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**REPUBLIC OF SOUTH AFRICA**

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## GENERAL NOTICE

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**NOTICE 1660 OF 2005**

# **INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA**

**LICENCE ISSUED TO SENTECH LIMITED TO PROVIDE MULTIMEDIA SERVICES  
IN TERMS OF SECTION 32C (1) (B) AND SECTION 32C (6) OF THE  
TELECOMMUNICATIONS ACT 103 OF 1996 AS AMENDED**

**SIGNED AT SANDTON, JOHANNESBURG, ON THIS 30 APRIL 2004**

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**MANDLA LANGA**

**CHAIRPERSON**

**ICASA**

**MULTIMEDIA LICENCE****TERMS AND CONDITIONS****1. DEFINITIONS**

1.1 In this Licence and the annexes to this Licence:-

- 1.1.1 clause headings are for convenience and are not to be used in its interpretation;
- 1.1.2 unless the context indicates a contrary intention, an expression which denotes:-
- 1.1.3 any gender includes the other gender;
- 1.1.4 a natural person includes a juristic person *and vice versa*,
- 1.1.5 the singular includes the plural and *vice versa*,
- 1.1.6 all words and expressions used shall, unless the context otherwise requires, have the same meanings as ascribed thereto in terms of the Telecommunications Act.

1.2 In this Licence, the following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings –

- 1.2.1 **"Applicable Interest Rate"** means the prime interest rate as published from time to time by the South African Reserve Bank, established by Section 9 of the Currency and Banking Act, No 31 of 1920, and operating in terms of the South African Reserve Bank Act, No 90 of 1989;
- 1.2.2 **"Approved Equipment"** means telecommunication equipment which has been approved by the Authority under Chapter VI of the Telecommunications Act;
- 1.2.3 **"Authority"** means the Independent Communications Authority of South Africa established in terms of section 3 of the Independent Communications Authority of South Africa Act no. 13 of 2000, and its successors;
- 1.2.4 **"Communication Configuration"** means (i) point to point; or (ii) point to multipoint; or (iii) multipoint to point; or (iv) multipoint to

multipoint; interactive transmission and distribution of Multimedia Services;

- 1.2.5     **"Effective Date"** means 7 May 2002 and more particularly, the commencement of business on that day;
- 1.2.6     **"Financial Year"** means the financial year of the Licensee ending on 31 March of each and every year;
- 1.2.7     **"Historically Disadvantaged Person"** means, in relation to natural persons, persons who are generally regarded as South African Black persons (i.e. Africans, Coloureds or Indians), women and persons with disabilities and, in relation to juristic persons, means entities that are controlled by Historically Disadvantaged Persons, and Historically Disadvantaged Group shall have a corresponding meaning;
- 1.2.8     **"ITU"** means the International Telecommunication Union;
- 1.2.9     **"Licence"** means this Licence issued by the Authority to the Licensee in terms of section 32C(1)(b) and 32C(6) of the Telecommunications Act;
- 1.2.10    **"Licence Fee Income"** means the total annual invoked revenue of the Licensee (**less** discounts, value-added tax and other indirect taxes) derived from customers for the provision to them of any aspect of the Multimedia Service, **less** net interconnect fees and charges and bad debts incurred and as provided for in terms of the Income Tax Act, No 58 of 1962;
- 1.2.11    **"Licence Period"** means the term, referred to in clause 2, for which this Licence, including the associated frequency spectrum licence/s, shall be in force (including such periods in respect of which this Licence and the associated frequency spectrum licence/s may be renewed and any further periods of renewal);
- 1.2.12    **"Licensee"** means Sentech Limited, registration number 1990/001791/06, a company duly registered and incorporated under the company laws of the Territory;
- 1.2.13    **"Minister"** means the Minister of Communications;
- 1.2.14    **"Multimedia Services"** means a telecommunication service that integrates and synchronises various forms of media to communicate information or content in an interactive format, including services such as-
- a. internet through television;
  - b. pay-per-view;

- c. video on demand;
- d. electronic transactions (including e-commerce):
- e. **text**;
- f. data;
- g. graphics;
- h. animation;
- i. audio;
- j. visual content,

But shall not include mobile cellular telecommunication services and public switched telecommunication services;

1.2.15 **"Multimedia Service Network"** means the Multimedia Service Network including any return path owned, constructed, maintained and operated by the Licensee for the purposes of providing Multimedia Services by whatsoever means through which Multimedia Traffic is conveyed in accordance with any Communication Configuration through the application of any applicable protocol between:

- 1 (one) or more terminal connection points;
- 1 (one) or more network connection points;
- A terminal connection point and a network connection point;
- A terminal connection point or a network connection point, as the case may be and a corresponding point in another country;

1.2.16 **"Multimedia Traffic"** includes any text, data, graphics, audio, animation or visual content conveyed by the Licensee by means of its Multimedia Service Network.

