

**MINUTES OF THE
BIENNIAL GENERAL MEETING
HELD ON THE 11 NOVEMBER, 2006
SANDTON CROWNE PLAZA, SANDTON**

ATTENDANCE REGISTER

EXECUTIVE COMMITTEE

Dr. I. Khoza	-	Chairman
Mr. T. Phillips	-	Chief Executive Officer
Mr. K. Motaung		
Mr. G. Scalcovannis		
Ms. M. Madlala		
Mr. L. Prins		
Mr. J. Comititis		
Mrs. N. Tsihlas		
Dr. L.M Taunyane	-	Life President
Mr. R. Hack	-	Chief Executive Officer – SAFA

Absent

Mr. S. Pasiya

DELEGATES

PREMIER LEAGUE

Ajax Cape Town, Amazulu, Black Leopards, Benoni Premier United, Bidvest Wits University, Bloemfontein Celtic, Lamontville Golden Arrows, Jomo Cosmos, Kaizer Chiefs, Maritzburg United, Mamelodi Sundowns, Moroka Swallows, Orlando Pirates, Santos, Silver Stars, Supersport United.

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expensively because we know the product that is most valuable in driving the audience.

One of the challenges that we are going to be faced with, which was raised with the Executive Committee, which I believe must be raised here for whatever reason. In these negotiations we have two options that are available to us:

False.

1. that we allow negotiations to be done by an outside company which we will pay 25-20% commission which is market related;
2. confine the negotiations to the necessary expertise internally and an entitlement of a commission which will be 10% because if we do not do that, tomorrow people will be making these insinuation and it is not fair.

crap!

I take advantage of this meeting because after this it will be all systems go. We have written a letter to SABC to start the negotiations, because in terms of the contract that we have they have got a three (3) month exclusivity just for us to talk to them only. Not to talk to anybody else and also they have the right to match which is another thing that requires that we be very balanced in our negotiations, but strong. But also SABC have gone for an extra licence. They are going 24 hours and for sure they are going for the pay-per view section of the television and they need content.

There are so many players in the market and necessary skills are needed of people to do these negotiations as you never grow in your family you always remain young. I wish to inquire from this meeting going forward on these negotiations whether we accept that we have got people capable of such challenges. We have the Chief Executive Officer, Mr. Trevor Phillips and Mr. Peter Mancer (Diversity Management) who are capable. Some committee members will be supporting them with the experience gained in these negotiations to make sure we get a good deal for the League. Whether we go for outside negotiators at 20-25% or we limit it internally. Fortunately there

are contracts that give us that advantage.

The Chairman stated that he was putting this matter purposely in order that members must not be surprised tomorrow and start asking for whatever explanations and/or guidance on this matter.

State →
Mr. David Thidiela of Black Leopards proposed a motion that the league should engage persons from within, in order that whatever sources of revenue are coming in for those persons will assist to build a family. He further stated that for the sake of good corporate governance and good ethics, a formal structure be instituted with the PSL and NSL to actually allow an introspective look at the skills that exist within the family for such negotiations and it would actually ensure that the people who are negotiating from within are making sure that we safeguard our own interests going forward. The experience that has been held is actually invaluable, archive or resource, that the people we do have, Trevor Phillips, Dan Leboa, Peter Mancer (Diversity Management), the Chairman, the Finance Committee have had long and extended experience and we at Black Leopards FC allow negotiators from within to be granted a 10% commission for such negotiations.

Mr. Brookstone of Silver Stars FC raised that there were 2 issues here, the first being unquestionably that we would be the best people to sell our rights. We have a profound understanding of what we are doing and mistakes that we have made in the past would not be repeated and by giving the responsibility to an outside company we would be increasing our costs. Here, we are dealing with a principle of saying ok while we are part of the Executive Committee, and we are now going to sell these rights we are going to receive a 10% commission.

The Chairman corrected Mr. Brookstone of Silver Stars that it would not be the Executive Committee and Mr. Brookstone correctly stated that the Negotiating Committee and the Chairman duly agreed. Mr. Brookstone further stated that nobody wants to work for nothing and nobody wants to bring added value and not receive anything for it and that principle is accepted. It is fundamental but would say that we have got a current position.

He stated that there is a current income and he would be reluctant to give anybody even internally, commission on something that we already have. His feeling is that through the skills of the people who are negotiating, they can double or triple or as was done with the Telkom Cup and he felt that it would be only fair that they be rewarded for that and felt that this cannot be started from a zero base. The base should be where we are now and what this group of people, whoever they may be, grow from there.

