



EXHIBIT CC 21(a)

2ND SUPPLEMENTARY AFFIDAVIT & ANNEXURES OF LULAMA MOKHOB



**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,
CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE**

2nd floor, Hillside House
17 Empire Road,
Parktown
Johannesburg
2193
Tel: (010) 214-0651
Email: inquiries@sastatecapture.org.za
Website: www.sastatecapture.org.za

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**IN THE COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR
INCLUDING ORGANS OF STATE ("THE COMMISSION")**

**AN INVESTIGATION INTO THE SOUTH AFRICAN BROADCASTING
CORPORATION**

SUPPLEMENTARY AFFIDAVIT

I, the undersigned,

LULAMA MOKHOBO

hereby declare under oath as follows:

1. I am an adult female currently residing in Randburg.
2. The content of this affidavit is true and correct and falls within my own personal knowledge, unless the contrary clearly appears from the context or is otherwise stated.
3. I have been approached by investigators associated to the Commission of Inquiry into Allegations of State Capture, Fraud and Corruption in the

public sector and certain Organs of State ("the Commission") and have been requested to provide an affidavit as to my knowledge as to certain affairs which took place during my tenure as Group Chief Executive of the South African Broadcasting Corporation ("SABC").

4. In this regard, this affidavit contains my recollections of events spanning over two years and I must reiterate that at this stage I no longer work for the SABC and am not in possession of all documents I would require.
5. However, the investigators associated to the Commission have given me access to certain documents and this affidavit is drafted upon my recollection of the events in corroboration with the documents presented to me.
6. Following the testimony which I gave under oath to the Commission on 4 September 2019, I was requested by the Chairperson to supplement my main affidavit and add details relating to my experience and recollection in regard to the Broadcasting Digital Migration ("BDM") Project.

Digital Migration: The Key Issues

7. The country-wide digital migration program has been stalled for 11 years now since its policy, the Broadcasting Digital Migration ("BDM") Policy was approved by Cabinet and reflected in the Government Gazette on 8 September 2008. This resulted from a seeming lack of policy agreement and/or implementation coherence as the Ministerial leadership of the Department of Communications changed hands:
 - 7.1 Ivy Matsepe-Casaburri: June 1999-April 2009;
 - 7.2 Manto Tshabalala-Msimang: April 2009-May 2009;

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LPM
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- 7.3 Siphiwe Nyanda: May 2009-October 2010;
 - 7.4 Roy Padayachie: November 2010-October 2011;
 - 7.5 Dina Pule: October 2011-July 2013;
 - 7.6 Yunus Carrim: July 2013-May 2014;
 - 7.7 Faith Muthambi: May 2014-March 2017;
 - 7.8 Ayanda Dlodlo: March 2017-October 2017;
 - 7.9 Mmamoloko Kubayi-Ngubane: October 2017-January 2018;
 - 7.10 Nomvula Mokonyane: January 2018-November 2018; and
 - 7.11 Stella Ndabeni Abrahams: November 2018 to-date.
8. The Department of Communications effectively changed hands 10 time in as many years, resulting in real leadership crisis as the broadcasting sector found itself with no solid Digital Terrestrial Television ("DTT") direction as it pertained to Set Top Box ("STB") technology choices, despite the provisions of the then existing BDM policy of 2008.

Events leading to the signing of the Multichoice contract

- 9. The sequence of events leading to the signing of the Contract were as follows:
- 10. On 15 May 2013, when Multichoice ("MCA") wrote a set of proposed provisions to Mr Motsoeneng that would form the basis of MCA/SABC Multi-Channel Agreement (annexure 1), it (MCA) had seen an opportunity to cause a major policy shift in the digital terrestrial TV transformation project.
- 11. On 6 June 2013 the SABC Interim Board and MCA's Chairman Mr Letele, CEO Mr Imtiaz Patel together with Mr Greg Hamburger met to

discuss the substance of the future Multi-Channel Agreement as a follow-up to the letter referred to in point 9 above. Of particular contention, as may be gleaned from the verbatim minutes of the said meeting (annexure 2), were two provisions that effectively dictated the SABC's 2008 Digital Migration Broadcast (BDM) Policy-based strategy on STB encryption. They stated the following:

- 11.1 Point 9 *"The offer presupposes that all SABC Channels on its DTT platform will be made available to the public unencrypted, without a conditional access system and thereby incidentally receivable by the MCA DTT decoder"*
- 11.2 Point 10 *"MCA, the SABC, Sentech (if required), work together to promote carriage of all the SABC's free to air channels on the SABC free-to-air multiplex will be made available to MCA satellite platform, subject to available capacity. This is in order to enable the SABC to generate revenue from day one".*
12. I was joined by SABC Board member, Mr Mavuso, in categorically stating that points 9 and 10 were not enforceable through the future Multi-channel Agreement, and entirely dependent on the Department of Communications (DoC) and government deciding to amend the 2008 BDM Policy to reflect the change. Moreover, the DoC had begun a Must-Carry Regulations review process, which could ultimately lead to the SABC being paid for any channels that were broadcast through MCA and other satellite platforms.
13. On 2 July 2013 I took an emergency leave of absence from and returned to work on Monday 8 July 2013.

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14. I became aware of the signing of the business agreement between SABC and Multichoice when the former chairperson, Ms Tshabalala informed me of the decision to enter into the contract in my absence. She accused me of being derelict in not being available on the day when the Finance, Investment and Procurement sub-committee ("FIPT") of the Board sat and "took the decision" to mandate Messrs Motsoeneng and Tiaan Olivier ("Mr Olivier") to proceed with the signing of the contract (between Multichoice and the SABC). I was obviously shocked at her attack and proceeded to give her full details of my leave of absence.
15. Effectively, Mr Hlaudi Motsoeneng ("Mr Motsoeneng"), Mr Tiaan Olivier and Ms Ellen Tshabalala ("Ms Tshabalala"), by entering into the aforementioned agreement on behalf of the SABC, had decided to force the SABC to support MCA's quest by arbitrarily taking the far-reaching decision to declare the set-top box encryption mechanism as wholly unjustifiable. To them, the SABC's gain of a just over R500million over a period of five years was far more important than the overall impact this was going to have on the total digital transformation trajectory of the country. In concluding its investigation into this matter, the Competition Commission stated: *"Being able to influence a policy on encryption materially impacted the structure of the market in that it protected Multichoice's dominance in the PayTV market in that the STB Control would have significantly challenged the dominance of Multichoice particularly in lower LSM segments of the market"* (pg. 7 (17) of the Competition Commission Ruling of November 2018). This was also in violation of section 2 (h) of the Broadcasting Act 4 of 1999 which reads:

"...ensure fair competition in the broadcasting sector".

16. It was patently clear at that time that neither Mr Olivier, Mr Motsoeneng nor Ms Tshabalala (as the Chairperson of the Board), understood the gravity and future impact of their actions to both the entire public and the industry.
17. Additionally, the entire process leading to the signing of the contract was deeply flawed in that it flouted the SABC's own Delegation of Authority Framework of 2012.
18. Secondly, the minutes of the FIPT meeting of 2 July 2013 show no express approval from the chairman of the committee, Mr Vusi Mavuso, for the signing of the contract to be executed (attachment 3). An order which was in fact given was that the Contract should be given to a senior legal advisor to review and that "such review notes be provided to the Board for comment and approval" (page 3 of annexure 2).

Applicable provisions in the SABC's Delegation of Authority Framework (2012)

19. The following are what I consider to be applicable provisions:
- 19.1 Page 2 paragraph. 2.4 of the applicable SABC Delegation of Authority Framework (2012), crafted in accordance with the PFMA, The SABC Articles of Association, the SABC Memorandum of Incorporation, the Shareholder Compact and Materiality Framework, the Broadcasting Act 4 of 1999 as amended, and other relevant pieces of legislation and protocols, states:

Board committees are generally constituted with powers of recommendation only. However, subject to certain statutory limitations, the Board May, in its discretion, delegate decision-making

authority in any area to one or more of the Board committees. (annexure 3)

- 19.2 This meant that unless the Board had made the determination that FIPT could approve the signing of the contract, which as far as I am aware was never made, the act by Mr Motsoeneng and Mr Olivier of signing the contract was unlawful.
- 19.3 The FIPT subcommittee of the Board and the Chairperson of Board, Ms Ellen Tshabalala, should have adopted the following process in order to legitimise the so-called "new SABC position" on the non-encryption of DTT Set-Top Boxes, as it played itself out in the SABC/MCA Contract:
- 19.4 The Group Executive Committee should have to have been given the opportunity to engage in a proper interrogation of the arguments presented by Mr Motsoeneng and his team in arriving at a decision to proceed with MCA's condition precedent that the SABC should keep its channels unencrypted; and all SABC's channels on DTT should be accessible and available to MCA also without a conditional access system.
- 19.5 The interrogation would have included, inter alia, a risk assessment; legal and policy imperatives evaluation; financial evaluation; viability stress test and a thorough comparative study of other possible scenarios. Only once the Group Executive Committee had satisfied itself that the contract was sound could it be approved for submission as a recommendation to FIPT.

- 19.6 FIPT would in turn have to also satisfy itself that the Group Executive recommendation was sound and then forward it to the Board as a Board sub-committee recommendation.
- 19.7 The Board, as the highest accounting authority, would at that point have to decide whether to accept or reject the recommendation. It would only be on the Board's express approval and election of the signatories to the contract that it could indeed be signed as a legally binding document.
- 19.8 The failure to apply the above-stated process meant the contract was entered into unlawfully.

Unlawful to ignore the Broadcast Digital Migration (BDM) Policy of 2008

20. The following clause constituted a direct breach of the BDM Policy:
21. *Clause 2.1.5 the Channel Signals for the SABC FTA Channels as transmitted in South Africa would at all times be available and receivable on the M-Net DTT Set-Top Boxes distributed in South Africa. The SABC agrees that the SABC FTA channels will not at any time be encrypted, or allow and conditional access system to be applied in respect of, the Channel Signals for the SABC FTA Channels transmitted on the SABC DTT platform in South Africa so that viewers are able to view the SABC FTA Channels requiring anything other than the installation of and M-Net DTT Set-Top Box;*
22. The BDM Policy stated, under section 5 titled "Adopting Appropriate Technical Standards" in clause 5.1.2.1 stated: "...The STB's will have a software solution (MHEG-5) which enables planning on the part of the viewing public to watch programmes of interest at their own convenience."

This meant that the poor would have PVR functionality, a key feature in DSTV's premium content bouquet. However, for the poor it offers a great opportunity for them to be able to view content at a convenient time. For the SABC, educational content which is frequently broadcast in the daytime would be available anytime for anyone needing it. The participation of the poor in the knowledge economy was therefore dealt a blow.

