

## ANNEXURE A

### SOWETO COMMUNITY TELEVISION MEMBERSHIP RULES [ EXTRACT FROM THE MOI]

- 1.1 The Board shall ensure that the Company is effectively owned by the community by allowing for community participation.
- 1.2 Community Participation shall be provided for in two ways:
  - 1.2.1 Convening community and stakeholder forums by the Company twice every calendar year to discuss such matters as required in terms of the applicable laws; and
  - 1.2.2 allowing for Membership of the Company by community organisations and such entities that operate within the community.
- 1.3 The Company has voting Members, who are classified into 1 (one) of the following Categories:
  - 1.3.1 Category A: Educational Institutions;
  - 1.3.2 Category B: Health Institutions;
  - 1.3.3 Category C: Sports Associations
  - 1.3.4 Category D: Early Childhood Development Institutions
  - 1.3.5 Category E: Churches
  - 1.3.6 Category F: Transport Sector Associations;
  - 1.3.7 Category G: Business Community; and
  - 1.3.8 Category F: Sports and Cultural Groups.
- 1.4 Any Person applying for membership of the Company shall be required to provide Written proof that it is a registered organisation or institution in terms of any applicable legislation.
- 1.5 The Person applying for membership of the Company shall be required to furnish the Company with its audited or reviewed financial statements for the preceding financial year.
- 1.6 The Board may, in their absolute discretion and having regard to the Objects and reputation of the Company, accept a Person qualifying for membership on such terms and conditions, for a specified period and falling into such Category, as the Board may determine.

- 1.7 The granting and continuation of membership of the Company shall be at the discretion of the Board, and the Board shall not be obliged to divulge or justify reasons for any refusal to grant such membership.
- 1.8 Members must ensure that they do not, directly, or indirectly, have any personal or private interest in the Company. In the event that the Company establishes that a member has personal financial interest in the Company, the Board may in its absolute discretion terminate the membership of the Member or impose such other sanction as the Board may determine to be appropriate.
- 1.9 Membership shall not be transferable and shall cease and terminate as provided for in clause 3.
- 1.10 The Members of the Company shall appear in the Members' register which is maintained by the Company. All Members appearing on the Members' register, by so remaining Members of the Company, accept the rights and obligations associated with Membership of the Company and bind themselves as Members in terms of this MOI.
- 1.11 For the period 2021 to 2024, the Board may relax some of the requirements for Membership to allow Members an opportunity to comply with all the requirements for membership.

## **2. Membership Fee**

- 2.1 The Board shall determine the minimum Membership fees that shall be paid by each Member based on the audited financial statements of each Member provided the Membership Fee shall not exceed 5 per cent (five percent) of the Members' annual operational revenue.
- 2.2 Each application for membership shall be accompanied by a membership and application fee as determined by the Board from time to time.
- 2.3 In the event of the application for membership being refused, the membership fee shall be refunded to the applicant, however the application fee shall not be refunded.
- 2.4 At least 60 (sixty) days prior to 30 June each year, the Board shall deliver to each Member an invoice which shall specify the Membership Fee to be paid by that Member for the following Financial Year of the Company.
- 2.5 Members shall pay their respective Membership Fees in advance by 30 June each year, or as otherwise directed by the Board from time to time, upon the presentation of the invoice issued by the Company.
- 2.6 In the event that a Member fails to pay its Membership Fee, or any portion thereof timeously after receiving an invoice, as contemplated in clause 2.4 above, the Company shall, within 10 (ten) Business Days from 31 July, deliver to that Member a Written notice setting out the amount due and payable by that Member.

- 2.7 A Member that fails to pay its Membership Fee, or any portion thereof, on or before 30 August of that year, shall be given a further 5 (five) Business Days' Written notice setting out the amount due and payable. Should the amount due and payable remain unpaid, the Member concerned shall cease to be a Member forthwith, unless that Member has obtained a Written extension from the Board.
- 2.8 In the event that a Person becomes a Member of the Company during the first 6 (six) months of the Financial Year (between July and December, inclusive), such new Member shall be liable for the full Membership Fees, in respect of the year in which it became a Member. A Person that becomes a Member of the Company during the last 6 (six) months of the Financial Year (between January and June, inclusive) shall only be liable for 50% (fifty per cent) of the Membership Fees, in respect of the year in which it became a Member.
- 2.9 Membership Fees shall be payable immediately upon the acceptance of such Person as a Member and for the avoidance of doubt, no Person shall be inserted in the Membership register until it has paid its Membership Fees in full.
- 2.10 The Company must maintain a Membership register in the prescribed form, in accordance with the provisions of section 24(4) of the Act.