The Chairman stated that it was fair enough and he had noticed there was a resolution in the last Annual General Meeting that there should be full disclosure in terms of these commissions. He had looked in the report, there was commission paid to the Chairman but there does not seem to be full disclosure on the other commissions that were paid. It had been resolved at the last Annual General Meeting that there should be full disclosures.

And further that if there is conflict of interest with those people negotiating, if they are effectively negotiating with their own company where they have influence, or a company, obviously that would not be allowed either.

Mr. Comitis stated that it is important, with due respect, that he clarifies a position, this matter has not been discussed at the Executive Committee and this is not a decision or an opinion of the Executive Committee in terms of what the Chairman has requested here, and it is very important that his position be minuted.

He has no previous knowledge of this request to this floor and he is also not in agreement with it and needs to stand up and get counted on this, a loose, open-ended situation or commission structure that has no guidance or parameters could end us in a seriously confrontational situation down the line.

As a current Executive member, he thought the meeting should be extremely prudent about any willy nilly acknowledgement or agreement until this matter

has possibly been discussed at length by the New Executive that will be elected, so that a thought-out structured plan on who and what and why, will get what on the basis of performance of what, because the numbers that we are talking about are in and around about the R67million, when it comes to television at the moment, the numbers that we will be talking about are hopefully-way in excess of triple of that, the possibility of that or perhaps less than that.

Nonetheless there were other people negotiating the very same rights at the previous time with SABC. Nobody was concerned about those people and nobody came forward and said should we give them a more than a pat on the back. Other people are being paid a salary for their expertise, if they want a fee for success, if they want a fee for an over and above figure, if they want a fee for achieving a certain range, he is in agreement with that and thinks people should be rewarded for their addition value, they can add over and above what we thought we were paying for in the first place in terms of any contract or salary or anything.

However, to leave something open-ended when we are talking about this large amount of money, would be completely irresponsible of us and at least his point of view would then not be able to be part of that. The Chairman stated that Mr. Comitis is right as it was his observation and as Chairman he has the prerogative to raise this issue and what the meeting will say he will respect. *

Obviously the mechanics need to be discussed and be brought back and agreed upon. The Chairman further stated that he did not want to hoodwink anybody because he does not want situations where things happen because unfortunately they were inherited, certain contracts which provide for this kind of thing and if you read the Chief Executive Officer or Mr. Peter Mancer's (Diversity Management) contracts they state clearly that they are entitled to commission and Mr. Comitis is aware of these contracts.

*Failed to say - PM contract comes to an end → Mancer was ending → !!
→ Trevor was no !! **

The Chairman stated that preferably fresh negotiators from outside should be brought in, maybe it will help lessen the burden, to the Executive but there was a view last

time in the Executive Committee when the issue of insurance was discussed that why do we talk about outside people when there are people in the organization, one of them being Mr. Larry Brookstone who was phoned to say he is involved in insurance and should be empowered to deal with insurance in that spirit. He stated that what he was saying there was nothing unique, the Chief

Executive Officer's contract

entitles him to commission in as far as sponsorship, Mr. Peter Mancer's (Diversity Management) contract which was signed by the League and which he was not party to, commission is included and he wished to report it here so that it must not be something new, unless there is a different view from the members to say let us deal with the mechanics and details.

→ further plotting.

It is in that contract which, when we negotiated it Mr. Comitis stated that we should sign the contract without doing anything about it. Even with Peter Mancer's (Diversity Management) contract he said we must sign that contract, myself, Mr. K. Motaung, Ms Mato Madlala were fighting this contract, Mr. Comitis was the one who said we must sign this contract but because of the collective responsibility and unity, we resolved to do it. We could not raise anything about the Chief Executive Officer's contract, anything we raised he countered. The Chairman was surprised today that Mr. Comitis reviews his view but it must not be selective because usually as Chairman you would not like to talk about what happens in the meeting and would want to keep the unity in the meeting, because members should not take advantage when others keep quiet as they want to build and grow. → slow me minutes → here say!

The Chairman stated that he can raise things which could have instituted action but he cannot do that for the sake of unity. He was saying this in good faith for the benefit of members. Thus far, nobody is benefiting out of this. At the moment they are ensuring in protecting people when people do negotiations and questions are asked thereafter. It is for this reason that he is putting the issue to members and if the meeting is saying go back and do the mechanics, this will be done definitely and will be written, and for this reason he was requesting for guidance from the meeting.

The Chairman stressed that accepting the 10% as part of the negotiations for

internal people, maybe it would help to get fresh negotiators from outside to lessen the burden.