23. The Policy further required that STB's have a return path which would enable the public to receive as well as send back messages (email equivalent), e-government services capability such as accessing, filling and sending back government forms etc (clause 5.1.2.7).
24. By conceding to MCA, the SABC effectively facilitated a blocking of the poor from freely participating in the knowledge economy. All arguments that cellular technology is a bigger enabler would be true for the poor only if they (the poor) did not have to bear the current unreasonably high costs of data.
25. Furthermore, the SABC facilitated the massive, unbridled expansion of MCA from 4,8 million active subscribers in 2012 to the current over 7million active subscribers (MultiChoice 2019 Integrated Annual Report annexure 4).
26. It is also important to note that whereas the proponents of the non-encryption stance for the SABC argued that none of the viewing public of the SABC should be switched off at any time, positing the presence of encryption mechanism as a threat, MCA continues to switch SABC viewers off if they fail to pay their monthly subscriptions. MCA is able to do that because must-carry regulations do not enforce a rule for all satellite carriers

to exclude SABC channels from their switch off tactic to enforce subscription payments.

27. It is important to note that it would have been unconstitutional and therefore not allowable for the SABC itself to wilfully switch its audiences off at any time and for any reason whatsoever. This is spelled out in the Broadcasting Act 4 of 1999, which states under the sub-heading Objects of the Act (1) *"...a strong and committed public broadcasting service which will service the needs of all South African society..."*

**SABC restricted from distributing its own archive content to other
broadcasters within the region**

28. Clause 4.2.3.1 states *"The SABC shall not itself distribute, nor authorise anyone else to distribute, the SABC Entertainment Channel (or any adaptation, part, version or individual programme thereof) or any branded block or substantially similar channel, by any system in the Territory (or any part thereof) during the Term"*.
29. By agreeing to the above-stated clause, the SABC effectively agreed to maintain content exclusivity to MCA for the duration of the contract, without due regard for opportunities to sell individual programmes (not the channel) to other broadcasters who may have wished to buy such programmes. Contradiction to the SABC's objectives as spelled out in section 8 of the Broadcasting Act 4 of 1999.

**Restrictions of the SABC from distributing the Entertainment Channel to
countries outside of the Republic**

30. Clause 4.2.3.2. states *"In the event that the SABC obtains Clearances to enable the SABC Entertainment Channel to be distributed to any part of the Territory outside South Africa, it shall notify MCA in writing, and MCA shall be entitled to commence distribution of the Entertainment Channel in such Territory outside South Africa for which the SABC has obtained Clearances".*
31. The above effectively bars the SABC from broadcasting its own content to other parts of Africa on its own volition, thus maintaining MCA's content exclusivity.

SABC barred from broadcasting any content on the entertainment channel

32. Clause 4.2.3.2. states *"The SABC shall be entitled to make individual programmes that have been previously broadcast on the SABC Entertainment Channel available to viewers on a non-linear, non-broadcast basis as part as part of a service which is wholly owned, operated and branded by the SABC"*
33. The clause above allows the SABC to use its own individual programmes only as on-line/ internet -streamed content and not as part of its own broadcast channels.

SABC barred from selling news content broadcast on the News Channel to other broadcasters

34. Clause 4.2.4.1 states "The SABC shall be entitled to:

4.2.4.1.1. distribute the SABC News Channel by means of SABC Channel Distribution Platform; and/or

4.2.4.1.2. make individual programmes that have been previously broadcast on the SABC News Channel available to viewers on a non-linear, non-broadcast basis".

35. The above is a further entrenchment of MCA exclusivity with the SABC prohibit from selling/licensing or giving its news content to other broadcaster as programming of public importance.
36. Clause 4.3.3 states *"The SABC hereby grants to MCA the non-exclusive right to (i) receive, distribute and market the SABC FTA Channels; (ii) license the reception, distribution and marketing of the SABC FTA Channels by means of Television Systems for reception by Subscribers in South Africa during the Term, including, for the avoidance of doubt, the reception of the free-to-air transmission by the SABC, or on behalf of the SABC, of the SABC FTA Channels by means of an M-Net Set-Top Box in South Africa during the Term".*
37. The clause above pre-empted the outcome of the SABC's own long-standing argument for the review of Must-Carry Regulations. The existence of SABC channels on M-Net's set top box would be to the advantage of M-Net as historically demonstrated in MCA's marketing strategy. This strategy effectively enabled its subscriber base to increase on the back of SABC channel content. The uptake of SABC set-top-boxes could possibly be subdued as a result.
38. Clause 4.3.4 states *"MCA shall at any time during the Term be entitled to discuss with the SABC the opportunity to distribute the SABC FTA Channel(s) in the Territory (or part thereof) outside South Africa. In such*

event, the Parties agree to discuss in good faith terms of the MCA's intended distribution of the SABC FTA Channel(s) in the Territory (or part thereof) outside South Africa, including but not limited to commercial terms and clearances with regard to such SABC FTA Channel(s). Furthermore, should the SABC intend to exploit its SABC FTA Channel(s) in the Territory (or part thereof) outside South Africa, it shall notify MCA in writing and MCA shall have the right of first negotiation with regard to the distribution of the SABC FTA Channel(s) in the Territory (or part thereof) outside South Africa.

39. The underlined sentence above suggests that the SABC would not have the right to negotiate with an alternative distributor without MCA's "permission". The SABC would effectively lose its independence in this regard, in direct violation of Section 8 (p) of the Broadcasting Act, which reads: "...to develop and extend the services of the Corporation beyond the borders of South Africa"
40. Clause 6.1 states "MCA undertakes to provide the SABC with an MCA FTA Channel for distribution by the SABC on the SABC DTT Platform. In this regard, MCA hereby grants to the SABC a non-exclusive license to receive, distribute and market the MCA FTA Channel by means of DTT on the SABC DTT Platform for reception in South Africa during this Term.
41. Ironically, MCA offered the SABC one free-to-air channel on a non-exclusive basis whereas the channels provided to MCA would be exclusively for the use of MCA. Furthermore, MCA would have the benefit of immediate access to the SABC's vast audiences and take all the advertising

revenues that would accrue from this channel. This would have been patently unfair.

42. Clause 13.1 states *"The SABC and MCA each represents, warrants and undertakes to the other that it has the requisite power and authority to enter into this Agreement and to performs fully its obligations hereunder..."*
43. As demonstrated in my earlier introductory sections, and later in the findings of the Competition Commission (November 2018), the conclusion of the agreement "enabled Multichoice to influence the strategic direction of the public broadcaster, in contravention of the Competition Act. To this end, the Competition Commission found, per clause 17 *"...Being able to influence a policy on encryption materially impacted the structure of the market in that it protected Multichoice's dominance in the PayTV market in that the STB Control would have enabled new DTT entrants into the market that would have significantly challenged the dominance of Multichoice particularly in the lower LSM segments of the market"*.

My role and involvement in the SABC's Digital Migration Programme

44. Having been one of the industry players in the early 1980's as head of the now defunct BopTV's Edutel (Educational radio and TV) section for 10 years; having experienced the power of instructional/educational radio and TV technology and content in education and rural development particularly in poverty-stricken communities; and having seen teachers with poor qualifications and learners whose chance at bright futures was severely threatened by their lack of access to quality education blossom as a result of

TV and radio technology interventions, I could grasp the vast opportunities that DTT with STB control-enabled technology could provide.

45. I was, during the phase when the Broadcast Digital Migration Policy was being developed, one of the people who were invited to give input. I was also a member of the Sentech board and was intimately aware of the possibilities that were at hand. I therefore viewed the SABC as possibly the best placed organ of state to be at the forefront of propelling our nation to becoming a citizenry filled with hope and determination to learn and apply its learning for the greater good of family, community and nation. The participation of the marginalised in the digital dividend and knowledge economy would indeed help make South Africa a better place for all who live in it.
46. At a practical level, the SABC Technology Division reported to me. I was therefore involved in providing strategic insights and playing the critical oversight role of ensuring that approved plans were implemented, and budget utilization was focused on critical, measurable deliverables, the most critical of which was the digitizing of all areas of the SABC critical to DTT migration. I was thus able to share in the strategies, research and development activities through the creation of the SABC's own STB encrypted laboratory testing facility and, the showcasing of SABC's capabilities.
47. The erstwhile Group Executive IT, Mr Sipho Masinga, a trained engineer with numerous related qualifications, showed an astuteness and creativity that if harnessed even after I had left the SABC, would have lead the

organisation into going beyond its traditional broadcasting role and becoming a non-linear hub of knowledge through technological possibilities provided by digital broadcasting and user receiver technology (STB's).

Pre-DTT Launch preparatory meetings

48. There were numerous conferences and meetings that were held at government shareholder and industry-wide levels which I participated in numerous times.
49. Key contentions in these meetings were:
- 49.1 The SABC's and allied SOE's readiness to launch DTT;
- 49.2 Agreements on the STB standard and encryption. As mentioned earlier in this affidavit, the lack of policy coherence from the beginning of 2013 led to the SABC and MCA arbitrarily making a decision to abandon encryption; and
- 49.3 The former Minister Muthambi 2017 decision to support the MCA/SABC contract by providing a new BDM Policy with the provision that broadcasters have the choice to install encryption in their set-top boxes at their own costs is a compromise that will be very difficult to implement. It potentially means that the public will be encouraged to have multiple STB's possibly attached to a single TV set, a scenario which the 2008 BDM sought to avoid by putting forward the notion of interoperable boxes with the capability of allowing for a variety of broadcasters to have space on one STB.

My concluding remarks on the BDM project

50. DTT implementation was, in short, hijacked by capitalist interests in the form of MCA.
51. Mr Motsoeneng, Ms Tshabalala continued to oppose encryption beyond the launch of the news channel. This they did through an 11th September 2013 round table discussion which had been convened by the then Minister of Communications, Mr Yunus Carrim, where they once again tabled a non-encryption position, which was never sanctioned by the SABC, as the official stance of the organisation.
52. As enjoined by the PFMA, I reported the above-stated unlawful act to one of the SABC Board members, Mr Mavuso, the Minister and the then Director General Ms Rosey Sekese. The discussions which ensued thereafter within the corporation became heightened with Ms Tshabalala directly attacking my integrity at every turn. I submit as evidence three documents that reveal the extent of the toxicity that developed between Ms Tshabalala and I, resulting in my finally leaving the SABC. These were kindly forwarded to me by the former Minister himself.
- 52.1 Annexure 5 is the minutes of the 20 September 2013 Board meeting wherein the round table debacle was discussed.
- 52.2 Annexure 6 is a 21 September 2013 email I sent to the Board and copied the then Minister on detailing the events beginning in 2007 up to Mr Motsoeneng and Ms Tshabalala's presentation at the round table discussion of 11 September 2013.

