESENT:

Patrick Setsiba	(PS)	-	Chairing
Alfred Mosimanegape	(AM)	-	Director
Game Bantsi	(GB)	-	Director
Mpho Motlhasedi	(MM)	-	Director
Winani Sekani	(WS)	-	Director
Benjamin Mogotsi	(BM)	-	Director
Moletlanye Mphoeng	(MM)	-	Director
Kopano Mantswe	(KM)	-	Director
Staffnurse Bangu Lesetedi-Keothepile	(SBL-K)	-	Director

#### APOLOGIES:

Tomeletso Sereetsi	(TS)	-	Chairman
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#### IN ATTENDANCE:

Lesego	Selotate	(LS)	-	Chief Executive Officer
Lethogonolo	Makwinja	(LM)	-	Reprography Manager
Seeletso	Lekgaba	(SL)	-	Corporate Communications Manager
Patrick	Matlapeng	(PM)	-	Documentation & Distribution Manager
Gosego	Makhamisa	(GM)	-	Licensing Manager
Laone	Mareka	(LM)	-	Accountant - BAMAS
Tshepo Lesole		(TL)	-	Member
Pinkie P Bontsibokae		(PPB)	-	Member
Lorato Moremi		(LM)	-	Member
Eddie Edward Monthe		(EEM)	-	Member
Chilly Segona		(CS)	-	Member
Alphons Koontse		(AK)	-	Member
K Master One Keabetswe Sesinyi		(KMOKS)	-	Member
Kelebonye Gaborone Sibanyoni		(KGS)	-	Member
Salge Matenge		(SM)	-	Member
Phenyo Ntsatsi		(PN)	-	Member
Tebogo Matebesi		(TM)	-	Member
Sekisanyang Greta Tshoboane		(SGT)	-	Member
Koobeilwe Geevan		(KG)	-	Member
Masogo Phildah		(MP)	-	Member
Otsile Eurg		(OE)	-	Member
Annafiki Ditau		(AD)	-	Member
Makati Montshwari		(MM)	-	Member
Noah Mogorosagomo		(NM)	-	Member

The Big Collabo Bafedice Jeremiah	(TBCBJ)	-	Member
Tlhaloganyo Gaolathe	(TG)	-	Member
Thabiso D Kgongwana	(TDK)	-	Member
Wonder Gift Molefe	(WGM)	-	Member
Gaolathe Kamboo	(GK)	-	Member
Poloko Kelebemang	(PK)	-	Member
Patrick Seragi	(PS)	-	Member
Tebogo D. Tshesebe	(TDT)	-	Member
Abram Keogotsitse	(AK)	-	Member
S. B Mouyour	(SBM)	-	Member
Elizabeth Salang Motsamai	(ESM)	-	Member
Itumeleng Manthe	(IM)	-	Member
Thabang Garogwe	(TG)	-	Member
Boikanyo Molokotima	(BM)	-	Member
Otlwaetse Gagoope Chris	(OGC)	-	Member
Massie Hule	(MH)	-	Member
Kabelo Eric Kgaodi	(KEK)	-	Member
Tidimalo Sebikola	(TS)	-	Member
Lekobane Petros	(LP)	-	Member
Oaitse Segobai	(OS)	-	Member
Kabelo T Masikara	(KTM)	-	Member
Maunge Peter Mbisana	(MPM)	-	Member
Bakane Omphemetse Anthony	(BOA)	-	Member
Katlego Tau	(KT)	-	Member
Gaboipewe Thotobolo	(GT)	-	Member
Gotshegwamang Kebaitse	(GK)	-	Member
Herbet Makoni	(HM)	-	Member
Babogedi Binang	(BB)	-	Member
Clement Jackson	(CJ)	-	Member
Pono Maruapula	(PM)	-	Member
Tlotlo Tshekiso	(TT)	-	Member
Lekgotla Phaotsa	(LP)	-	Member
Theo Tshiamo	(TT)	-	Member
Zanele Tumelo	(ZT)	-	Member
Tebogo Kethoilwe	(TK)	-	Member
Brian Dialwa	(BD)	-	(For) Company Secretary

## 1. WELCOME REMARKS

The Treasurer welcomed all present to the Annual General Meeting and informed the meeting that the substantive Chairman could not be in attendance at the meeting as a result of unforeseen circumstances and he further informed the meeting that the Vice Chairman would chair the proceedings in the absence of the substantive Chairman.

The Treasurer informed those in attendance that the meeting would be in two parts:- the first part of the meeting would comprise presentations by invited guests on issues relating to copyright and the business of music. The Treasurer noted that the second and final part of the meeting would comprise the formal agenda items of the annual

general meeting at which point the invited guests and/or non-members would be excused from the meeting.

## **2. OPENING PRAYER**

The meeting was opened with a prayer by Mr Keorapetse.

