



**ICASA**

**Public Hearing for Individual  
Commercial Broadcast  
Services**

**22 NOVEMBER 2018**

**REPRESENTATION BY  
KWESE TV**

Chairperson: Welcome yet again, Kwese over to you.

Kwese: Thankyou Chairperson. Good afternoon to the panel and to the members of the public. I am Zolile Ntukwana and I'm the executive responsible for regulatory affairs and public affairs for Kwese. There were questions that we had asked in writing that we submitted to the authority and the Free To Air responded to them and so the ones that we think were adequately addressed we won't repeat so we'll just limit ourselves to the ones where we think there's further questions that we had. I'll hand over to Mandi Krebs who is with me from Hogan Lovells.

Mandi Krebs: Madam Chair thank you very much for the opportunity to address the panel this afternoon. In Kwese's submission to the applicant we raise the questions regarding the applicant's corporate structure. Although responses were provided by the applicant, certain of our concerns regarding control remain. In this regard we respectfully draw your attention to appendix 3.4 of the application where the applicant states that control rests in the board of directors. In their response to us and I quote they said the shareholders form the board of directors. Having considered the shareholding proposed by the applicant we note that Mr Amus Mehulutsi, Mr Lekhota Thabu from Namec Telecomms, Mr Tony Booysen is the representative and also Ms Nadine Kisten would be the purported directors of the company. Just considering the corporate secretarial documentation included in the application we picked up that Mr Mehulutsi is the only active director. We've checked the most recent records with the CIPC and this remains to be the case. Now although we concede that your appointment as a director is not subject to your notification of CIPC what's interesting is that having gone through the application we note that there are no letters of appointment or further resolutions appointing these specific individuals to the board of directors. This sort of speaks to our concerns. As to control from a corporate governance perspective we note that a resolution has been included in the application at page 55. Signed by the purported board of directors of the applicant authorizing Mr Mehulutsi to sign off the application and also to present to the authorities, so you know we would appreciate clarity on that front. Moving on, we also raise concerns regarding the applicant's proposed funding arrangements. We note that it's proposed funding will be sourced primarily from capital raising efforts, by approaching banking institutions, boutique banking institutions, the PIC, and also government funding agencies. What we would like to know are what are the terms of these arrangements, you know, has any further thought been given to the nature of any collateral that would be required in terms of this funding? IN respect of the proposed programming and content as stipulated in appendix 26 details have been put forth regarding the O Mama channel which the description of the channel is a unique channel for single and expectant mothers. We question whether and how the applicant proposes securing

appropriate content for this channel and most importantly we question whether such a highly niche channel will attract the required revenue from advertising that is necessary in order to viably sustain the business. Lastly we respectfully submit that the market research provided by the applicant is not geographically representative of the marks 3 coverage area in that it only focused on four of the eight provinces and 48% of that was focused on Gauteng. We do not believe that this was truly representative of the proposed geographical area and in our view this raises further concerns. Madam Chair that is all thank you very much.

Kwese: Thanks chair we are done.

Chairperson: Alright. Thank you very much. We will give Free To Air the right of reply.