- 52.3 Annexure 7 is a 26 September email that I sent to Ms Tshabalala addressing her vicious attack on my integrity.
53. A new contract, hopefully without contention, is now in place. It is however unclear if the dream of a vibrant interconnected community not encumbered by data costs in its quest the gain learning through on-line messaging and research means can still be achieved.
54. South African children in disadvantaged communities continue to make do at schools with very low capacity to provide quality education; communities continue struggling to get the help they need from government services, a difficulty which the provision of e-governance services directly to their homes, schools, community centers etc. could have provided via encrypted STB's; adults seeking information to help them on various issues ranging from assistance with registering the birth or death of a loved one to accessing various services on line cannot afford to do so as data costs remain prohibitive.
55. The Fourth Industrial Revolution is upon us, but it is clear that the under-privileged will once again be left behind.

The filling of the COO position

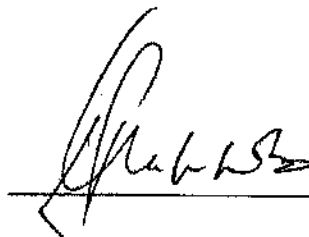
56. I recall approving the placement of an advertisement for a COO in the print and internal media sometime in early 2012. That advertisement had been used before Mr Motsoeneng's time and stated key minimum requirement as a degree and experience in the broadcasting industry. It was however

cancelled on the instruction of the then chairman, Dr Ngubane, on the basis that it stated a degree qualification as a requirement. (annexure 8).

57. A new advertisement without academic qualifications was subsequently advertised internally on the direct instruction of Dr Ngubane and Mr Motsoeneng. This fact has been verified by the then Human Resources Group Services Manager, Mr Mzukisi Ndlovu. It is, however, worth noting that nothing came of the internal recruitment process and Mr Motsoeneng continued acting in the position.
58. By as early as March 2012, it had become clear to me that Mr Motsoeneng did not understand his role as a COO and spent a lot of time disrupting the work of my office and that of other staff reporting directly to me.
59. My suggestion that he be returned to his position or, alternatively, to another that required someone like him was ignored until the Board unanimously agreed, on 26 February 2013, to indeed remove Mr Motsoeneng from the Acting COO position. This move was, however, frustrated when it emerged that the Board did not have the powers to remove Mr Motsoeneng as he had been appointed by the then Minister of Communications, Ms Dina Pule. Dr Ngubane and the Deputy Chairman, Mr Thami Ka Plaatjie resigned soon thereafter, followed by the remainder of the non-executive Board members in March 2013. Having been reinstated, Mr Motsoeneng continued with his disruptive style of management.
60. I was not party to his appointment as permanent COO and never would have agreed to that. His appointment was implemented after I left the SABC.

My previous affidavit to the Special Investigation Unit

61. Finally, I have previously drafted and signed an affidavit relating to my knowledge of matters relating to the Multichoice Agreement, a copy of which affidavit and supporting documents I attach hereto as annexure "LM1", and the content of which I once again confirm.
62. This is all I wish to declare.



DEPONENT

Signed and sworn to before me at Linden on this the 16 day of October 2019, the deponent having acknowledged that she knows and understands the contents of this affidavit, has no objection to taking the prescribed oath and considers the oath binding on her conscience. There has been compliance with the requirements of the Regulations contained in Government Gazette R1258, dated 21 July 1972 (as amended).

COMMISSIONER OF OATHS:


 T. SOQAKA
 7187101-2

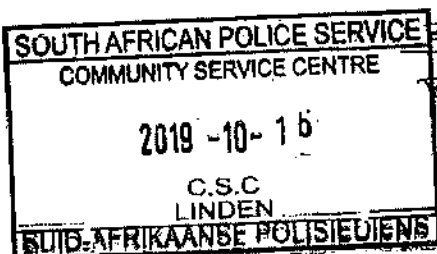
FULL NAMES:

Soqaka Thumetse

CAPACITY:

Constable

ADDRESS:



30 Bunting Road
Robindale

15 May 2013

Attention : Hlaudi Motseneng
SABC
Radio Park
Henley Road
Auckland Park
2094

Dear Hlaudi

Proposed Partnership and Channel Supply Agreement between MultiChoice South Africa Group and SABC

Thank you for the constructive meetings and open dialogue we have had regarding the development of a mutually beneficial agreement between the SABC and the MultiChoice South Africa Group ("MCA").

As you are aware it is our intention that a wider partnership between the SABC and MCA is developed over time. We appreciate that the SABC has to fulfill its mandate as public broadcaster in South Africa, but at the same time, is the leading and most diverse free-to-air broadcaster operating in the country. MCA believe that building a partnership with the SABC will be beneficial to both organizations.

MCA's primary business is content aggregation, technology and platform development. MCA has an active subscriber base of some 4,5 million digital satellite households and provide access to some 20 million viewers in South Africa.

We believe that MCA can assist the SABC in enhancing on its mandate as public broadcaster and immediately expand its free-to-air broadcasting operations.

DTT in South Africa is currently in a mess, with risk for the all the existing broadcasters. Free-to-air broadcasters are faced with the challenge of advertising revenues being diluted over a number of free-to-air channels. PayTV broadcasters on DTT have limited capacity available which reduces the ability to provide an attractive multichannel pay offering to subscribers.

The SABC will have to invest in the content for its DTT platform, with advertising revenues only being generated much later once the free-to-air DTT platform and base has been established. We propose that the SABC and MCA work together to develop their respective DTT and/ or digital satellite platforms. This can take the form of co-operation agreements and channel supply agreements. This will provide the SABC immediate access to MCA's active digital satellite subscriber base with an opportunity to generate guaranteed channel revenue and advertising revenue from day one. This presents the SABC with substantial potential upside for success of its operations and the free-to-air DTT platform.

LM

We believe that the beginning of such a partnership can best be captured by the immediate conclusion of a commercially viable and mutually beneficial agreement between the organizations.

Accordingly, based on discussions and feedback from the SABC, MultiChoice wishes to enter into an agreement with the SABC based on the following proposal and on the assumption that both parties will be providing channels for their respective platforms.

Proposal:

SABC Channel Supply

1. The SABC will provide MCA with the following channels:
 - a. An exclusive entertainment channel (SABC Premium); and
 - b. A 24 hour news channel (SABC News).
2. In return for the delivery of the channels listed above by SABC, Multichoice will pay the SABC a flat fee of R500 million, payable over a period of 5 years;
3. The SABC will bear the full cost for the production of the channels.
4. The SABC shall retain all advertising generated on these channels;
5. The entertainment channel will be exclusive to MCA and MCA will be authorised to distribute the entertainment channel on all its distribution platforms;
6. The SABC news channel will be exclusive to MCA's satellite platform and MCA will be authorised to distribute the SABC News channel on all its distribution platforms. The SABC will however be allowed to distribute the SABC News channels on its own free-to-air DTT platform, subject to point nine below.
7. The details of the content on these channels will be discussed and finalised between the parties respective content divisions.
8. The initial term of the Agreement will be 5 years with an option for MCA to renew on same terms and conditions for a period of three further years.
9. The offer presupposes that all SABC Channels on its DTT platform will be made available to the public unencrypted, without a conditional access system and thereby incidentally receivable by the MCA DTT decoder.
10. MCA, the SABC and Sentech (if required), work together to promote carriage of all the SABC's free to air channels on the SABC free-to-air multiplex will be made available on the MCA satellite platform, subject to available capacity. This is in order to enable the SABC to generate advertising revenue from day one.

UPM

MCA Channel Supply

1. MCA will supply the SABC with at least one free-to-air channel for its free-to-air DTT service. The free-to-air channel supplied by MCA will be an African / local movie and general entertainment channel.
2. Payment for the MCA free-to-air channel supplied by MCA to the SABC will be in the form of advertising revenue generated by the channel itself. MCA will bear the full cost for the production of the channel.
3. The deal will be for 5 years with an option for the SABC to renew on same terms and conditions for a period of three further years

Both parties shall use their best efforts to ensure that the channels on their respective portion of the multiplex are authorized by ICASA.

This offer represents the seriousness with which MultiChoice views the partnership with the SABC and accordingly we will make the necessary resources available to conclude all the agreements required to give effect to this as soon as possible. We also appreciate that this agreement/s will be subject to both parties board approval.

We remain at your disposal to further discuss this proposal in more detail. We will also welcome any further ideas to enhance our mutually beneficial relationship.

We look forward to a prompt and positive response.

Yours Sincerely



Imtiaz Patel

Group CEO, Multichoice South Africa

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SOUTH AFRICAN BROADCASTING CORPORATION SOC LIMITED
REGISTRATION NUMBER 2003/023915/06

MINUTES OF THE MEETING BETWEEN THE INTERIM BOARD OF THE SOUTH AFRICAN BROADCASTING CORPORATION AND MULTICHOICE HELD IN THE 28TH FLOOR BOARDROOM, RADIO PARK, HENLEY ROAD, AUCKLAND PARK, JOHANNESBURG

AT 12:30

ON 6 JUNE 2013

PRESENT

Ms L P Mokhobo	Chairman
Ms Z E Tshabalala	Member
Mr M R Lubisi	Member
Mr V G M Mavuso	Member
Mr C Olivier	Acting Chief Financial Officer
Mr G H Motsoeneng	Acting Chief Operations Officer

APOLOGIES

Ms N Gosa	Member
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IN ATTENDANCE

Ms T V Geldenhuys	Group Company Secretary
Ms L V Bayl	Deputy Company Secretary
Mr J Matthews	Acting Head of News
Ms R D Shibambo	Logistics Manager

BY INVITATION

Mr N Letele	Multichoice
Mr G Hamburger	Multichoice
Mr I Patel	Multichoice

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1. CONSTITUTION OF THE PROGRAMMING SUMMIT

The Chairman, Ms L P Mokhobo, welcomed everyone present at the meeting.

1.1 ATTENDANCE REGISTER

The attendance register was signed by all present.

1.2 APOLOGIES

Apologies were received and noted.

1.3 DECLARATION OF INTEREST

The Declaration of Interest document was circulated and signed as required by legislation. No interest was declared in the matters on the agenda.

1.4 THE AGENDA

Discussions regarding the Multichoice proposal in terms of the twenty-four hour news channel.