### 3. Termination of Membership

- 3.1 A Member shall *ipso facto* cease to be a Member of the Company if such Member:
- 3.1.1 ceases to exist;
  - 3.1.2 is liquidated or wound up whether provisionally or finally and whether compulsorily or voluntarily or commences business rescue proceedings;
  - 3.1.3 commits any act of insolvency; or
  - 3.1.4 as otherwise contemplated in this MOI.
- 3.2 Any Member may resign as a Member of the Company by giving the Board of the Company 3 (three) months' Written notice of its intention to resign.
- 3.3 The Board may terminate, either summarily or, after such period as it shall determine, or suspend, the membership of any Member of the Company if:
- 3.3.1 the Member is guilty of conduct which has, or is likely to, bring the Company into disrepute;
  - 3.3.2 the Member fails to attend 3 (three) consecutive Members' Meetings without an explanation acceptable to the Board;
  - 3.3.3 the Member fails to disclose any material interest that it may have in any contract or arrangement, of which the Member is aware, and in which the Company is an interested party;

- 3.3.4 the Member discloses to a third party, without the Written consent of the Board, matters concerning the Company that are of a confidential nature;
- 3.3.5 in the sole discretion of the (majority of) Directors, the Member is guilty of conduct inimical to the interests and/or Objects of the Company; or
- 3.4 At least 1 (one) representative elected by each Category of Members, which representative may not be a member of the Board, shall be entitled to participate in any decision of the Board to terminate or suspend the membership of any Member. The quorum for a meeting at which such a decision is intended to be taken shall be the quorum necessary for a meeting of the Board. The decision of those Present at the Meeting to terminate or suspend the membership of any Member shall be final and binding upon the Company.
- 3.5 The Directors shall furnish reasons for the termination of membership in terms of clauses 3.1 or 3.3 to the relevant Member in Writing. Such Member shall have the right, exercisable by notice in Writing delivered to the chairperson of the Board within 14 (fourteen) days of receipt of reasons for termination of membership, to be heard by the same persons that were Present at the Meeting referred to clause 3.4 within 30 (thirty) days of receipt by the chairperson of the Board of such notice. Within 7 (seven) days of the hearing, the Directors and Members' representatives that were present at the hearing may rescind, confirm, or amend the termination of membership. Until such rescission, confirmation or amendment is made, no public announcement of such decision shall be made within or outside of the Company.

#### **4. Members' Meetings**

- 4.1 The Company shall convene an annual Members' Meeting once in every calendar year, but no more than 15 (fifteen) months after the date of the previous annual Members' Meeting, or within an extended time allowed by the Companies Tribunal, on good cause shown, which must, at a minimum, provide for the following business to be transacted:
- 4.1.1 presentation of:
- 4.1.1.1 the Annual Report;
- 4.1.1.2 the Directors' report;
- 4.1.1.3 Audited Financial Statements for the immediately preceding financial year; and
- 4.1.1.4 the reports of any standing committees;
- 4.1.2 election of Directors (every 3 (three years));
- 4.1.3 appointment of an Auditor for the ensuing year;

4.1.4 the consideration of and approval of the strategy and business plan for the Company for the coming Financial Year; and

4.1.5 any matters raised by Members or Directors, with or without advance notice to the Company.

4.2 The Company may, as determined by the Board, hold a Members' Meeting in order to consider one or more resolutions.

4.3 Every Members' Meeting shall be held where the Board determines from time to time. The authority of the Company to conduct a Members' Meeting entirely by Electronic Communication, or to provide for participation in a Members' Meeting by Electronic Communication so long as the Electronic Communication employed ordinarily enables all Persons participating in that Members' Meeting to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the Members' Meeting, as set out in section 63(2) of the Act, is not limited or restricted.

