BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED
MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT
BOIPUSO CHAMBER HALL, GABORONE ON MONDAY, 31 OCTOBER 2016 AT
09:00AM

PRESENT:

Daphne Matlakala (DM) - In Chair
Gerald Nthebolan
Alan Phemelo Boshwaen
Serty Leburu
Professor Rejoice Tsheko
Choice Pitso
Anthony Masunga (AM) - Acting Managing Director

IN ATTENDANCE

Abel Bogatsu (AB) - General Manager: Finance
Kaelo Radira (KR) - Company Secretary
Aparna Vijay - Representing Company Secretaries
Lesego Majaule - Representing Company Secretaries

Also in attendance were shareholders and stakeholders as per the attendance register.

1. TO READ THE NOTICE CONVENING THE MEETING

1.1 The Chairman welcomed everyone to the first Annual General Meeting of the Company since its listing.

1.2 Quorum having been confirmed by KR, the Company Secretary, the Chairman declared the meeting to have been duly constituted.

1.3 Before commencement of the meeting DM brought to the attention of the shareholders’ an announcement relating to the employee share scheme published in the BSE Xnews the previous week. DM informed the shareholders that the BTCL Employee Shares Trust Deed had been rectified in accordance with schedule 14.3. of the BSE Requirements, such that any future amendments to the Trust Deed would require BTCL shareholders’ prior approval. DM further informed the shareholders that a copy of the amended Trust Deed, including the rectification alluded to, was available at the meeting for review by the shareholders.

1.4 The Notice convening the meeting, which had been circulated to all members, was taken as read and the agenda was adopted without any amendments.
2. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 TOGETHER WITH THE REPORT OF THE AUDITORS

2.1. The Annual Financial Statements for the year ended 31 March 2016 together with the Report of the Auditors, having been circulated as part of the Annual Report, were taken as read.

2.2. The motion to adopt the Audited Financial Statements for the year ended 31 March 2016, together with the Report of the Auditors was proposed and seconded by shareholders.

2.3. It was RESOLVED by a majority of shareholders present at the meeting, with two shareholders abstaining from voting on the motion, that the Annual Financial Statements for the year ended 31 March 2016, together with the Report of the Auditors be and are hereby adopted.

3. APPOINTMENT OF ADDITIONAL DIRECTORS IN TERMS OF CLAUSE 17.4 OF THE CONSTITUTION

3.1. The motion to appoint Mr. Maclean C. Letshwiti as an additional director to the Board was proposed by DM and seconded by a shareholder.

3.2. It was RESOLVED by a majority of shareholders present at the meeting that Mr. Maclean C. Letshwiti be and is hereby appointed as an additional director to the Board.

3.3. The motion to appoint Ms. Lorato Boakgomo-Ntakhwana as an additional director to the Board was proposed by DM and seconded by a shareholder.

3.4. It was RESOLVED, by a majority of shareholders present at the meeting, with one shareholder abstaining from voting on the motion, that Ms. Lorato Boakgomo-Ntakhwana be and is hereby appointed as an additional director to the Board.

4. TO NOTE THE RETIREMENT OF MR PAUL TAYLOR AS THE MANAGING DIRECTOR OF THE COMPANY

4.1. The shareholders noted the retirement of Mr. Paul Taylor as the Managing Director of the Company with effect from 19 July 2016.
5. RATIFICATION OF THE APPOINTMENT OF MR. ANTHONY MASUNGA AS THE ACTING MANAGING DIRECTOR

5.1. The motion to ratify the appointment of Mr. Anthony Masunga as the Acting Managing Director of the Company until further notice was proposed by DM and seconded by a shareholder.

5.2. It was RESOLVED, by a majority of the shareholders present at the meeting, with two shareholders abstaining from voting on the motion that the appointment of Mr. Anthony Masunga as the Acting Managing Director of the Company was and is hereby ratified.

6. TO NOTE THE RETIREMENT OF MS. DAPHNE MATLAKALA AS A DIRECTOR OF THE COMPANY IN TERMS OF CLAUSE 17.4.1. OF THE CONSTITUTION

6.1. The shareholders noted the retirement of Ms. Daphne Matlakala (DM) as a director of the Company in terms of Clause 17.4.1. of the Constitution.