## **3. KEYNOTE ADDRESS**

Copyright Specialist at Companies and Intellectual Property Authority (CIPA), Ms Tebo Motlhaping delivered a keynote address and requested members to work hard to make good commercial returns from their music business.

## **4. PRESENTATION ON VISUAL AND PERFORMING ARTS**

Dr Thulaganyo Mogobe from University of Botswana, Faculty of Humanities gave a detailed presentation on visual and performing arts.

Following the two presentations members requested clarity on why the meeting was split into two parts. The Vice Chairman explained that the meeting was in two parts in that the first business would be presentations intended for the broader edification of members and to educate members on the intricacies of the industry and how best they can exploit their talents to make a living. He noted that these presentations would be followed by the normal Annual General Meeting agenda. He went on to explain that after the presentations have been concluded the non-members would be excused from the meeting and the remaining members would continue with the Annual General Meeting.

## **5. VOTE OF THANKS**

After Ms Motlhaping and Dr Mogobe completed their presentations, Mr Mpho Motlhasedi gave a vote of thanks. He requested all artists to work hard in improving the music industry and to see to it that they earn a good living out of it.

## **6. MEETING DULY CONSTITUTED**

The Vice Chairman welcomed all present to the meeting. He informed the members that a notice calling for the Annual General Meeting was issued in good time as required by the constitution of the Company.

The Vice Chairman went on to inform the meeting that as per Section 19 of COSBOTS Constitution a quorum for the meeting was five (5) Directors present at the meeting and that the requirement had been met and therefore the meeting was quorate. He went on to present the agenda for the meeting's consideration.

## **7. ADOPTION OF THE AGENDA**

The Agenda was adopted following one alteration. The change affected the item on appointment of Auditors; the proposal was that this agenda item would come after the questions and answers following the presentation of the main reports. The Agenda was proposed by “Mr Edward Monthe” Gaborone and seconded by Mr “Master Dee” Sesinyi.

Following the adoption of the agenda, heated debates over the constitutionality of the meeting ensued, one of the members Mr E Monthe felt there were very few members present to continue with the meeting suggesting that it be postponed.

Discussions on constitutionality of the meeting took a lot of time and Mr Tuelo V. Sethapo, a practicing Attorney of Akoonyatse Law Firm made a presentation on the firms’ opinion regarding the contentious issue of the quorum of the meeting. The view of the firm was that the Constitution could not override the Company’s Act, which is supreme. However, advised that, given that provisions of the Company’s Act, allows for the company to determine its own quorum and is what is reflected in the Constitution, in this instance meeting was justified in going with the prescripts of the Constitution. Mr Sethapo concluded by advising that the meeting can go on, as it was quorate according to the provisions of the Constitution.

After a lot of long discussions on the matter, it was ultimately put to the vote. The decision being sought was whether the meeting should continue or not. The outcome of the vote was that forty-three (43) members voted in favour of the meeting continuing whilst no member voted against the meeting continuing. After the Vice Chairman announced the results of the poll, the meeting continued at 12:50 however this notwithstanding there was a proposal that the meeting be adjourned and to resume after lunch.

At 13:02 the meeting was adjourned and members broke for lunch.

## **8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Minutes of 26<sup>th</sup> August 2017 were adopted with the following corrections by Mr Keabetswe Sesinyi and seconded by Mr Gaolathe Kambo.

On page 1 name of Government Representative was corrected to read: Staffnurse Bangu Lesetedi- Keothepile and on page 7 the name of one of Board members was corrected to read: Trinity Mphoeng.

The Vice Chairman noticed that there was no attendance register and requested that in future it should be attached to the minutes.

## **9. MATTERS ARISING FROM MINUTES**

An action sheet on action items from the previous meeting was read to members for noting.

- 9.1 The meeting was informed by the Vice Chairman that the forensic audit had been completed and the report presented to CIPA and that the related processes were still ongoing and therefore the outcome of the report could not be discussed in the meeting because of these processes and the ongoing discussion between CIPA and other authorities.
- 9.2 It was reported that the review of the company constitution was an ongoing process and the tender floated for the provision of legal service to review the constitution was closing on 3<sup>rd</sup> December 2018. The Vice Chairman noted that proposed changes to the Constitution would be shared with members accordingly once finalized by the third party vendor.
- 9.3 It was reported that registration of other sectors was ongoing and the Vice Chairman noted that reprography department had been set up and was being operationalized.
- 9.4 The meeting was also informed that adherence of 30 percent administrative expenses limit had not been achieved and the Company was working on ensuring that income was increased and costs controlled to be in line with the required threshold.
- 9.5 The establishment of the Social and Cultural fund was reported to be ongoing and funds to start the fund had been set aside.
- 9.6 Due to insufficient funds it had not been possible to set up offices of COSBOTS in other locations outside of Gaborone.
- 9.10 Members were informed that they would be provided with a methodology of royalty payments in future.
- 9.11 The meeting was informed that the advice received from the company lawyers was that all cases in which it had been proposed that the Company should consider settling them out of court were winnable cases and therefore the company should pursue them in open court.

