

**REPUBLIC OF SOUTH AFRICA .**

**COMPANIES ACT, 1973**

**ARTICLES OF ASSOCIATION OF A COMPANY NOT HAVING  
A SHARE CAPITAL NOT ADOPTING SCHEDULE 1 (Section  
60(1); regulation 18)**

**REGISTRATION OF COMPANY**

**95 02100/08**

FINE MUSIC RADIO

(ASSOCIATION INCORPORATED UNDER SECTION 21) ("the  
company") .

The articles of Table A contained in Schedule 1 to the Companies Act,  
1973, shall not apply to the company.

## **PUBLIC COMPANY**

3. The company is regarded as a public company

## **MEMBERS**

4.1 The first members of the company shall be the subscribers to the Memorandum of Association of the company.

4.2 Any person who makes a written application to become a member of the company, whose application is accepted by the directors and who has paid the prescribed membership fee shall be and become a member of the company.

4.3 The terms and conditions pertaining to Membership of the company shall at all times be determined by the Directors. The rights, privileges, entrance fees and fees of members shall be determined from time to time by the Directors. Honorary membership may be granted entirely at the discretion of the Directors to such persons who have assisted the company materially or whose prestige and standing would be of benefit to the company's objects and such honorary members shall have no vote nor be required to contribute towards the company's debts. The directors of the company shall also determine at their sole discretion which persons, if any, shall be nominated as Trustees, Patrons and Founder members of the company.

4.4 The executor of a deceased member or the trustee of an insolvent member will become a member of the company ipso facto upon receiving his appointment and will remain a member until he has resigned or be expelled, subject to the provision of Article 4.5. In case there is more than one executor or trustee, in the respective estates, the executors or

trustees thereof shall in each case count as one member, and shall in each case, for all purposes of the company, be represented by one of their number duly authorised thereto to the satisfaction of the chairman of the meeting.

4.5 A member shall ipso facto cease to be a member of the company:

4.5.1 if his estate is finally sequestrated;

4.5.2 if, being a body corporate, an order for the final winding-up or judicial management of the member is granted or a special resolution for the winding-up of the member is duly passed and registered in terms of the Act;

4.5.3 if he is placed under curatorship;

4.5.4 if he is removed as a member by a majority of the members or directors of the company;

4.5.5 if by notice in writing to the company he resigns as a member.

4.5.6 if he or she fails to pay the prescribed annual membership fee.

## **MEETINGS OF MEMBERS**

5.1 The company, at such times as are in the Statutes prescribed, shall hold general meetings of members to be known and described in the notices calling such meetings as annual general meetings.

5.2 The directors may, whenever they think fit, convene a general meeting, and a general meeting shall also be convened on a requisition by members representing not less than one-twentieth of the total voting rights

of all the members of the company having at the date of the lodgement of the requisition a right to vote at general meetings of the company or, in default, may be convened by the requisitionists as provided by and subject to the provisions of the Statutes. If at any time there shall not be within the Republic sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

5.3 Every meeting of members shall, unless otherwise resolved by the directors, be held in the city or town in which the company's registered office is for the time being situated.

5.4 Subject to the provisions of the Statutes relating to meetings of which special notice is required to be given, an annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice in writing, and a meeting of the company, other than an annual general meeting or a meeting for the passing of a special resolution, shall be called by at least fourteen clear days' notice in writing. The notice shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of the business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company at a meeting of members, to such persons as are, under these Articles entitled to receive such notices from the company: provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting who hold not less than ninety-five percent of the total voting rights of all the members. The accidental omission to give

notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

## **PROCEEDINGS AT MEETINGS OF MEMBERS**

6.1 All business that is transacted at a general meeting, and all that is transacted at the annual general meeting, with the exception of the consideration of the audited financial statements, the election of auditors and the fixing of the remuneration of the auditors shall be deemed to be special business.

6.2 Business may be transacted at any meeting of members only while a quorum is present.

6.3 Save as herein otherwise provided, the quorum at a meeting of members shall be three members entitled to vote, personally present, or if a member is a body corporate, represented.

6.4 If within thirty minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or, if that day be a public holiday, to the next succeeding day other than a public holiday, and if at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting then, subject to the Statutes, the members or member present shall be a quorum.

6.5 The chairman, if any, of the board of directors shall preside as chairman at every meeting of members of the company. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling

to act as chairman, the members present shall choose some director, or if no director be present, or if all the directors present decline to take the chair, they shall choose some member present to be chairman of the meeting .

6.6 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned as a result of a direction given in terms of any applicable provision in the Statutes, notice of the adjourned meeting shall be given in the manner prescribed by such provision but, save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

6.7 At any meeting of members a resolution put to the vote of the meeting shall be decided on a show of hands. A declaration by the chairman that a resolution has 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 meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

6.8 In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

6.9 Subject to the provisions of the Statutes, a resolution in writing signed by a majority of the persons for the time being entitled to receive notice of and to attend and vote at a meeting of members or by duly authorised representatives on their behalf shall be as valid and effectual as if it had been passed at a meeting of the company duly convened and held.