6.2. The shareholders queried the reason for the retirement of DM who was also the Chairman of the Board and pointed out that DM’s retirement could affect market perceptions and consequently the Company’s share price. DM assured the shareholders that she was retiring due to personal commitments and despite her retirement the Board was committed to the growth and success of the Company and that the Board would expeditiously appoint a new Chairman subsequent to the meeting.

7. TO RE-ELECT DIRECTORS WHO RETIRE BY ROTATION IN TERMS OF CLAUSE 17.4.4. OF THE CONSTITUTION

7.1. The motion that Mrs. Serty Leburu, who retired by rotation and being eligible for re-election offered herself, be re-elected as a director of the Company was proposed by DM and seconded by a shareholder.

7.2. It was RESOLVED, by a majority of the shareholders present at the meeting, with one shareholder abstaining from voting on the motion, that Mrs. Serty Leburu, who retired by rotation and being eligible for re-election offered herself, be and is hereby re-elected as a director of the Company.

7.3. The motion that Mr. Alan Boswaen, who retired by rotation and being eligible for re-election offered himself, be re-elected as a director of the Company was proposed by DM and seconded by a shareholder.

7.4. It was RESOLVED, by a majority of the shareholders present at the meeting, with four shareholders abstaining from voting on the motion, that Mr. Alan
Boshwaen, who retired by rotation and being eligible for re-election offered himself, be and is hereby re-elected as a director of the Company.

8. TO CONSIDER AND APPROVE THE REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

8.1. The Chairman referred to the remuneration paid to Non-Executive Directors for the year ended 31 March 2016, amounting to P186, 398. 00 reflected on page 182 of the Annual Report.

8.2. DM proposed the motion that the remuneration paid to Non-Executive directors for the year ended 31 March 2016 be approved and the same was seconded by a shareholder.

8.3. It was RESOLVED, by a majority of the shareholders present at the meeting, with one shareholder abstaining from voting on the motion, that the remuneration paid to Non-Executive directors for the year ended 31 March 2016 be and is hereby approved.

9. TO APPROVE THE REVISION OF THE BOARD SITTING FEES

9.1. The Chairman referred the shareholders to the revised Board sitting fees reflected on Annexure A, page 197 of the Annual Report.

9.2. Proposed by DM and seconded by a shareholder, the revised Board sitting fees as reflected in the Annual Report was approved.

9.3. It was RESOLVED, by a majority of the shareholders present at the meeting, with one shareholder voting against the motion, that the revised Board sitting fees be and are hereby approved.

10. TO RATIFY THE DISTRIBUTION OF DIVIDEND

10.1. The motion that the distribution of dividend at P 0.05 per share as recommended by the Directors and reflected on page 146 of the Annual Report be ratified was proposed by DM and seconded by a shareholder.

10.2. It was RESOLVED that payment of dividend at P 0.05 per share as recommended by the Directors be and is hereby ratified.

10.3. On a query from some shareholders, AM informed the shareholders that some shareholders had not received their payments due to lack of contact details, however, he assured them that they would receive their payments in due course and requested them to submit their full details to Management after the meeting.
11. AUDITORS

11.1. The motion that the remuneration of the Auditors for the year ended 31 March 2016 amounting to P1,488,000.00 as reflected on page 171 of the Annual Report and the appointment of Ernst & Young as Auditors of the Company for the ensuing financial year be approved was proposed by DM and seconded by a shareholder.

11.2. It was RESOLVED, by a majority of shareholders present at the meeting, with one shareholder abstaining from voting on the motion, that the remuneration of the Auditors for the year ended 31 March 2016 and the appointment of Ernst and Young as Auditors of the Company for the ensuing financial year be and is hereby approved.

12. RATIFICATION OF THE AMENDMENTS TO THE BTCL EMPLOYEE SHARE TRUST DEED

12.1. The motion that the amendments to the BTCL Employee Share Trust Deed be ratified was proposed by DM and seconded by a shareholder.

12.2. On a query from a shareholder regarding what led to the amendments in the Employee Share Trust Deed, AM explained that the employees’ shares were initially to be transferred into a trust fund, however, that the seller (Government of Botswana) had, subsequent to publication of the prospectus, directed that the shares be transferred directly into the shareholders’ names.