2. CHAIRMAN'S OPENING REMARKS

Ms L P Mokhobo: Right. I think we can start. Special welcome to MultiChoice. It's indeed an honour to be graced by the presence of the Chairman of MultiChoice. Ntate Letele and Comrade Greg who's always fighting with us on legal matters. You are a Comrade, huh?

Mr G Hamburger: I'm glad you're calling me a Comrade. The status has just gone up

Ms L P Mokhobo: You know Comrades fight, and disagree not to agree, that's what we do all the time with Comrade Greg. And a very special welcome to you, Imi. We have with us here the members of the Interim Board of the SABC. Ms Ellen Tshabalala is the Chairperson, Mr Mavuso who is the Board member and also the Chairperson of the Technology Sub Committee and the Finance Investment Sub Committee and Mr Ronnie Lubisi who is also the Chairman of the Risk and Audit Sub Committees of the Board. I also have my colleagues here. You know Mr Hlaudi Motsoeneng who has been liaising with you on this matter quite a while, Jimmy Matthews who's the Head of News, Acting, Tian Olivier who's the Acting CFO, Lindiwe Bayi, Deputy Company Secretary, and Theresa Geldenhuys, the Company Secretary.

I just need to first establish the status of this meeting. It is not a regular Board meeting per se. What the Board thought they would do is to meet together with ourselves and yourselves so that their oversight role can play through. They have engaged us. They understand fully what it is that we are trying to achieve from both ends on the twenty-four hour news channel. They've been given all the relevant documents including the last letter that was written on the 15th of May to Hlaudi Motsoeneng by yourself, Imi. Perhaps I should preface the meeting by saying we are very, very excited and hugely grateful that MultiChoice has come forward with such a robust proposition, unlike the one that we had before. We are sensing urgency, a sense of commitment to the public Broadcaster and for us, it's going to be wonderful to be able to provide the country and, in terms of our previous agreement even the rest of Africa. In terms of our previous carriage agreement, be able to provide our news all over the place. We believe this is something that the continent has been waiting for and South Africans are indeed waiting for it.

We have interrogated the offer letter, the proposed partnership letter, that came under your signature, Imi, and we would like to have a discussion around some of the provisions that are contained in the letter. I'm not going to be the first one to talk to them, and, if you don't mind, I'd like my colleagues on the Board to probably kick-start the discussion.

3. DISCUSSION REGARDING THE MULTICHoice PROPOSAL IN TERMS OF THE TWENTY-FOUR HOUR NEWS CHANNEL

Mr N Letele: Before we even kick-off let me just to take the opportunity to maybe re-iterate a few things that we view the SABC really as our partner of choice and that goes without saying. Its, I think, it's a useful, you know, concept to internalise and we've had a long-term relationship which we'd like to build on and take it into the future. I think, on any given day, if we have to look at free-to-air Broadcasters, including your competitors on the other side, we've always wanted to work with SABC and there has been cooperation which is well documented over the years, I think, more recently, on the Sporting side, the cricket deal, the rugby deal and it's what comes to mind. But, I think on that note, you know, we would like to open discussions then with you.

Mr I Patel: May I just say, is this a recording by the way or just as a matter of interest?

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Ms L P Mokhobo: Yes.

Mr I Patel: Ok. I have to be sure. No, no. When we want to say something off the record.

Ms L P Mokhobo: Remember that we are in??????so whatever discussions we have will.

Mr I Patel: Will be more circumspect

Ms Z E Tshabalala: But it can be off the record if you want to say something off the record.

Mr I Patel: Thank you. I'll, no, I just wanted to add and re-iterate what Nolo. It's a privilege and honour to be here first of all. We do have a relationship and there is no question, we, it's not the first time we're saying it, Chairperson. We've said consistently over the last few years that it is a relationship of choice for us. And it stretches back many, many years. So, in the past, we've, you know, the best example that we can use has been the relationship around, remember the news channel, the old news channel, what was it called, Greg? The Africa news channel or Africa to Africa and then we had a relationship.

We've always had the Sporting relationship so Soccer World Cup for example, we bought together, The Olympics we did together last year. A number of other properties, the PSL we do together. A number of other properties. I mean there have been some wobbles as an example on the PSL deal. We're not going to re-hash all those kinds of things but I think we've got the relationship back on the road. And, it is definitely from our side a relationship of choice for us. And I think the fact that we could agree as Nolo has already said on the cricket deal, which is not a thing from our side, it was completely necessary, the first thing when we did anything like that. We've managed to secure a further enhancement of the relationship. So we do come here as potential, deeper partners in the spirit of a potentially deeper relationship, you know. Thank you.

Ms L P Mokhobo: Thank you very much.

Mr G H Motsoeneng: Thank you, Chair. I think from SABC side we have briefed our Board about some of the proposal, and, as Management, also have taken a decision, which I think this meeting we'll just talk about the high-level issues and then the operational issues and the specifics. As Officials, we shall deal with those matters with Mr Patel and raise after this meeting but here I think is the principle just sharing information. But we are not going in details about that issue. After this meeting, we can meet Mr Patel and deal with specific issues. Because our Board they oversight, they are not more specific on the operation. Thank you.

Ms L P Mokhobo: Thank you, Hlaudi. Can I ask the Chair to put in a word?

Ms Z E Tshabalala: Thank you Chair. Let me take this opportunity to also just welcome MultiChoice and we are very grateful that, you know this time has come because we know that we have had many in-roads with SABC and on this specific offer, you have had some interactions with the previous Board. And Management has just alluded to some of the agreements that were made. So we are happy, and I'm sure Management is very happy, that we've reached this level where we really want to conclude whether we want to go MultiChoice or not. But, we are very delighted to finally agree. Thanks, GCEO.

Ms L P Mokhobo: Thank you very much, Chair. Can I now throw the discussion open to the floor on the various areas that we've discussed? Who would like to start? Sorry. The outcome, yes, yes. There are two particular clauses that are contained in your proposal letter which pose a bit of a challenge for the SABC. And they pose a challenge not because of anything other than policy provisions, Government policy provisions. The first clause is in relation to clause 9 on page 2 of your letter. I don't know if you still have it.

Mr I Patel: Greg has a copy?

Ms L P Mokhobo: Greg has a copy. We have reviewed this clause, read it many times, argued about it backwards and forwards and we've reached kind of like a cul de sac on it. The clause reads "the offer presupposes that all SABC channels on its DTT platform will be made available to the public unencrypted, without a conditional access system, and thereby incidentally receivable by the MCA DTT decoder". Perhaps to start off, I should be asking our colleagues from MultiChoice what motivated this kind of provision because we need to understand why you feel uncomfortable with conditional access so that we can be able to deal with it more reasonable.

Mr I Patel: Well I think we've been very consistent and you and I have had a number of interactions on that, Lulama. We are very, very consistent in our view that we do not believe that conditional access is good for this country in terms of costs to the fiscals. Number two we believe that it is the inclusion of conditional access is, and I have to be careful of my wording, is motivated by certain particular forces who have their own particular agendas, not in this room necessarily, and are prepared to use Government money to do that. And we, as a very broad principle believe

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that the availability, that clause is motivated by those two very, very powerful facts. We've been consistent, very consistent regarding that.

Ms L P Mokhobo: Now, given the fact that the SABC is a Government owned entity, and this decision really is a Government decision. The SABC has no power over it. How do you propose we move forward? We cannot tell Government that if they made a policy provision that speaks conditional access, we are not going to do conditional access, we cannot do that. We are owned by a Shareholder who is driving this process.

Mr I Patel: Our understanding is that the Minister has proclaimed that it's not mandatory, and, secondly that it's the Board's, this Board's decision to decide whether it includes the cost of conditional access or not. So, we may be wrong but, from our narrow perspective, the way we see it, given the latest development in the last few weeks, our understanding is that it is the prerogative of the Broadcasters now to decide on whether they include conditional access or not. It's as clear as that.

Ms L P Mokhobo: Mr Mavuso?

Mr I Patel: I think we know that the Minister pronounced it in her budget speech.

Mr V G M Mavuso: Thank you very much, Chair. Perhaps if one must to go a few days back, during the budget quota the Minister made a pronouncement about the fact that she's going to amend the policy, around digital migration which then poses a challenge for us that is no longer within our realm. She's going to be running with that to the best of her ability and whatever was proposed initially falls flat. As it were, we're still awaiting for much more greater clarity from her to be able to indicate precisely where we stand. For us it becomes superfluous because it's not something which is within our realm. So it's within her domain, and it leaves us completely out of sync with the proposals that she'll actually put on the table.

Mr N Letele: I know this, I mean, this is not the agreement per se, but could this not be a condition precedent because it's out of your hands, it's out of our hands as to what the decision would be around conditional licence. Because our understanding is very much that the outcome is going to be one where there will be no conditional access. For example, the RFP that was put out several months ago has now been amended to actually delete the reference to Set Top Box control. So, it looks like the outcome is one that will actually

Mr I Patel: Will get us there anyway.

Ms L P Mokhobo: Mr Mavuso.

Mr V G M Mavuso: The take we would have on this one would be perhaps we could take off the clause for now, and whilst there's clarity we can then be able to re-engage with one another to be able to find a much more better balance to be able to allow the process to unfold because if it's going to be a sticking source I don't think it would be approved under the circumstances. We will agree with the broad thrust of the document, save for this clause, and of course, clause nine which we believe is not within our control. It's not something that we will be able to do anything about at this juncture.

Mr N Letele: Which is why I'm suggesting we make it a condition precedent.

Mr I Patel: But I think you may be missing each other because by condition precedent. You are suggesting that if conditional access is in there, the agreement falls flat.

Mr N Letele: Correct.

Mr I Patel: I'm not sure that's your understandings.

Mr V G M Mavuso: The point is that it may be so, but is it taking the relationship to any high level as intended because I think the initial point was that we need to have a particular relationship to be able to say that we're in this together. We want to make sure that we can be able to advance because you regard us as partners of choice. And in that regard I think we need to find each other, have a common cause to be able to advance the process. I think that's where we stand.

Mr I Patel: Can I step back for a, Chairperson, may I sort of just in terms of the relationship, I'm glad, Mr Mavuso, that you sort of talking about the relationship. So, if I may step back, for a second. If you consider this, for us, we're saying why are we doing this agreement. We want to show that you are our partner and we can do this. Ok. We would not normally pay for a news channel. Sorry, let me go back. Our understanding is the SABC requires a new revenue source, or a revenue source, there's a funding issue, etc. etc. etc. number one. Number two: we want to have a deeper relationship with you and you want a deeper relationship with us. Number three: how do we find each other, and often in finding each other you need an excuse. Ok. So the excuse is the proposal we put on the table. Now, if we look at it and we say let's take the news

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channel. We would not normally pay for a news channel. Ok. We don't. There's a unique relationship with eTV that everybody espouses etc. It's got its unique conditions. They're supposed to supply us with many more channels and it's really quite tricky at this point in time.

