

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT, 1973

**MEMORANDUM OF ASSOCIATION
OF A COMPANY NOT HAVING A SHARE CAPITAL**

[section 54(1); regulation 17(13)]

Registration Number of Company

1995/00979/08

RADIO RIPPEL FM STEREO

(Association incorporated under section 21)

Financial Year end: The last day of FEBRUARY

1. NAME OF COMPANY

The name of the Company is **RADIO RIPPEL FM STEREO** (Association incorporated under section 21).

2. MAIN OBJECT

The main object of the Company is to establish and operate a community broadcasting service in accordance with the requirements of legislation applicable thereto from time to time.

3. PURPOSE DESCRIBING MAIN BUSINESS

The main business of the Company is to act as a community broadcaster and to serve the interests of its community in the Tshwane Municipal Area, Hartbeespoort, Cullinan, Midrand and surroundings and to encourage all members of its community to participate in the selection and provision of programmes to be broadcast in the course of its broadcasting service.

4. ANCILLARY OBJECTS EXCLUDED

The specific ancillary objects, if any, referred to in section 33(1) of the Act, which are excluded from the unlimited ancillary objects of the Company:

All ancillary objects which are not in accordance with the main object of the Company.

5. POWERS

The Company shall have the powers lawfully granted to it by virtue of Schedule 2 to the Companies Act, 1973, as amended, except the following specific powers which are in terms of Section 34 of the Act expressly:

5.1 excluded:

Power(s)

5.2 and qualified:

- 5.2.1 Power (a) - "This power will be executed only in accordance with the main object of the Company."
- 5.2.2 Power (b) - "This power will be executed only in accordance with the main object of the Company."
- 5.2.3 Power (c) - "This power will be executed only in accordance with the main object of the Company."
- 5.2.4 Power (f) - "This power will be executed only in accordance with the main object of the Company."
- 5.2.5 Power (g) - "Funds available for investment may only be invested with registered financial institutions as defined in section 1 of the Financial Institutions (Investment of Funds) Act, 1984, and in securities listed on a licensed stock exchange as defined in the Stock Exchange Control Act, 1985 (Act No 1 of 1985)."
- 5.2.6 Power (h) - "To open and operate banking accounts and to overdraw such accounts for purposes of the Company's main business."
- 5.2.7 Power (k) - Power (k) which is amended to read as follows:
- "Subject to such conditions as the Independent Communications Authority of South Africa may impose, to form and have an interest in any company or companies or associations of a similar nature having the same or similar objects to the Company, for the purpose of acquiring the undertaking or all or any of the assets or liabilities of that company or companies or associations or for any other purpose which may seem directly or indirectly, calculated to benefit the Company, and to transfer to any such company or companies or associations the undertaking of all or any of the assets or liabilities of the Company; provided that such other company or companies or associations have the same or similar objects to the Company and are themselves exempt from income tax in terms of

section 10(1)(cN) of the Income Tax Act (if this Company has been granted such exemption), and are authorised in terms of the Non-Profit Organisations Act no 71 of 1997."

5.2.8 Power (l) - Power (l) which is amended to read as follows:

"Subject to such conditions as the Independent Communications Authority of South Africa may impose, to amalgamate with any company or companies having the same or similar objects to the Company, provided that such other company or companies or associations are themselves exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act (if this Company has been granted such exemption), and are authorised in terms of the Non-Profit Organisations Act no 71 of 1997."

5.2.9 Power (m) - Power (m) which is amended to read as follows:

"Subject to such conditions as the Independent Communications Authority of South Africa may impose, to take part in the management, supervision and control of the business or operations of any other company or business having the same or similar objects as the Company, and to enter into partnerships with any company or business having the same or similar objects as the Company, provided that such other company or companies or associations are themselves exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act (if this Company has been granted such exemption), and are authorised in terms of the Non-Profit Organisations Act no 71 of 1997."

5.2.10 Power (n) - Power (n) which is amended to read as follows:

"To reasonably remunerate any person or persons in cash for services rendered in the formation of the Company and the development of its business."

5.2.11 Power (o) - Power (o) which is amended to read as follows:

"To make donations to organisations having the same or similar objects to that of the Company, provided that those organisations must be authorised in terms of the Non-Profit Organisations Act no 71 of 1997. Donations to members and officials of the Company are excluded."

5.2.12 Power (r) - Power (r) which is amended to read as follows:

"To pay gratuities and pensions and establish pension schemes in respect of its bona fide employees."

5.3 The Company will not carry on any business undertaking or trading activities other than that of a community radio broadcaster, except to the extent that:

5.3.1 The gross income derived from such business undertaking or trading activities does not exceed the greater of R25,000.00 or 15 per cent of the gross receipts of the Company;

5.3.2 the undertaking or activity is integral and directly related to the main object of the Company; and carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost; and which would not result in unfair competition in relation to taxable entities;

5.3.3 the undertaking or activity, if not integral and directly related to the main object of the Company, is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation or where the undertaking has been approved by the Minister in terms of a notice in the Government Gazette after taking into account the scope and benevolent nature of the undertaking or activity and the direct connection and interrelationship of the activity with the main object of the Company; the profitability of the undertaking or activity; and the level of economic distortion that may be caused by the tax-exempt status of the Company carrying out the undertaking or activity;

6. Conditions

Any special conditions which apply to the Company and the requirements, if any, additional to those prescribed in the Act for their alteration:

- 6.1 The income and property of the Company, whensoever derived, shall be applied solely towards the promotion of its main object and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, howsoever, to the members of the Company or to its holding or subsidiary companies; provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the Company or to any member thereof in return for any services actually rendered to the Company.
- 6.2 Upon dissolution, de-registration or winding up of the Company the assets of the Company remaining after the satisfaction of all its liabilities shall be given or transferred to some other association(s) or institution(s) having objects similar to the Company's main object and which is itself exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act, to be determined by the members of the Company at or before the time of its dissolution or failing such determination, by the Court.
- 6.3 Amendments to the Memorandum and Articles of Association shall be made according to the procedure and in accordance with the provisions of the Companies Act, 1973 and shall be submitted to the Commissioner for the South African Revenue Service, the Director of Non-Profit Organisations and the Independent Communications Authority of South Africa.
- 6.4 The company may not provide any of its members with any financial assistance, directly or indirectly, or provide them with premises or other continuous services or facilities required by them for the purpose of carrying on any business, profession or occupation.
- 6.5 No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution board or body which is exempt from tax in terms of section 10(1)(cN), which has as its sole or principal object the

carrying on of any public benefit activity) may not impose any conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

6.6 The Company has not used and shall not use its resources directly or indirectly to support, advance or oppose any political party.

7. Guarantee

7.1 The liability of members is limited to the amount referred to in paragraph 7.2.

7.2 Each member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year afterwards for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of the winding-up and for adjustment of the rights of the contributories among themselves, an amount of R5.00 (five rand).

8. Area

8.1 At least 85% of the Company's activities will be confined to the Republic.

8.2 The area in which services will be rendered is the Licence Area of the Company and the area in which contributions will be collected is limited to the Republic of South Africa.

9. ASSOCIATION CLAUSE

We, the several persons whose full names, occupations, residential, business and postal addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to become members of the Company.