### **VOTES OF MEMBERS**

7.1 Each member of the company present in person or by proxy or, if a member is a body corporate, duly represented at any meeting of the company shall have one vote.

7.2 A proxy need not be a member of the company.

7.3 The form appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing or, if the appointer is a corporate body, under the hand of an officer or agent authorised by that body. The holder of a general or special power of attorney given by a member shall be entitled to vote, if duly authorised under that power to attend and take part in the meetings and proceedings of the company or companies generally, whether or not he be himself a member of the company.

7.4 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 deposited at the registered office of the company not less than twenty-four hours (or such lesser period as the directors may unanimously determine in relation to any particular meeting) before the time for holding the meeting (Including an adjourned

meeting) at which the person named in the form proposes to vote, and in default the form of proxy shall not be treated as valid. No form appointing a proxy shall be valid after the expiration of six months from the date when it is signed, except at an adjourned meeting unless otherwise specifically stated in the proxy itself

7.5 The Proxy shall be in the following form:

“FINE MUSIC RADIO INCORPORATED

I, .....of.....  
.....

being a member of FINE MUSIC RADIO INCORPORATED hereby appoints

.....of.....  
.....or if not he or she

.....of.....  
.....or if not he or she

.....of.....  
.....

as my proxy in my stead and on my behalf at the Annual General Meeting or at General Meetings (as the case may be) of the company on the ..... Day of ....., as well as at an adjournment thereof, to vote as follows:

	In favour	Opposed
Decision to.....	..... .....	..... .....
Decision to.....	..... .....	..... .....
Decision to.....	..... .....	..... .....

(Indicate the instruction to the proxy by means of a cross in the space provided above)

Unless otherwise instructed, my proxy may vote as he or she deems fit.

.....

Signature

Signed this ..... day of .....

(Note: A member who is entitled to be present and to vote is entitled to appoint a proxy to be present in his stead, to speak and to vote, and such a proxy does not have to be a member of the company.”

## **DIRECTORS**

8.1 Until otherwise determined by a meeting of members, the number of directors shall not be less than two (2) nor more than twelve (12).

8.2 The first directors of the company may be appointed by the subscribers to the Memorandum of Association of the company.

8.3 The company may from time to time at any meeting of members increase or reduce the number of directors.

8.4 Unless otherwise decided by a meeting of members any casual vacancy occurring in the board of directors may be filled by the directors.

8.5 The company at a meeting of members or the directors shall have power at any time, and from time to time, to appoint any person as a director but so that the total number of directors shall not at any time exceed the maximum number fixed by or in terms of these Articles. Nominees for directorship shall be nominated by at least one member or director, seconded by at least one other member or director, and shall be voted into the position by a majority of members present, or represented by proxy, at a meeting of members or of directors. In the event that there is more than one nomination, each nominee shall be elected individually, unless a unanimous decision has been taken by the meeting to allow all the nominees to be elected as directors.

8.6 At each Annual General Meeting of the company one third in number of the directors shall retire from office. Directors shall retire in rotation based on their dates of appointment with the longest-serving retiring first. Should more than one director have been appointed on the same date, and if all such directors were to retire simultaneously thereby exceeding the one third in number of the directors required to retire, then a meeting of the Board of Directors shall determine which of the directors, who share the same date of appointment, shall retire. Any retiring directors shall be eligible for re-election

## **REMUNERATION**

9.1 The remuneration of the directors shall from time to time be determined by the directors, but subject always to the provisions of condition 6.1 of the company's memorandum of association. The directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors including those of attending and travelling to and from meetings of the directors of any committee of the directors or at any meeting of members of the company, provided that the distance travelled to and from meetings exceeds 100 kilometres in either direction.

9.2 Should it be expected of a director to perform extra duties, over and above those duties performed in the ordinary course of business, or to serve on any committee or to devote special attention to the business of the company which in the opinion of the directors are outside the scope of the ordinary duties of a director, the directors may pay to such director such extra remuneration as they may determine.

## **ALTERNATE DIRECTORS**

10.1 Subject to the provisions of 10.1.1, any director shall have the power to nominate another person to act as alternate director in his place during his absence or inability to act as such director, and on such appointment being made, the alternate director shall, in all respects, be subject to the terms and conditions existing with reference to the other directors of the company. A person may be appointed as alternate to more than one director. If a person is alternate to more than one director or where an

alternate director is a director, he shall have a separate vote, on behalf of each director he is representing in addition to his own vote, if any.