But, besides that we don't pay for any other news channel, anyway, ok. So we wouldn't normally pay you for a news channel. Number two: we then said, to be able to justify to our Board, we need to justify to our Board to say why would we pay you R100m a year which is a lot of money. Ok. It's after tax money. To make R100m net you have to make R150m or R200m, R300m in turnover. We are looking for the excuse and the excuse for us is to be able to justify to our Board that you are giving us something in return. What are you giving us in return for the R100m? We're saying you giving us a news channel, you're giving us a general entertainment channel from your archives, your old, you know. We are less focussed on the core elements of it being new content. And we've been sort of quite open about it with Lulama, saying even if it's old stock. And thirdly, we are saying we also need to justify this problem of conditional access is a big problem. And in order to justify that we're saying in addition to that, your additional channels will be available on our platform. That's the third wind for you.

The minute your channels come on our platform, you have access to sixteen million people or four and a half million homes. Immediately you get revenue for that. You can sell advertising on that base. If you did not have access to that, and you started your own DTT platform, it would take many years to get that kind of viewership in order to monetise the investment that you have to make in, obviously content. So we are, and please we don't want to be sounding patronising, Chairperson, but we are thinking of ways, and that's why we put forward a proposal. Because we've been thinking of ways ok to say, if we were in your shoes, is this an opportunity for me. And, therefore, we're saying you have to, in our minds, you have to invest in lots of content, costs lots of money, but, in the meanwhile your revenue for that content is going to take years to come because you have to build the base.

So we're saying immediately we're giving you that base. Immediately you can go and monetise perhaps hundreds of millions of advertising revenue based on that base. So, in addition to the R100m in cash, you will be getting a lot of advertising revenue, probably the equivalent, even more, I don't know, I don't know the details, I don't know to what extent, you know, given that kind of base, how much you can monetise it. In return, we can justify to our Board that, we are paying this extraordinary sum of money but we are getting something for it. That was the simple logic that we applied in our own minds. So I'm giving you a sense and therefore I'm hoping that if we can co-create a solution we are also happy to co-create a solution. We are not coming here saying this is, you know, this is the be all and end all, you know. But I must say though, Lulama, that this is the very important point for us. It's a deal breaker point, I'll be honest. And I have reiterated it. I have said this to you before.

Mr G H Motsoeneng: Thank you, Chair. As far as I'm concerned, this is not an issue, anymore from where I'm sitting, because the Minister pronounced herself about this matter. Remember the eTV and us and so on that court case. The issue there is we are not gonna go that route as far as I'm aware personally. The conditional access, the way we call it technically is not gonna be because now but the DoC is reviewing the policy to deal with this matter. Even in Parliament during the budget speech, now I remember, the Minister did highlight this issue.

So I don't think it is an issue now whether we ???? both of us. I think for me, Chair, I think for now it is a non-issue because it is a policy that even Government is reviewing. Because from our side, well we have different views, and this is not an official what I'm saying. The views was as SABC we can't allow people to, by law we can't switch off people TV licence if they don't pay TV licence. That is the standpoint we took, but not as collective, but different views. And that different views influenced the DoC to review the policy to check whether really this is necessary for SABC. So that is our standpoint now.

Ms L P Mokhobo: Chair?

Ms Z E Tshabalala: Thank you, Imtiaz, for giving us that feedback. I think you know all relationships we've got to find a way of a win-win situation. I think, if I may reign or if other Board members would really like your input on this. Maybe, through your Chairperson, since you have presented this condition, if you can just give a day to bounce it to the Minister because you know we have, as Mr Mavuso mentioned, we have an unclear position on the matter. And then we can approve all others except for that one and we can revert back to you. But, of course we have to agree to all others. So I'd like CEO to go to the other clause. Thanks.

Ms L P Mokhobo: Ok. Yes, so we hold clause ten, clause nine in abeyance while we get absolute clarity because what we need is a written confirmation of the stance. And we cannot pre-suppose a relationship on the basis of what is not written. A statement is a statement until its committed in paper. Thank you for that, Chair. The second clause, which is clause ten, I'll read

it. "MCA, and the SABC and Sentech (if required), work together to promote carriage of all the SABC's free to air channels on the SABC free-to-air multiplex will be made available on the MCA satellite platform, subject to available capacity". The last sentence is fine. Again, there is a policy review on must carry regulations and at this point we honestly don't know which way it's going to go. And, once again, as a state owned entity, it could potentially be harmful for us to agree to this when we actually don't know what the policy, the new policy is going to say. So. Would you like to respond? It's a caucus.

Mr N Letele: I'm sorry. No, I think we understand that.

Ms L P Mokhobo: You understand that? So ya.

Mr N Letele: Its subject to the policy.

Ms L P Mokhobo: Ya.

Mr I Patel: So sorry. So let us understand it. You'll make the channels available, if must carry regulations change, they will override this clause.

Mr I Patel: So in other words.

Mr N Letele: ??????

Mr I Patel: Yes, so we'll have to accept that. I mean, we cannot go against regulations, right? So we're saying right now, as it stands the channels will be available. When there's a review 'must carry' happens, and 'must carry' says sorry, jy moet betaal MultiChoice or you must do this, or you must do that, it has to supersede what this says. I mean we have to accept that it's not a???

Ms L P Mokhobo: Thank you. Mr Mavuso.

Mr V G M Mavuso: How goes the analogy of a marriage?

Mr N Letele: Am I understanding correctly?

Mr I Patel: My apologies.

Mr V G M Mavuso: Yes. I say, I always make the analogy of a marriage because marriage is a relationship and if you want it to work, it's like a garden, you have to weed it, make sure that you nurture it,

Mr I Patel: Yes absolutely.

Mr V G M Mavuso: Add water and nutrients to make sure that it works. As and when we do find bumps and all those kinds of things it's important for us to come back.

Mr I Patel: Yes.

Mr V G M Mavuso: And be able to have a discussion and find out whether we cannot be able to resolve those glitches that may come up

Mr I Patel: Yes.

Mr V G M Mavuso: Because it's not about if we disagree, therefore you go your way, I go mine. We can find each other.

Mr I Patel: Absolutely.

Mr V G M Mavuso: In other many instances other than this other one. So I'm of the view that if we have a common understanding where we stand because it's not within our control again, let's say that we can be able to review this as and when the time comes about and be able to deal with it accordingly.

Mr I Patel: Absolutely.

Mr V G M Mavuso: For me, it's not the be all and end all but I think we can be able to find common ground and be able to move forward with the relationship.

Mr I Patel: Ah. I appreciate that very much Mr Mavuso. I mean we would be silly if we said it cannot be reviewed when 'must carry' came, we must adhere to those regulations if it changes.

Mr V G M Mavuso: Yes.

Mr N Letele: I think a simple way of putting it, to maybe paraphrase your words then is that carriage of SABC's free-to-air channels will be governed by the policy.

Mr I Patel: When policy changes.

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Mr N Letele: Ya.

Ms L P Mokhobo: I think this was much easier than I thought it was going to be. So the only area that we are proposing to yourselves is that we come back to you on this clause nine. As it is this afternoon, there is a meeting that's due to take place at the DoC which is discussing precisely the DTT matter. We may actually be able to come back to you much sooner.

Mr I Patel: Chairperson, from what we've heard we are quite confident, you know, from all sources that we've heard that this clause nine will be a stumbling block, you know, that the view is that. And I don't want to re-hash it but, putting conditional access in this is going to cost the fiscals money, it's going to take South Africa and put a mote around it and we'll be a hundred years behind the rest of the world. IDTTVs are coming where a set of box is built-in. It's gonna be crazy to, you know, put the country backwards and one gets the feeling that, you know, that is going to be the case.

Can I just, finally also say that, and you're right, Sir, sometimes you have bumps and you have bumps and I must say that internally many times we've been told are you mad. You have signed one news agreement, you've signed two news agreement. Why do you keep going back? I'm being very honest with you. And for our view has always been to say, you know what? If you don't try in life you'll get nowhere, you know. And sometimes you have to find each other after many bumps, you know. And we believe that this Board, look it's smaller, it's more, it seems more focussed, it seems more, I don't know, focussed is the word I guess. And we believe that we can get somewhere, Lulama. We really do believe we can get somewhere. And we would be delighted to enhance the relationship. We also this could be the starting point of a lot more things to come in terms of, you know, potential opportunities going forward together.

Mr N Letele: If I may add on that one. I mean we're not casting, you know. We're not fishing in the dark here. We have spoken and, you know, met our Board and presented to them and we're coming with a mandate to the extent that our Board wishes that someday, you know, when we're past all this, someday perhaps the two Boards can meet, you know, to just chat and discuss things and then take the relationship further.

Mr I Patel: That will be wonderful.

Mr N Letele: And I'm praying that this will come about.

Ms L P Mokhobo: Absolutely. And one of the big advantages for conditional access was going to be that we'll be able to do DTH and directional broadcastings so that you can close off certain audience groups and just concentrate on one audience group. And what I'd like to know from you is, is this the kind of capacity that MultiChoice could potentially provide to the SABC if we say we don't do conditional access at all?

Mr N Letele: On satellite?

Ms L P Mokhobo: Hm

Mr N Letele: Technically.

Ms L P Mokhobo: Or even a deep question. Your DTT buffering, what does it have? Does it have conditional access?

Mr N Letele: Yes, it does.

Mr I Patel: But remember then, your channels will be made available free. It won't be part of, you know, so they have to pay us for ours but then they'll have access to your channels. But, to answer your point, is that there's the potential when we've settled this matter is to almost go into like a free set kind of an arrangement where we have a satellite Set Top Box that we may provide. You provide channels, we provide channels. We use Sentech's transport capacity and we could do a proper free set offering together which could be a very interesting proposition, something that we can, and to answer your question. Then we almost create a closed system together, you know, could be very interesting.

I don't know what your views are. But it's certainly something we have thought about as a further enhancement of this kind of relationship. Unfortunately, time doesn't allow to. We are having, have been scratching our heads saying how do we do that, you know. What's the business model? We believe, at the gut level, that there could be a very nice opportunity for us together to do that. But obviously we need, you know, we need, it could be the second phase of the relationship to take us together

Ms L P Mokhobo: Chair.

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Ms Z E Tshabalala: If I may just magnify what Mr Mavuso says in terms of marriage. I think even in that setting we must bring happiness before you go and look for happiness somewhere.

Mr I Patel: Yes.