Mrs N. Tsihclas wished to be more emotional and stated that it is very sad sometimes that people from outside come in and get everything from football and clubs benefit nothing. At the end of the day, it is not only the committee that negotiates but even people from soccer when they come up with sponsors the finance thereof helps the organization and there must be benefit out of this as normally football people are the last ones to benefit. We must take into consideration everybody from a club who could come with somebody from overseas wishing to sponsor football for example with R500 000 000.00, everybody would be happy.

Therefore it is important to discuss the way on how we will do that but to encourage each and every soccer person, owner of club, director that if there is a potential sponsor, clubs are very important and she does not see any problem and actually propose that while we have this meeting that everybody be included while we are in football. The Chairman stated that he did not want to divide his Executive and let the matter be discussed again by the new Executive as it is fair.

Mr. K. Motaung stated that he wished to be realistic about the situation and that what Mrs N. Tsihclas has already said exists because that is why when you look at the commission in the annual report, it indicates that the Chairman received commission, and wished to endorse what Mrs Tsihclas is saying.

If you go to Europe, any leagues in the world, or the UK there is a structure that is put in place to deal with sponsorships and broadcast rights and thought the suggestion that was brought by Mr. Larry Brookstone makes sense and supports him.

Otherwise we are left with another option to say let us put this things to tender or we go to agencies dealing with such matters (e.g. Megapro or Sail) and they will not come cheap, they will come at 20% to 25% minimum, that is what is in the market, so what the Chairman was saying is we have travelled this far

→ Go on to exaggerate & put wrong info.
UK - 25%

and have garnered some experience and with this little experience we can team up with other people who we are probably using right now. And if we feel those are not right, we then look for other people and take it from there.

Mr Leon Prins stated that he was grateful that this topic has been brought here today and most of the Executive members have given their input. It is very important that we all understand that stakes are becoming increasingly high in football and that we need to establish and find the way of squeezing the most out of every deal. The principle of it being kept in-house with outside advisors he thinks most of the members present agree but it would be helpful to allow the new Executive Committee to discuss and finalize the issue once and for all. This matter has been discussed and played around with but he requests the indulgence of the house for the Executive Committee to take it back and come to a very detailed structure As he is sure there is going to be a vociferous debate around the issue and the new Executive Committee will have to look at the matter very carefully.

Mr Larry Brookstone of Silver Stars stated that it is important that one issue be addressed and the issue is we should not feel that people within our organization should not be entitled to earn commission. He does not want to leave this meeting feeling that he has projected that. He really believes that we have a group of smart people in this room, people who can go out there and negotiate just as well if not better than Megapros and Sails and he has absolute faith in the people that we have here.

He feels that what we want to do is be sure that we set a mark and say ok, what you do after that you must be rewarded for. Whatever that mark is, whether it is the current figure or bigger figure he does not think that, that is the real issue but there must be a point. The other thing that he thinks is members need to take cognizance of, is the fact that the leadership of the PSL or the NSL in general has created a situation where we have a marketable product and speaking from his own personal perspective he does not view that if he gets some money he would not encourage that somebody else gets it than him, somebody outside the organization because he thinks that is short sighted and then start working together against each other, instead of working together for the common good.

On the other side you have a situation of the clubs whether they are in the Premier League or Mvela League, are also doing something to build a strong brand and thinks that we must take cognizance of that.

The League has unquestionably got superb leadership it is not a patronizing statement. It is proven that we have also got clubs that are growing and evolving and helping to make our product better so he thinks it is something that perhaps members should view in terms of what the League is looking at and say we want to grow this product. We want to grow the income streams, members to do it in the best possible way and not to be selfish to say ok because I am not in the negotiating team I don't want the negotiators to get anything, rather see negotiators from outside but just want to be sure that we have done in a way that is not going to create a furore at some later stage.

The Chairman asked as to whether is it not possible to have both opportunities available or both options or possibly look at headhunting an individual that can be appointed by the league on a commission basis. He further stated that the executive members do not benefit, maybe people think the Executive are negotiating for themselves, he is not negotiating for himself as chairman but will use his expertise to support, to unblock the blockage and to reinforce.

He further stated that he wished to accept that this matter be taken back to the Executive Committee and a report back will be submitted. For those members that will be elected in due course, as to what they know will be the approach but the principle is understood that people must be rewarded but let us work the mechanic as to how the two gel.

He was raising this thing because a situation which is a bit sensitive going forward and he would not wish things to happen where members are misunderstanding, but the members must know that going to negotiations the Executive Members are not benefiting. Unfortunately, this is in the contract of the Chief Executive Officer and Mr. Peter Mancer (Diversity Management). *→ stay* *

The Chairman requested members to consider giving Executive Committee