10.1.1 Any director who wishes to nominate an alternate director shall inform the board in writing of his or her nominee alternate director for the approval of his or her appointment. If the nominee alternate director is approved by the board, he or she shall lodge with the company his or her consent to act as director within 28 days of his or her appointment.

10.2 The alternate directors, whilst acting in the place of the directors who appointed them, shall exercise and discharge all the duties and functions of the directors they represent. The appointment of an alternative director shall cease on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of these Articles or if the director who appointed him ceases to be a director, or gives notice to the secretary of the company that the alternate director representing him shall have ceased to do so. An alternate director shall look to the director who appointed him for his remuneration.

## **BORROWING POWERS OF DIRECTORS**

11.1 The directors may, subject to authorisation by the board, from time to time, raise or borrow from the members or other persons any sums of money for the purposes of the company without limitation.

11.2 The directors may issue directives for the securitisation of the payment or repayment of any sums of money borrowed or raised in terms of Article 11.1 or the payment of any debt, liability" or obligation

whatsoever of the company or of a third party, or the board may require that such securitisation be approved by it before effected.

## GENERAL POWERS AND DUTIES OF DIRECTORS

12.1 The business of the company shall be managed by the directors who may exercise all the powers of the company which are not required by the Statutes or by these Articles to be exercised by the company at any meeting of members (including without derogating from the generality of the foregoing or from the rights of the members, the power to resolve that the company be wound up), provided that they comply with the provisions of these Articles and of the Statutes and any regulations which are not inconsistent with these Articles or the Statutes, as prescribed by the company at any meeting. No regulation made by the company at such meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

12.2 The directors may from time to time appoint one or more of their body to the office of managing director or manager for such period and generally on such terms as they may think fit. The appointment of a managing director or manager shall determine ipso facto if he shall cease for any reason to be a director, or if the company at any meeting of members shall resolve that his tenure of the office of managing director or manager be determined.

12.3 The directors may from time to time entrust to and confer upon a managing director or manager for the time being such of the powers vested in them as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient; and they may confer

such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the directors, and may from time to time revoke or vary all or any of such powers. A managing director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the directors and after powers have been conferred upon him by the directors in terms hereof he shall be deemed to derive such powers directly from this Article.

12.4 The directors shall have the power from time to time to delegate, or allocate, to anyone of their members or to any other person, whether in the Republic or not, such of the powers as are vested in the directors pursuant to the Statutes or under these Articles, as they may deem fit. Such delegation shall be in writing and for a specified period of time only, and shall be lodged with the company.

12.5 The directors may delegate, or allocate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors. Save as aforesaid, the meetings and proceedings of a committee consisting of more than one member shall be governed by the provisions of these Articles regulating the meetings and proceedings of directors. Such committees may be formed for either a predefined or indefinite time period, and for a proscribed purpose.

## **DISQUALIFICATION AND PRIVILEGES OF DIRECTORS**

13.1 A director shall cease to hold office as such if:

13.1.1 He ceased to be director by virtue of any of the provisions of the Statutes or becomes prohibited from being a director by reason of any order made under the Statutes; or

13.1.2 his estate is sequestrated or he files an application for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes an arrangement or composition with his creditors generally; or

13.1.3 he is found lunatic or becomes of unsound mind; or

13.1.4 he is removed by a resolution of the company as provided in the Statutes; or 13.1.5 he resigns his office by notice in writing to the company; or

13.1.6 a notice removing him from office is signed by members having a right to attend and vote at a meeting of members who hold not less than 75% (seventy.-five) per cent of the total voting rights of all the members who are at that time entitled so to attend and vote and is delivered to the company or lodged at its registered office; or

13.1.7 he is otherwise removed in accordance with any provisions of these Articles.

13.2 No director or intending director shall be disqualified by his office from contracting with the company in any manner whatsoever.

13.3 Such director shall be entitled to vote at any board meeting or otherwise in relation to such contract as freely as if he were not interested

therein and he shall be reckoned for the purpose of constituting a quorum of directors.

## **PROCEEDINGS OF DIRECTORS**

14.1 A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors with at least 24 hours' notice.

14.2 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that they shall meet at least FOUR (4) times a year

14.3 Unless otherwise resolved by the directors, all their meetings shall be held in the city or town where the company's registered office is for the time being situated.

14.4 Questions arising at any meeting of the directors shall be decided by a majority of votes.

14.5 The chairman shall not have a second or casting vote.

14.6 The directors may determine what period of notice shall be given of meetings of directors and may determine the means of giving such notice which may include telephone, telegram, telex, telefax or electronic communication as defined by the Electronic Communications Act. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the Republic, but notice of any such meeting shall be given to his alternate, if he has appointed one, provided that such alternate is in the Republic.