Ms Z E Tshabalala: So we are not actually going to look for happiness. I think we want to bring happiness to both parties. And I echo the sentiment by the Chair that, it would be quite good to also come with fresh innovations as the GCEO has alluded to say. After five years when we review this proposal, we should be able to say, you know, from Jimmy. Jimmy, what have you thought of in terms of consolidating our partnership? And I'm sure a lot can happen during that time. Thank you.

Mr I Patel: We echo that.

Ms L P Mokhobo: Thank you very much. Are there any further comments? Hlaudi, Ronnie?

Mr G H Motsoeneng: Chair, just to maybe, just to add to say no, well we are also in discussion to take the relationship further. As you are aware, that Mr Mavuso raised this issue about spouse. I'm surprised that he's not talking about La Liga and Barcelona. So, but we are still.

Mr I Patel: Are you a Barcelona fan?

Mr V G M Mavuso: No.

Mr G H Motsoeneng: Trying to take it further so that, but as you are aware that, to be honest, SABC, we are a Public Broadcaster. We are struggling for funding. If you can come on, not on those two channels that we are talking about, other channels and then we can build that relationship so that it grows. But, also you know, you can't cheat. You see when you have a partner you don't cheat so my tradition me I can cheat. So I think we'll do the same thing.

Mr I Patel: Whose tradition is that to cheat?

Mr G H Motsoeneng: No Leave politics. So what I'm saying, our relationship, we should not have another third party that will de-stabilise us. So we need to, in principle we need to work together. If there are issues we need to resolve the issues because, to be honest, we need to be open. There are some Broadcasters that are coming on board and it's all competition. So as the Chair was saying, it should, the relationship benefit both of us, especially Public Broadcaster because they also like Public Broadcasters. I think we want to make sure that that Public Broadcaster, we protected, even by law. So that is what I'm saying. The relationship should be a closer relationship.

Mr I Patel: Chairperson, if I may respond. There is no question. I think in the relationship you need building blocks. When you've done this thing you build trust. And, once you've built trust, you can do another thing together you build more trust. And I think that for us, that starting point to your Sports point, Hlaudi. I spoke to Sizwe yesterday and I think I mentioned to you a few weeks ago that the Olympics as an example is coming up for renewal. I've spoken to the people in Lusanne??. And, they are very keen that we talk together. They are very keen we get together. It's not collusion, it's not, and I must be very careful, this thing's, it's not collusion. But they themselves, the Olympics have said we want to talk to you and the SABC together because they were trying to talk to me and then talk to you separately and I said to them we want to talk to you together. Because we've had a fantastic relationship on the Olympics. You've had all the rights, we've had all the rights, etc. etc. etc. And I think we have another opportunity within the next few weeks to build on that with this as an example and I believe you have to take a brick at a time, brick at a time. And that's another brick that I see as an opportunity to build trust. And you'll know, I mean we said to you, we sent you an agreement on the Olympics. Unfortunately your Board that time, your previous Board, it's easy to. We can rubbish them now, they're gone but they didn't sign the agreement, unfortunately.

Ms L P Mokhobo: Boet Vusi?

Mr V G M Mavuso: I do believe that we are all in one mind, all in one thought. We all of the view that we need to move with the greatest speed in the issue we put our country first and to make sure that things are done accordingly. And we want to give a commitment in that whatever we do is not for our personal interest, it's about the National interest. And the sooner we handle some of the matters, the better. So long as it's an advantage to have a smaller Board.

Mr I Patel: Yes

Mr V G M Mavuso: We can meet around coffee quickly, and say agree on certain issues to be able to resolve matters that may be of a greater importance and be able to make it ourselves quite promptly. That for us is an advantage and I think we need to optimally utilise that. You

Wm

know that things can be sneaked behind the backs and all that, no, but we'll do things above board throughout. Thank you.

Ms L P Mokhobo: I think finally we really appreciate your offer for one free-to-air channel which would allow us to carry on with DTT and I'd like to know if we can share a peek.

Mr I Patel: Can we make that an operational discussion?

Ms L P Mokhobo: Yes, within an operational discussion but I'm already putting it on the table.

Mr I Patel: Because it must be reciprocal, you know that, hey.

Ms L P Mokhobo: It will be good for us to get, in particular, PBS type content that something like the History channel, Discovery channel, those kinds of channels, the ones that really talk to us.

Mr I Patel: I think the big thing is the discussions. If we build trust then we can say give a little bit here, take a little bit there, you know.

Ms L P Mokhobo: Ok. Jimmy, any last words from you?

Mr J Matthews: No.

Ms L P Mokhobo: Greg, you've been very quiet. You've said enough in your silence. Ok. Thank you very much. If there is nothing else can I thank you very much for coming through. And we will come back to you with finality on clause nine.

Mr I Patel: Chairperson, what's more or less the aim for you to revert to us and for the legal people then to put an agreement together, if I might ask, timing wise?

Ms Z E Tshabalala: The matter is going to be escalated to the Board meeting which is taking place on the 12th which is next week.

Mr I Patel: Ok.

Ms Z E Tshabalala: And the finality will be next week.

Mr I Patel: I see.

Ms Z E Tshabalala: So we can take it from there.

Mr I Patel: So we will hear from you after the Board meeting?

Ms Z E Tshabalala: Yes.

Mr I Patel: Ok. Fantastic.

Mr G H Motsoeneng: Maybe from operational side what we need to do cos we need to lock the business plan together and the contract. Cos when the Board meet they shall have what is the details of the what is inside so that one, the operational one. We'll do it between our lawyers, your lawyers and our lawyers so when the Board meet at least we can give them what is concrete.

Mr I Patel: Well if the Board is, sorry, sorry.

Mr N Letele: And within twenty-four hours you will revert to us regarding number nine, clause nine.

Ms L P Mokhobo: Well, that will be entirely dependent on how the meeting today concludes.

Mr N Letele: Correct, I understand.

Ms L P Mokhobo: Ya. It might very well be that they will still need to go to their principles to present a picture, I'm not sure.

Mr N Letele: Perhaps you can just let us know.

Ms L P Mokhobo: Ya. Yes, we can.

Ms Z E Tshabalala: Ya Chair, we can just give you the comfort that we are taking the matter there and we also expressed urgency into the meeting so when you go to the Board on the 12th there's a resolution.

Ms L P Mokhobo: Well, thank you very much.

Mr I Patel: Thank you. Thank you.

Ms L P Mokhobo: The, our wish is to start on the 1st of August, right?

Mr N Letele: What?

Ms L P Mokhobo: Our wish is to start when?

Mr I Patel: He's just fallen off his chair.

Ms Z E Tshabalala: Chair, I just.

Mr I Patel: Tell me, sleep is overrated?

Mr J Matthews: Since ???????????????

Mr I Patel: Oh. I see.

Ms L P Mokhobo: Can you press the one on Tian's side?

Mr I Patel: Can you put the bug off?

Mr J Matthews: We're quite keen to get going. And so the, we're confident that on the 12th the Board will give us the nod. And then, from an operational point of view, I can then start getting a team together here again. And then I engage with the bureaucracy of this place.

Ms L P Mokhobo: Oh, Jimmy.

Mr J Matthews: So, I don't want to say I'm going to give you a date right now. But I can assure you.

Mr I Patel: Group CEO, that's your internal decision. We're not going to respond to that.

Mr J Matthews: Ok.

Ms Z E Tshabalala: I just want to request that, you know, as a team we have to keep this matter confidential.

Mr I Patel: Absolutely. Absolutely.

Ms Z E Tshabalala: Up until a decision has been made.

Mr I Patel: Good point.

Ms Z E Tshabalala: This is a real appeal. We know how print media reacts to this kind of thing.

Mr N Letele: Thank you very much.

Ms L P Mokhobo: Well, thank you very much. Can I?

Mr I Patel: Thank you. Thank you for hosting us. Thank you for the sandwiches. Nice to see you.

Ms L P Mokhobo: Can we consider the meeting adjourned?

4. CLOSING

There being no further business to transact, the Chairman terminated the meeting at 13:55.

LM

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SABC SOC LIMITED

DELEGATION OF AUTHORITY FRAMEWORK

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12/11

1. LEGISLATIVE AND GOVERNANCE FRAMEWORK

The overall governance of the South African Broadcasting Corporation SOC Ltd (SABC or the Corporation) as the national public broadcaster and a public entity wholly owned by Government is broadly determined by various legislation, in particular the:

- Public Finance Management Act No.1 of 1999 ("PFMA"), as amended and the Treasury Regulations
- Broadcasting Act No. 4 of 1999, as amended
- Companies Act No. 78 of 2008, as amended
- Income Tax Act No. 58 of 1962, as amended
- Value Added Tax Act No. 89 of 1991, as amended
- Electronic Communications Act No. 36 of 2005
- ICASA licence conditions
- other relevant legislation applicable to the SABC

The SABC's internal governance documents, namely:

- The SABC's Memorandum of Incorporation
- Shareholder Compact and Materiality Framework, and

Various codes of corporate governance applicable to the Corporation, namely:

- King Code of Governance for South Africa 2009 (King III)
- Protocol on Corporate Governance for the Public Sector 2002 (the Protocol)

This Delegation of Authority Framework (DAF) seeks, within the parameters of the above framework, to create structured decision-making at all levels of the SABC in order to promote effective and efficient governance of the Corporation.

2. DECISION-MAKING STRUCTURES OF THE SABC

- 2.1 Control of the affairs of the SABC is vested in the Board of Directors appointed, on the recommendation of Parliament, in terms of the Broadcasting Act. The Board of Directors of the SABC is ultimately accountable and responsible for the performance and affairs of the Corporation. The Board derives its authority primarily from the Memorandum of Incorporation and the Broadcasting Act.
- 2.2 The detail of the Board's constitution, its role and responsibilities, and its reserved powers are set out in the Board Charter. The Board Charter forms an integral part of the governance framework of the Corporation.
- 2.3 The Board has created a series of Board Committees, in terms of the Board Charter, to assist it in the execution of its role. These committees may be permanent or may be constituted on an *ad hoc* basis to deal with specific issues. Board committees derive their authority from the Board. As a general principle, all matters, which fall within the ambit of authority of the Board, in respect of which the Board has not delegated authority must first be considered by the relevant Board committee to make a recommendation to the Board on the appropriate resolution. The flow of decision-making is explained in more detail in section 10 of this Delegation of Authority Framework.
- 2.4 Board committees are generally constituted with powers of recommendation only. However, subject to certain statutory limitations, the Board may, in its discretion, delegate decision-making authority in any area to one or more of the Board committees.
- 2.5 Each Board committee is constituted in accordance with terms of reference, which set out the rules of operation of the committee, its role and responsibilities, and its relationship to the Board. The current Committees of the Board and an overview of their roles are set out in the table in section 3 of this DAF.
- 2.6 Operational authority for the day-to-day running of the business is delegated by the Board to the Group Chief Executive Officer (GCEO) and to the Group Executive Committee (EXCO). The constitution of EXCO is determined by the Broadcasting Act and SABC's Memorandum of Incorporation. EXCO is collectively accountable to the Board.
- 2.7 The broad areas in respect of which operational authority is delegated by the Board to the GCEO and EXCO are defined, at a high level in the Board Charter, and are further expanded in the Terms of reference of EXCO.