12.3. It was RESOLVED that the amendments to the BTCL Employee Trust Deed be and are hereby ratified.

13. RATIFICATION OF THE DONATIONS MADE BY THE COMPANY TO THE BTCL FOUNDATION

13.1. The motion that a special resolution be passed in terms of Section 128 of the Companies Act, Cap 42:01 and that the donations made by the Company to the BTCL Foundation in the sum of P3.2M for the year ended 31 March 2016 as set out on page 62 of the Annual Report be ratified was proposed by DM and seconded by a shareholder.

13.2. It was SPECIALLY RESOLVED by a majority of the shareholders present at the meeting, with one shareholder abstaining from voting on the motion, that the donations made by the Company to the BTCL Foundation in the sum of P3.2M for the year ended 31 March 2016 be ratified.
14. ANY OTHER BUSINESS

14.1. On a query from Mr. Pule regarding the tendering process for appointing Auditors, AM assured shareholders that the Company had followed a set tendering process and Ernst and Young had bid for and won the tender.

14.2. Mr. Pule further commented that translations of the proceedings of the meeting should be done in both English and Setswana to accommodate all shareholders.

14.3. On a query from Ms. Kgosana regarding the Company’s succession plan for appointing a Managing Director, DM confirmed that the Company had a succession plan in place and that it was in the final stages of implementing the same. DM assured the shareholders that the Company would have appointed a Managing Director in the next 3 – 6 months.

14.4. In answering a question posed by L. G Nchindo regarding the asset impairment done on 31 March 2016 and if it should have been done before listing, management commented that the impairment adjustment that had been made was an accounting adjustment rather than an actual adjustment and that the Company would not suffer any loss if the impairment did not materialize.

14.5. Regarding L. G Nchindo’s query on whether the Company should have considered payment of a 25t dividend to offset the material misstatement in the prospectus, management informed shareholders that the 5t dividend paid was a significant portion of the Company’s profits having taken into consideration the needs of the Company for investment. Management assured shareholders that the level of dividend would be monitored by the Board and the Company’s dividend policy would be revised if needs be. It was noted, in response to a query regarding payment of dividend twice in a year that the Company’s dividend policy allowed for payment of dividends twice in a given year and that management would consider same after completion of the Annual Financial Statement and inform the shareholders.

14.6. In response to L. G. Nchindo’s query regarding any legal challenge by a shareholder resulting from the misstatement in the prospectus, management noted that they were not aware of any legal challenges against the Company arising from the said misstatement.

14.7. On a query from a shareholder regarding the drop in the Company's share price, AM pointed out that numerous factors affected the share price and that share price fluctuated. AM assured the shareholders that management was committed to the growth and success of the Company. Shareholders noted that the Company’s share price had stabilized at 85t in the previous two months.
14.8. In responding to numerous queries raised by a shareholder, Mr. Richard White, management conceded that they had faced challenges that affected the Company’s quality of service and that they were assessing the Company’s network and design. Regarding the migration of the domain name “botsnet” to “htcmail”, AM informed the shareholders that all stakeholders were informed of the migration well in advance. He explained that it was expensive for the Company to maintain more than one domain name resulting in the migration.

14.9. Regarding queries on rotation of External Auditors, Management stated that the Company adhered to good Governance rules and that the Company would rotate the Partners of the Audit firm as required by governance standards.

14.10. On a query submitted in writing from a shareholder regarding why some of the Board members did not own shares in the Company and if it was a reflection of their lack of confidence in the Company, DM noted that some, if not most, of directors who did not directly own shares in the Company, indirectly owned shares in the Company through their companies.

14.11. In responding to a query also submitted in writing regarding Mr. Maclean Letshwiti’s potential conflict of interest by being a director of the Company and simultaneously being president of the Botswana Football Association the Chairman indicated that the Company had the necessary safe guards in place to manage conflicts of interests.

15. CLOSE OF MEETING

There being no further business the Chairman declared the meeting closed at 11:15AM.

CONFIRMED AS A TRUE AND CORRECT RECORD OF THE PROCEEDINGS OF THE MEETING.

(Chairman)