14.7 A quorum shall consist of four (4) directors present in person at any meeting. For the purpose hereof a director who has authorised another director to vote for him at a meeting in terms of Article 14.10 shall, if the director so authorised is present at the meeting, be deemed to be present himself and each director whose alternate is present at a meeting (even if the latter is alternate to more than one director) shall be deemed to be so present, provided, however, that there are always four (4) directors physically present irrespective of the fact that they may represent another director not physically present at the meeting

14.7.1 When a director wishes to authorise another director to vote on his behalf at a meeting in terms of article 14.10, he or she shall use the following form to appoint another director as his or her representative as well as to instruct him or her how to vote on specific issues, if required:

“FINE MUSIC RADIO INCORPORATED

I,.....of.....  
.....

being a director of FINE MUSIC RADIO INCORPORATED hereby appoints

.....of.....

.....or if not he or she

.....of.....

.....or if not he or she

.....of.....

.....

to act in my stead and on my behalf at the Board Meeting of the company on the ..... Day of ....., as well as at an adjournment thereof, to vote as follows:

	In favour	Opposed
Decision to.....	..... .....	..... .....
Decision to.....	..... .....	..... .....
Decision to.....	..... .....	..... .....

(Indicate the instruction to the representative by means of a cross in the space provided above)

Unless otherwise instructed, the representative may vote as he or she deems fit.

.....

Signature

Signed this ..... day of ....."

14.8 The continuing directors (or sole continuing director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as a quorum, the continuing directors or director may act only for the purpose of Summoning a general meeting of the company. If there are no directors or director able and willing to act, and no specific provision is made in these Articles for the appointment of directors, then any two

members may summon a general meeting for the purpose of appointing directors.

#### 14.9 Subject to the Statutes:

14.9.1 A resolution in writing, including through the medium of telefax or electronic communication, signed by the sole director or by all the directors for the time being present in the Republic and being not less than are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted: Provided that where a director is not present in the Republic, but has an alternate director who is, the resolution must be signed by that alternate. The resolution may consist of several documents, each signed by one or more directors or their alternates in terms of this Article.

14.9.2 in the case of matters requiring urgent resolution or, if for any reason it is impracticable to meet as contemplated in Article 14.3 or pass a resolution as contemplated in Article 14.9.1, the meeting may be conducted and a resolution may be passed utilising conference telephone facilities, provided that the required quorum is met.

14.10 A director unable to attend a directors' meeting, may authorise any other director to vote for him at that meeting, and in that event the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. If both the director so authorised and an alternate of the director who granted the authority are present at the meeting, the alternate shall not be entitled to vote on behalf of the absent director. Authority in terms of this Article must be in writing (which may take the form of a telegram, cable, telefax, telex or

electronic communication) and must be handed to the person presiding at the meeting at which it is to be used.

14.11 The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present Within fifteen minutes after the time appointed for holding it, the directors present may choose one of their number to be chairman of the meeting.

### **VALIDITY OF ACTS OF DIRECTORS AND COMMITTEES**

15. As regards all persons dealing in good faith with the company, all acts done by any meeting of the directors or of a committee of directors or of any executives, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such directors or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be.

### **RESERVES**

16. The directors may set aside out of the profits of the company and carry to reserve such sums as they think proper. All sums standing to the credit of revenue and general reserve shall at the discretion of the directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the company, for repairing, improving or maintaining any property of the company, for meeting

losses or realisation of or writing down investments either individually or in the aggregate, or for any other purpose to which profits of the company may appropriately be applied, Pending such application such sums may either be employed in the business of the company (without being kept separate from the other assets of the company) or be invested. The directors may divide the reserve into such special reserves as they think fit and re-allocate the amounts of such reserves either in whole or in part to other special or general reserves and may consolidate into one reserve any special reserves or any parts of any special reserves into which the reserve may have been divided. The directors may also carry forward any profits without placing them to reserve.

## **NOTICES**

17.1 A notice by the company to any member shall be regarded as validly given if it is either delivered personally to the members or sent prepaid through the post to him at his registered address.

17.2 A member shall be bound by every notice given in terms of Article 17.1. The company shall not be bound to enter any person in the register of members until that person gives the company an address for entry in the register.

17.3 Any notice, if given by post, shall be deemed to have been served on the day following that on which the letter or envelope containing such notice is posted, and in proving the giving of the notice sent by post it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

17.4 When a given number of days' notice or notice extending over any period is required to be given, the day of service shall not be counted in such number of days or period.

## **INDEMNITY**

18. Every director, manager and officer of the company and every person (whether all officer of the company or not) employed by the company as auditor shall be indemnified out of the funds of the company against all liability incurred by him as such director, manager, officer or auditor, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Act section 248 or any amendment thereof in which relief is granted to him by the court.

## **WINDING UP**

19. If the company shall be wound up, the liquidator shall comply with the provisions of clauses 5.1 and 6.2 of the Company's memorandum of association.

## **PATRONS**

20. The directors may from time to time appoint patrons of the company for periods determined by the directors.