30 October 2012

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MULTIChoice
ENRICHING LIVES

MultiChoice South Africa Holdings
Proprietary Limited

Abridged integrated annual report 2019

PHUTHUMA NATHI
SHARE THE FUTURE

Integrated annual report to the shareholders of
Phuthuma Nathi Investments (PFI) Limited
for the year ended 31 March 2019

OUR PERFORMANCE AGAINST OUR MATERIAL MATTERS



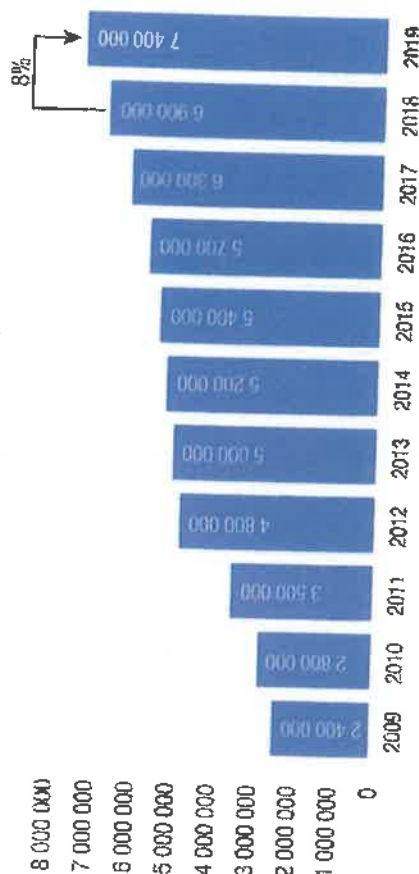
For a detailed review of our performance against our material matters refer to our website.

Overview

South Africa is one of the most attractive video markets on the continent due to several factors, including the size of its economy, the rising middle class, the position of TV as a platform, and the pay-TV penetration growth potential. MultiChoice South Africa caters for the entire spectrum of the market, from mass to premium, which also includes all genres of viewing preferences. Our customer-centric approach ensures that we operate a comprehensive video-entertainment ecosystem that comprises traditional pay-TV, OTT and other products such as movie rentals and streaming.

Despite a tough economic climate in South Africa, compounded by an uncertain political environment, we achieved subscriber growth of 511 500 subscribers, taking our total active subscriber base to 7.4m at the end of FY2019. Our DStv brand is a household name in South Africa and enjoys considerable customer support. We measure performance in customer satisfaction metrics with an increase in our Net Promoter Score (NPS), an industry-leading loyalty score. During FY2019 our consumer satisfaction score (CSAT), measured by customer surveys, improved to 76%.

MultiChoice subscriber growth (active subscribers)



Accounting for our total active subscriber base, our contribution to the revenue of the mass market, while delighting and retaining our existing customer base with our entertainment offering. We also aim to maintain operational excellence and agility to continue to deliver strong returns and cash flow for our shareholders.

We continue to focus on growing our share of the mass market, while delighting and retaining our existing customer base with our entertainment offering. We also aim to maintain operational excellence and agility to continue to deliver strong returns and cash flow for our shareholders.

MultiChoice South Africa performance summary

Metric	Unit	FY2019	FY2018	FY2017	FY2016
Active subscribers	million	7.4	6.9	6.3	5.7
Revenue	million	322	335	346	339
EBITDA	million	40.4	40.2	31.8	29.1
EBIT	million	10.3	10.4	9.8	9.1



1. CONSTITUTION OF THE MEETING

The Chairman, Ms Z E Tshabalala, welcomed everyone present and declared the meeting duly constituted.

1.1 ATTENDANCE REGISTER

The attendance register was signed by all present.

1.2 APOLOGIES

Apologies were received and noted.

1.3 DECLARATION OF INTEREST

The Declaration of Interest document was circulated and signed as required by legislation. No interest was declared in the matters on the agenda.

2. DECISION COMMUNICATED TO THE MINISTER IN TERMS OF THE SET TOP BOX (STB) CONTROL

Mr V G M Mavuso congratulated the Members of the Interim Board on being nominated for the new Board of the SABC. His reason for requesting the Special Board meeting was to obtain clarity on the SABC's position relating to the STB Controls that had been presented to the Minister. He expressed concern on the manner and haste in which the submission had been made. He believed that a shared perspective had been arrived at by the SABC therefore; the sudden change in the SABC's position had been a surprise.

Mr M R Lubisi concurred with Mr Mavuso and stated that he had raised these concerns at prior Board meetings. His concern related to the process that had been followed and believed that, although the Minister's notice had been made well in advance, Group EXCO had failed to meet to discuss the matter and had failed to take it to the relevant Board Committee and the Board. A further concern he had raised related to the requests made by the ACFO and ACOO without the GCEO's signature. In his opinion, it was an improper process and the Board could not function properly when matters were raised by Executive Directors without following the proper structures.

Ms N P Gosa stated that, according to the transcript of the Board meeting held on 16 September 2013, the SABC had not formulated any position in respect of the STB Controls. She would have been satisfied if the Board's position not been communicated outside of the SABC when in fact it actually did not have a position.

The GCEO explained the process that had been followed stating that the position presented to the Joint Board and Group EXCO meeting on Thursday, 5 September 2013 supported STB Controls, which was a position that had been developed since 2011. It had been presented to the previous Board and communicated to the Minister. The GCEO stated that she had been aware that the ACOO and his team had met to discuss and formulate a second opinion. However, she had not been privy to their discussions. The second opinion had not been presented to Group EXCO for discussion and agreement and hence, she had not had sight of the document presented at the Special Meeting of the Joint Board and Group EXCO held on Monday, 16 September 2013. She believed that, in terms of the second opinion, the correct governance process had not been followed. The ACOO pointed out that he had communicated, at the meeting with the Minister that he opposed the STB Controls and stated that he had engaged with the GCEO on the view taken by the Operations Team.

Mr Lubisi pointed out that he was more concerned about the process followed and questioned the ACOO and ACFO communicating, in writing, directly to the Chairman of the Board. He believed that there had been sufficient time to debate the issue of STB Controls and stated that due process should be followed to ensure that important matters were given the necessary arguments and necessary supporting submissions, through Group EXCO, the Committees and the Board. Ms Gosa concurred with Mr Lubisi stating that she was more interested in the SABC's official position with a properly formulated resolution. She indicated that a resolution had not been taken at the Special Board meeting held on 16 September 2013. In her opinion, this meant that the original resolution taken by the previous Board that approved the Set Top Box Controls was still valid until the current Board concluded differently.

Mr Mavuso suggested that a process be followed to take corrective action. Any change in perspective had to be changed by a resolution from Group EXCO through to the relevant Committees and subsequently through to the Board to state the SABC's official position in terms of the STB Controls. The ACOO stated that he was not aware of a previous Board decision in

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this regard. Ms Gosa requested clarity in terms of the communication to the Minister stating that, if the position communicated was not in line with the previous Board's position, then it had to be corrected very urgently. In response to the Chairman's question regarding who had revealed the position communicated to the Minister, Mr Mavuso stated that what had been presented to the Minister was material and not who had revealed the outcome of the meeting with the Minister.

At this point, the Chairman called Mr Mavuso to order.

The GCEO confirmed that she had revealed to Mr Mavuso the firm position that had been presented to the Minister in order to clarify whether an opinion or a final decision had been taken at the Special Board meeting held on 16 September 2013. She further stated that Mr Mavuso was a Director of the SABC and therefore it could not be construed as having made the information public. The Chairman responded that the GCEO was in breach of confidentiality as the Minister had requested that the discussions be treated as highly confidential.

The Chairman concurred with the Members that it was very important for Board Members to be presented with the position taken by the previous Board. This had not been presented to the current Board who had to deliberate on the previous position, taking into consideration current developments. However, she expected the GCEO to have arranged a workshop with Group EXCO and to ensure that process had been duly followed. The Chairman had requested opinions from the SABC's Technical Staff and they had informed her that they felt highly intimidated in voicing their opinion and requested that she speak to their superiors.

In terms of the judgement that was passed by Justice Pretorius, the Chairman had raised her concerns with the Minister that the STB Controls was an operational matter and that the policy development remained the responsibility of the Minister.

At this point, the Chairman called the GCEO to order for interrupting the discussion and for stating that she felt violated.

The Chairman agreed with Members that this subject was never thoroughly interrogated by the business and, in her opinion, was not viewed as an impediment to the rolling out of the digital migration. She shared her views regarding the Joint Task Team (JTT) encroaching on the Board's mandate and stated that she found the process of senior officials, personal issues and *sub judice* matters being dealt with by junior people unacceptable. It was noted that the Minister had taken the responsibility to review the processes and the Terms of Reference of the JTT.

The Chairman mentioned that she had been led to believe that a workshop had been conducted in respect of the second position. Nevertheless, Staff had requested her to inform Mr S Masinga that she required information from them on the STB Controls. She pointed out that, eight out of ten Executives had supported the second position, which she could prove. She believed that she had a casting vote and could rule on the issue and was aware of the time constraints in terms of following processes. However, she had informed the Minister that she had made a ruling based on the information on hand. The Chairman acknowledged that she had not followed all the steps in the process, but was she was convinced that the SABC was protected in terms of costs that would be incurred in future. She concurred with Mr Mavuso that the matter had to be deliberated by the Board to be convinced of the facts that had led to those positions.

It was mentioned that the Minister had received a call from a Board Member relating to the issues surrounding the position presented to him. The Minister had indicated that this gave the impression of a lack of corporate governance amongst the Board Members. The Chairman considered this behaviour as bad conduct in terms of the Board Charter. In her opinion, the GCEO had been present at the meeting and there was no need for her to communicate with other Board Members. The Chairman cautioned the GCEO, stating that she had shared her view regarding the GCEO's conduct with the Minister. She implored the Members of the Board to consider the issue surrounding processes seriously. Despite everything, in terms of taking a position, the Minister had required decisions quickly and Members of the organisation had not been able to meet at such short notice to deliberate on the alternate proposal.