## **10. CONSIDERATION AND ADOPTION OF THE REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS FOR THE YEAR 2017/2018**

- 10.1 The Chairman's report was noted and taken as read but the Vice Chairman read it again to emphasize critical points for discussion.
- 10.2 The Vice Chairman informed the meeting that five (5) sub-committees of the Board had been established comprising of Nominations & Governance Committee, Intellectual Property Rights and Technical Committee, Membership Committee, Finance Procurement and Audit Committee and the Executive Committee.
- 10.3 He went on to inform the meeting that the Social and Cultural fund was being set up and he explained that the fund would cater for the Social requirements of members and promote arts and culture within the industry. In a bid to hasten the set up of the said fund Vice Chairman reported that the Board had resolved to start deducting money from royalty income and setting it aside for activities that the fund would undertake.
- 10.4 Members were informed that distributions of royalties would be done only once the Society had made net surpluses from operations, which meant that since the period ended March 2018 had resulted in net surpluses this warranted for distribution to be done and therefore distribution number 10 would be taking place before the end of the year. The Chairman noted that there would be no distribution on previous distributions 8 and 9 because the Company made losses.
- 10.5 The meeting was told by the Vice Chairman that, the forensic audit report had been handed over to the Board by CIPA and the Board had occasion to review its contents. Furthermore, the Board and Management in a bid to improve internal controls and mitigate operational and financial risk have put in place most recommendations emanating from the forensic report into operation. The Board had obtained a legal opinion based on the recommendations of the forensic audit and for now it could be discussed as these discussions were ongoing.
- 10.6 Comments on Chairman's Report

## **11. CHIEF EXECUTIVE OFFICER'S REPORT**

- 11.1 The Chief Executive Report was tabled, noted and taken as read. The following was noted:
1. Revenue had increased and it was expected that distributions would be done soon.
  2. The CEO reported that the Company was able to make positive cash flows from operations that were higher than the prior year due to increased income

and control of administrative expenses. The positive cash flows were good for enabling the Company to pay debts, royalties and facilitate growth.

3. The meeting was informed that new policies and corporate governance charters that are in place ensured that the Company is meeting its fiduciary responsibility of overseeing strategic initiatives as outlined in the Company's strategic plan.

## **12. ADOPTION OF 2018 AUDITED FINANCIAL STATEMENTS**

- 12.1 Accountants presented the audited Annual Financial Statements for the year ended 30 June 2018 and advised the meeting that for the Company to grow well it is better to have a turnover of at least Twenty Five Million Pula instead of the current Twelve Million Pula.
- 12.2 The meeting was informed that unlike the prior year where the Company made a Net loss of P 4, 497,856.00 this year it made Net profit of P 2,843,467.00. The Net assets increased from P 12,716,038.00 to P 16,957,995.00.
- 12.3 The accountant went on to inform the meeting that the accounts were qualified because Management had raised a provision on royalties of P 10,443,446.16 that had materially misstated the financial statements by P 8,256,095.16. This reversal was so material in value and affected the retained income figure.
- 12.4 After presentation was done, Mr Tebogo Etsile Matebesi adopted the audited accounts and was seconded by Ms Felidah Masogo.

## **13. REAPPOINTMENT OF AUDITORS**

Mamlathan & Associates was reappointed next external auditor, Ms Felidah Masogo proposed for the appointment and seconded by Mr Gift Wonder.

## **14. RATIFICATION OF DIRECTORS RETIRING BY ROTATION**

Mr Kopano Mantswe who was elected on rotation was being presented for ratification at the meeting. The motion of ratification was proposed by a letter read from the Folklore Association and seconded by Mr Thabang Garogwe.

## **15. DISTRIBUTION / ROYALTIES TO MEMBERS**

- 15.1 The meeting was informed that distributions would be done after Management

had completed the exercise of matching and calculating how the distribution pool would be divided amongst the deserving artists.

15.2 Members objected to this proposal and Board had to adjourn the meeting for about 30 minutes to discuss a suitable date that distributions would be done before year-end.

15.3 After long discussions on the matter, the Board resolved to do distributions on 17 December 2019.

## **16. CLOSING REMARKS**

16.1 The Chairman for Nominations & Governance Committee, Mr Benjamin Mogotsi in his closing remarks said the deliberations of the meeting took a lot of time and urged members to improve on this in future meetings. He went on to advise that for the Company to grow it should be run efficiently and effectively and in a transparent and accountable manner.

16.2 The Vice Chairman thanked everyone for their attendance.

Having no further business, the meeting closed at 18:17hrs.