



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

| | |
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| 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 |
|-----------|--------|

IN ATTENDANCE

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| Ms T V Geldenhuys | Group Company Secretary |
| Ms L V Bayi | 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 |

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?

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

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 stickling 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

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.

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.

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

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.