Ms Gosa stated that the GCEO had been undermined by other Executives communicating directly with the Chairman. According to Mr Lubisi, time should not be an excuse to avoid following processes and he was of the opinion that this issue had not been properly handled. The Chairman ought to include all Board Members in her communication to the Minister and a casting vote had to be exercised in a meeting. The Group EXCO should have debated the issue without Board Members, made a recommendation to the relevant Committee and then table it at a Board meeting.

Mr Mavuso stated that he had not been privy to the Chairman's numerous correspondences to the Minister and believed that in some instances the Board could have been better equipped and informed if the Board had been made aware of what had transpired. Mr Mavuso stated that the

Board meeting held on 16 September 2013 had been inconclusive, as no position had been adopted since only the viewpoint of individuals had been tabled.

The GCEO stated that she believed she had every right to ask a Board Member for their opinion. She felt insulted by the Chairman and denied that she had any interest in e.tv and was of the opinion that the Chairman wanted her out of this company and she wanted it on record that she was quite happy to go through the process with the Chairman.

The ACOO confirmed that processes had not been followed, but the Minister had requested the opposing view in writing. Since the Executives could not correspond directly with the Minister, the letter was sent to the Chairman of the Board. Ms Gosa responded that the fact that only the Chairman of the Board could communicate with the Minister in writing did not mean that the GCEO had to be ignored in the process.

The Chairman responded to Ms Gosa's comments regarding irregularities by stating that the meeting held on 16 September 2013 was not an EXCO meeting, but a Board meeting. The invitation to the Group EXCO to the meeting of the Board had more to do with having a consensus on STB Controls and hence the process could not be considered as irregular. She rejected adopting the position of the previous Board on the basis that the new Board had to apply its mind on the matter considering the new developments in terms of the opposing view. She refused to communicate to the Minister, as requested by the Board, that her actions were irregular. She agreed that she would indicate to the Minister that the issue revolved around standards. The Chairman acknowledged that she had applied her mind to the position based on the information she received in terms of both positions. She made an error in terms of the casting vote although the meeting had been duly constituted. The Chairman further stated that she would engage with the GCEO to discuss the statements made regarding the Chairman and would provide the Board with feedback. Ms Gosa mentioned that the position taken by the previous Board was, in principle, still valid.

At this point, the Chairman called Ms Gosa to order.

The Chairman stated that the GCEO reported to her and, if the GCEO was unsure of anything, she had the right to communicate such matters to the Chairman who would then present the matter to the Board.

Ms Valla was requested to circulate the previous Board's resolutions in terms of the STB Controls in order for the Interim Board to determine if a resolution had actually been taken.

Resolution Number: 20/09/13 - B336 RESOLVED that:

- (1) The newly appointed Board deliberate on the position taken by the previous Board, taking into consideration the new developments in terms of the opposing view regarding the Set Top Box Controls;
- (2) The previous Board's resolutions regarding Set Top Box Controls be circulated to Board Members.

3. CLOSURE

There being no further business to transact, the Chairman terminated the meeting at 08:55.

APPROVED AS A TRUE RECORD OF THE PROCEEDINGS

MS Z E TSHABALALA
CHAIRMAN

DATE

LM

Adv P Mokhobo

From: Lulama Mokhobo <lmokhobo@icloud.com>
Sent: 30 September 2019 03:54 PM
To: Adv P Mokhobo
Subject: Fwd: Email 3 on STB Control matter & SABC

Lulama Mokhobo

Begin forwarded message:

From: Yunus Carrim <yicarrim12@gmail.com>
Date: 26 September 2019 at 10:12:41 SAST
To: "lmokhobo@icloud.com" <lmokhobo@icloud.com>
Subject: Email 3 on STB Control matter & SABC

Hi Lulama

You sent these emails to Rosey, David Niddrie and/or me directly.

Regards.

Yunus

From: Lulama Mokhobo
Sent: 21 September 2013 05:28 PM
To: <ellen@fortuneholdings.co.za> (ellen@fortuneholdings.co.za); ngosa@broll.co.za; maveeso@gmail.com; mrlinc@mweb.co.za; Hlaudi Motsoeneng; Tian Olivier
Cc: Theresa Geldenhuys; Fahmida Valla
Subject: 2nd notes on STB

Dear Fellow Directors

Herewith are additional documents. The previous email could not carry all.

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In addition, I hereby offer the following facts as I know them:

- The 2007 Board of the SABC passed a resolution on 18 October 2007 adopting the Digital Migration Strategy as was presented by the then executives of the SABC. Both documents are attached to this email.
- In August 2008 the Department of Communications launched the Digital Migration Policy (BDM). The policy closely resembled the SABC strategy as reflected above. This led to the crafting of a joint SABC/etv presentation 2008.
- On 11 March 2011 an open tender process to acquire a set top box control (STB) vendor was launched by the SABC and etv. The tender was never concluded.
- On 23 July 2012, the SABC Board took a resolution that the GCEO be mandated to sign the SABC/etv memorandum of agreement allowing the two entities to cooperate in the sourcing of the STB control vendor as per the 2008 SABC/etv strategy presentation.
- It should be noted that following the decision by the former Minister of Communications' decision not to proceed with the etv judgement appeal, the former Technology subcommittee of the Board passed a recommendation on 14 March 2013 to adopt the Sentech NagraVision solution as had been presented to the meeting. This was to be done via a round-robin resolution of the Board, and followed by a letter to the Minister under the signature of the GCEO on the 15 March 2013.
- The letter was written but never sent as the standing of the Board remained illegal without a Chairperson or Deputy being available as they had resigned from the board.
- On 19 April 2013 the FIPT subcommittee of the current Board received separate presentations from etv and Sentech. The meeting resolved to recommend to the Board that the SABC proceed with its own tender process to acquire an STB vendor.
- The ACOO and his team subsequently embarked on a process that led them to arriving at a completely different position.
- The joint meetings of the Board and group executives were presented with both alternatives on 9 and 16 September 2013.
- On 11 September 2013 the SABC represented by the Chairperson, ACOO and the GCEO attended the first Round Table meeting convened by the Minister but did not present as the second option had not been presented to the SABC exco and Board. The divergent views presented at that meeting, coupled with the fact that the SABC could not deliver its own presentation, led to a decision to interrogate the technical issues surrounding STB control at a workshop attended strictly by technology representatives on 13 February 2013. The GE Technology was precluded from attending that workshop.
- On 16 September 2013, the Board and executives of the SABC met in a joint meeting to receive the alternative presentation, and agree what would ultimately be presented to the Round Table meeting on the same day. That meeting reached no agreement as to what would be presented as the official SABC position as disagreements persisted.
- The presentation that was thus made to the Round Table could therefore not be presented as an official SABC position but was, surprisingly, presented that way.

Best regards

Lulama Mokhobo | SABC Limited

Group Chief Executive Officer

Tel: +27 (11) 714 4989 | Fax: +27 (11) 714 4869

Private Bag X1, Auckland Park, 2006, Gauteng, South Africa

E-mail: mokhobolp@sabc.co.za

www.sabc.co.za

7 

Adv P Mokhobo

From: Lulama Mokhobo <lmokhobo@icloud.com>
Sent: 30 September 2019 03:55 PM
To: Adv P Mokhobo
Subject: Fwd: Email 2 on STB Control matter & SABC's position

Lulama Mokhobo

Begin forwarded message:

From: Yunus Carrim <yicarrim12@gmail.com>
Date: 26 September 2019 at 10:09:45 SAST
To: "lmokhobo@icloud.com" <lmokhobo@icloud.com>
Subject: Email 2 on STB Control matter & SABC's position

Dear Chairperson

- >
- > I am once again sending you the letter I wrote to you on 17 August 2013
- > responding to a litany of your allegations. You continue to argue that
- > I misled the Board on the issue of the Head of Legal despite the
- > explanations I have given to you.
- >
- > You once again insist that I have breached Board confidentiality when I
- > consulted Mr Mavuso on the round table meeting. I suppose you would
- > have preferred that I kept quite knowing that what was being argued as
- > an SABC position was in fact not, i.e. that a resolution of the Board
- > had NOT been passed to that effect.
- >
- > I suggest that you leave it to the Honourable Minister and the Director
- > General of Communications to decide whether I did breach the
- > confidentiality of his meeting by consulting a Board member to check the
- > accuracy of my understanding.
- >
- > You further more quote Section 8:7 of the Charter saying "defines
- > misconduct by directors to include "leaking of confidential information
- > and/or matters discussed by the board and its committees" as well as
- > actions "in relation to the performance of duties, acts in a manner of
- > gross negligence, willful misconduct of breach of trust" These are both
- > grounds for termination of the services of a director.
- > I'm mentioning the above, since you, and fellow directors seem to
- > downplay the breach of confidentiality by the GCEO, in Minister's round
- > table meeting, by calling for support from a fellow board member who was
- > not present at that meeting." To justify the paragraph above. As you
- > know, that section has got nothing to do with the agenda you are
- > attempting to drive.



- >
- > As for this afternoon's meeting you have asked for with me, please note
- > that I will not attend it.
- >
- > Please also note that I reserve my legal rights in your intention to
- > sully my name to the incoming Board.
- >
- > Lulama Mokhobo | SABC Limited
- > Group Chief Executive Officer
- > Tel: +27 (11) 714 4989 | Fax: +27 (11) 714 4869
- > Private Bag X1, Auckland Park, 2006, Gauteng, South Africa
- > E-mail: mokhobolp@sabc.co.za
- > www.sabc.co.za
- >

Lm

Chief Operations Officer

Key accountabilities: As a member of the Board and reporting to the Group Chief Executive Officer, with full day-to-day operating responsibility for the economic content and platform performance of the SABC, the successful candidate will

- Ensure adherence to key performance areas, ie revenue, cost and quality
- Ensure that the corporate strategy and the operational plans work in tandem and are geared towards positioning the SABC to being the best in class public broadcaster
- Work closely with the Group Chief Executive Officer and take direct corporate strategy for the operational growth of the corporation in order to improve profitability and quality of the service offering
- Build the digital and new media capabilities of the organisation
- Lead the various cross-functional teams across the organisation.

Requirements:

- A relevant degree/diploma and/or equivalent qualification
- Extensive broadcasting experience at managerial level (5 years)
- A commercial astute executive, with broad-ranging experience of success in broadcasting
- Well developed negotiation and relationship building skills at the most senior level
- Evidence of having successfully established new business streams and exploited technology-related market opportunities
- The ability to translate and promote the integration of new business objectives into financial, human capital and organisational development changes on an ongoing basis
- A demonstrable passion for Public Service.

(Ref. 94358/2)

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