## 5. Round Robin Resolutions

5.1 As regards such resolution/s that could be voted on at a Members' Meeting, other than an annual Members' Meeting, the Board may instead require them to be dealt with by Round Robin Resolution contemplated in clause **Error! Reference source not found.**

5.2 Within 10 (ten) Business Days after a Round Robin Resolution is adopted, the Company must Deliver a statement describing the results of the vote, consent process, or election to every Member who was entitled to vote on or consent to the Round Robin Resolution.

5.3 The Company must hold a Members' Meeting or put the proposed resolution by way of a Round Robin Resolution contemplated in clause **Error! Reference source not found.** at any time that the Board is required by the Act or the MOI to refer a matter to Members entitled to vote for a decision.

5.4 Each resolution shall be expressed with sufficient clarity and specificity and accompanied by sufficient information/explanatory material to enable a Person who is entitled to vote on the resolution to determine whether to participate in the Members' Meeting, if applicable, and to seek to influence the outcome of the vote on the resolution. Once a resolution has been approved, it may not be challenged or impugned on the ground that it did not comply with the foregoing.

5.5 Round Robin Resolutions contemplated in clause **Error! Reference source not found.** will be passed if signed by Persons entitled to Exercise sufficient Voting Rights for it to have been adopted as an Ordinary or Special Resolution, as the case may be, at a properly constituted Members' Meeting.

## 6. Members Rights to Requisition a Meeting or a Round Robin Resolution

6.1 A Members' Meeting must be convened or the Board must put the proposed resolution by way of a Round Robin Resolution contemplated in clause **Error! Reference source not found.** if one or more

Board of Directors: Chairperson Mr Spencer Malongete  
Mrs Lulama Zabala. Mr Thabo Molefe. Mr Peter Mabe

Written and signed demands for such a Members' Meeting or Round Robin Resolution is/are delivered to the Company, and:

- 6.2 each such demand describes the specific purpose for which the Members' Meeting is proposed; and
- 6.3 in aggregate, demands for substantially the same purpose are made and signed by the Members at the earliest time specified in any of those demands, of at least 10% (ten per cent) of the Voting Rights entitled to be Exercised in relation to the matter proposed to be considered at the Members' Meeting.

## 7. **Notice for a Members' Meeting**

7.1 A Members' Meeting shall be called by at least 15 (fifteen) Business Days' notice Delivered by the Company to all Members entitled to vote or otherwise entitled to receive notice.

7.2 The Company may call a Members' Meeting with less notice than required by clause 7.1, but such a Members' Meeting may proceed only if every Person who is entitled to Exercise Voting Rights in respect of any item on the meeting agenda:

7.2.1 is Present at the Meeting; and

7.2.2 votes to waive the required minimum notice of the Members' Meeting.

7.3 A Member entitled to vote, who is Present at a Meeting:

7.3.1 is regarded as having received or waived notice of the Members' Meeting if at least the required minimum notice was given;

7.3.2 has a right to:

7.3.2.1 allege a Material defect in the form of notice for a particular item on the agenda for the Members' Meeting;

7.3.2.2 participate in the determination of whether to waive the requirements for notice, if at least the required minimum notice was given, or to ratify a defective notice; and

7.3.2.3 except to the extent set out in clause 7.3.2 is regarded to have waived any right based on an actual or alleged Material defect in the notice of the Members' Meeting.

7.4 A notice of a Members' Meeting must be in Writing, in plain language and must include:

7.4.1 the date, time and place for the Members' Meeting, and the Record Date for determining the Members entitled to Exercise Voting Rights at the Members' Meeting;

7.4.2 the general purpose of the Members' Meeting, and any specific purpose, if applicable;

- 7.4.3 in the case of the annual Members' Meeting a summarised form of the Financial Statements to be presented and directions for obtaining a copy of the complete annual Financial Statements for the preceding financial year;
- 7.4.4 a copy of any proposed resolution of which the Company has received notice in terms of section 61(3) of the Act, and which is to be considered at the Members' Meeting, and a notice of the percentage of Voting Rights that will be required for that resolution to be adopted;
- 7.4.5 a reasonably prominent statement that:
- 7.4.5.1 a Member entitled to attend and vote at the Members' Meeting shall be entitled to appoint a proxy to attend, participate in, speak, and vote at the Members' Meeting in the place of the Member entitled to vote or give or withhold written consent on behalf of the Member entitled to vote to a decision;
- 7.4.5.2 a proxy shall be a representative of a Member;
- 7.4.5.3 the proxy may not delegate the authority granted to it as proxy;
- 7.4.5.4 participants in a Members' Meeting are required to furnish satisfactory identification in terms of section 63(1) of the Act in order to reasonably satisfy the Person presiding at the Members' Meeting that the right of that Person to participate and vote either as a Member or as a proxy, has been reasonably verified; and
- 7.4.5.5 of the availability of that participation in the Members' Meeting by Electronic Communication and provide any necessary information to enable Members entitled to vote or their proxies to access the available medium or means of Electronic Communication and advise that access to the medium or means of Electronic Communication is at the expense of the Member entitled to vote or proxy, except to the extent that the Company determines otherwise.
- 7.5 A Members' Meeting may proceed notwithstanding a Material defect in the giving of the notice, subject to clause 7.6, only if every Person who is entitled to Exercise Voting Rights in respect of each item on the agenda of the Members' Meeting is Present at the Meeting and votes to approve the ratification of the defective notice.
- 7.6 If a Material defect in the form or manner of giving notice of a Members' Meeting relates only to one or more particular matters on the agenda for the Members' Meeting:
- 7.6.1 any such matter may be severed from the agenda, and the notice remains valid with respect to any remaining matters on the agenda; and
- 7.6.2 the Members' Meeting may proceed to consider a severed matter if the defective notice in respect of that matter has been ratified.

7.7 An immaterial defect in the form or manner of Delivering notice of a Members' Meeting, or an accidental or inadvertent failure in the Delivery of the notice to any particular Member to whom it was addressed if the Company elects to do so, does not invalidate any action taken at the Members' Meeting.

7.8 The Board may invite any Person to attend a Members' Meeting, provided that such Person may not participate in the consideration of or vote on any matters to be decided thereat unless that Person is requested to provide insight into the matter to be decided.

## 8. **Quorum for a Members' Meeting**

8.1 A Members' Meeting may not begin, and a matter to be decided at the Members' Meeting may not begin to be considered, until sufficient Persons are Present at the Meeting to Exercise, in aggregate, at least 50% (fifty per cent) of all of the Voting Rights that are entitled to be Exercised in respect of at least one matter to be decided at the Members' Meeting, provided that , in addition to the quorum requirements set out in this clause 8.1, at least 1 (one) Member from each Category must be Present at the Meeting.

8.2 A matter to be decided at the Members' Meeting may not begin to be considered unless those who fulfilled the quorum requirements contemplated in clause 8.1, continue to be Present at the Meeting.

8.3 If within 30 (thirty) minutes from the time appointed for the Members' Meeting to commence, a quorum is not present, the Members' Meeting shall be postponed, without motion, vote or further notice, subject to clause 8.6, for 1 (one) week to the same day in the next week or, if that day be a public holiday, to the next succeeding day which is not a public holiday, and if at such adjourned Members' Meeting a quorum is not Present within 10 (ten) minutes from the time appointed for the Members' Meeting then, the Person/s entitled to vote Present at the Meeting shall be deemed to be the requisite quorum.

8.4 A Members Meeting, or the consideration of any matter being debated at the Members Meeting, may be adjourned from time to time on a motion supported by Persons entitled to Exercise, in aggregate, a majority of the Voting Rights:

8.4.1 held by all of the Persons who are Present at the Meeting at the time; and

8.4.2 that are entitled to be Exercised on at least one matter remaining on the agenda of the Members Meeting, or on the matter under debate, as the case may be.

Such adjournment may be either to a fixed time and place or until further notice, as agreed at the Members Meeting.

8.5 A Members' Meeting may not be adjourned beyond the earlier of:

8.5.1 the date that is 120 (one hundred and twenty) Business Days after the Record Date; or

Board of Directors: Chairperson Mr Spencer Malongete  
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8.5.2 the date that is 60 (sixty) Business Days after the date on which the adjournment occurred.

8.6 Notice of any postponed or adjourned Members' is required to be Delivered by the Company to all Members entitled to vote or otherwise entitled to receive notice.

## 9. **Proceedings at Meetings**

9.1 The Chairperson of the Board shall preside as chairperson at every Members' Meeting. If there is no such chairperson, or if at any Members' Meeting she/he is not present within 15 (fifteen) minutes after the time appointed for holding the Members' Meeting or is unwilling to act as chairperson, the Deputy Chairperson of the Board shall be chairperson of the meeting. If there is no Deputy Chairperson or if at any Members' Meeting she/he is not present within 15 (fifteen) minutes after the time appointed for holding the Members' Meeting or is unwilling to act as chairperson the Persons entitled to vote which are Present at the Meeting shall select a Director Present at the Meeting, or if no Director be present at the Members Meeting, or if all the Directors present decline to take the chair, the Persons entitled to vote shall select one of their number which is Present at the Meeting to be chairperson of the Members' Meeting.

9.2 At any Members' Meeting a resolution put to the vote shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll shall be demanded by:

9.2.1 not less than 2 (two) Members having the right to vote on that matter; or

9.2.2 a Person/s entitled to Exercise not less than 1/10th (one tenth) of the total Voting Rights entitled to vote on that matter,

and, unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution. No objection shall be raised as to the admissibility of any vote except at the Members' Meeting or adjourned Members' Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such Members' Meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the Members' Meeting, whose decision shall be final and conclusive.

9.3 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, save that it shall be taken forthwith, and the result of the poll shall be deemed to be the resolution of the Members' Meeting at which the poll was demanded. Scrutineers may be appointed by the chairperson to declare the result of the poll and, if appointed, their decision, which shall be given by the chairperson of the Members' Meeting, shall be deemed to be the resolution of the Members' Meeting at which the poll is demanded.

- 9.4 The demand for a poll shall not prevent the continuation of a Members' Meeting for the transaction of any business other than the question upon which the poll has been demanded. The demand for a poll may be withdrawn at any time prior to the poll being taken as provided for in clause 9.3.
- 9.5 Every resolution of Members is either an Ordinary Resolution or a Special Resolution. An Ordinary Resolution, save to the extent expressly provided in respect of a particular matter contemplated in this MOI, shall require to be adopted with the support of more than 50% (fifty per cent) of the Voting Rights Exercised on the resolution. A Special Resolution, save to the extent expressly provided in respect of a particular matter contemplated in this MOI, shall require to be adopted with the support of at least 75% (seventy-five per cent) of the Voting Rights Exercised on the resolution.
- 9.6 Subject to clause 9.2.1 **Error! Reference source not found.**, on a show of hands and on a poll every Member Present at a Meeting shall be entitled to 1 (one) vote.
- 9.7 The Members shall endeavour to reach consensus on all matters to be decided at a Members' Meeting.
- 9.8 Any Member may require that a minority view or dissenting vote be recorded in the minutes of the Members' Meeting.
- 9.9 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the Members' Meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- 9.10 No form appointing a proxy shall be valid after the expiration of 6 (six) months from the date when it was signed unless the proxy form itself provides for a longer or shorter duration, but it may be revoked at any time. The appointment is revocable unless the proxy appointment expressly states otherwise, and may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy, and to the Company. The appointment is suspended at any time and to the extent that the Member entitled to vote chooses to act directly and in person in the Exercise of any rights as a Member entitled to vote.
- 9.11 The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be delivered to the Company up to immediately prior to the Members' Meeting, before the proxy or representative of a Member Exercises any rights of the Members entitled to vote at a Members' Meeting.
- 9.12 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at its Registered Office before the commencement of the Members' Meeting or adjourned Members' Meeting at which the instrument of proxy is used.

- 9.13 Subject to the provisions of the Act, a form appointing a proxy may be in any usual or common form. The Company shall supply a generally standard form of proxy upon request by a Member entitled to vote.
- 9.14 If a proxy form is received duly signed but with no indication as to how the Person named therein should vote on any issue, the proxy may vote or abstain from voting as she/he/it sees fit unless the proxy form indicates otherwise.