1.2.17 **"Network Connection Equipment"** means in relation to the Multimedia Service Network or Multimedia Services, an item of telecommunication apparatus comprised in that telecommunication system which is not Terminal Connection Equipment and which is used or is meant to be used to provide interconnection with any other telecommunication system;

1.2.18 **"Operator"** means any person licensed to provide a telecommunication service of the nature described in section 34(2)(a) of the Act;

1.2.19 **"PSTS"** means public switched telecommunication service;

- 1.2.20 "Regulations" means regulations promulgated in terms of section 96 of the Telecommunications Act No. 103 of 1996;
- 1.2.21 "Telecommunications Act" means the Telecommunications Act No 103 of 1996;
- 1.2.22 "Terminal Connection Equipment" means in relation to the Multimedia Service Network an item of telecommunication apparatus comprised in that telecommunication system which is fixed or mobile and which enables:-
- 1.2.23 User Terminal Devices to be connected to the Multimedia Service Network;
- 1.2.24 Multimedia Traffic to be conveyed bidirectionally between the User Terminal Devices and the Multimedia Service Network; and
- 1.2.25 the proper functioning and operation of User Terminal Devices and the testing of the Multimedia Service Network or the testing of Multimedia Services in relation thereto;
- 1.2.26 "Terminal Connection Point" means any point within an item of Terminal Connection Equipment at which Multimedia Traffic is conveyed to or from one or more items of User Terminal Devices;
- 1.2.27 "**Territory**" means the Republic of the South Africa;
- 1.2.28 "User Terminal Device" means any fixed or mobile device which does not form part of the Multimedia Service Network and which is used for the delivery of Multimedia Services directly to customers, **and** has been type approved in accordance with Chapter VI of the Telecommunications Act;
- 1.3 Words and expressions defined in any clause shall, for the purposes of that clause, bear the meaning assigned to ~~such~~ words and expressions in such clause.
- 1.4 If any provision is a substantive provision conferring rights or imposing obligations on the Licensee, notwithstanding that it is only in the interpretation clause, effect will be given to it as ~~if~~ it were a substantive provision in the body of the Licence.
- 1.5 **All** terms and expressions not expressly defined herein shall have the meanings assigned to them as set out in the Telecommunications Act, **as** amended, and all applicable Regulations issued in terms of that Act. The Licensee is required to comply with the Telecommunications Act and **all** applicable Regulations.

## 2 LICENCE PERIOD

The initial term of the Licence shall be for a period of 15 (fifteen) years from the Effective Date.

## 3 LICENCE AUTHORITY

- 3.1 Subject to the provisions of section 32C(8) of the Telecommunications Act, the Licensee is authorised by this Licence to own, lease, construct, maintain, operate and use a Multimedia Service Network for the provision of Multimedia Services within the Republic.
- 3.2 The Licensee shall be entitled and is authorised in terms of this Licence to:
- 3.2.1 provide Multimedia Services to any person who requests such services and to use the same for the Licensee's business activities and **own** purposes;
  - 3.2.2 provide the Multimedia Service as a common carrier on a reasonable, equitable and non-discriminatory basis;
  - 3.2.3 use the frequency spectrum assigned by the Authority in the frequency spectrum licence for the provision of Multimedia Services;
  - 3.2.4 connect or, cause or allow to be connected to the Multimedia Service Network, any telecommunication system in the Territory which is licensed under the Telecommunications Act or which the Authority has prescribed can be provided without a licence in terms of section 33 to the Telecommunications Act;
  - 3.2.5 connect or, cause or allow to **be** connected to the Licensee's Multimedia Service Network, any telecommunication system or telecommunication service situated outside the Territory except where such connection would contravene a treaty or other agreement to which the Territory is a party;
  - 3.2.6 connect or, cause or allow to **be** connected to the Multimedia Service Network any User Terminal Device;
  - 3.2.7 connect or, cause or allow to be connected to the Multimedia Service Network any telecommunication facility required for the provision of Multimedia Services;
- 3.3 In addition to the rights referred to in clause 3.2, the Licensee shall be entitled to:

- 3.3.1 procure, design, develop and maintain any software or hardware to be used in connection with any telecommunication system and to use for the provision of its Multimedia Service;
- 3.3.2 use any international protocol application in its provision of the Multimedia Service;
- 3.3.3 use its own telecommunication facilities in the provision of the Multimedia Service and the interconnection of the same to any telecommunication system;
- 3.3.4 provide any service which is ancillary to the Licensee's provision of a Multimedia Service, including billing and installation, maintenance and repair services; and
- 3.3.5 enter into suitable arrangements with any Operator for the sharing of infrastructure and facilities, for the co-location of facilities and infrastructure and to interconnect with any Operator.
- 3.4 **All** the rights set out in this Licence shall be subject to the provisions of the Telecommunications Act, the relevant Regulations promulgated from time to time in terms of section 96 and the terms and conditions of this Licence.
- 3.5 The Licensee shall be entitled by virtue of this Licence to operate the Multimedia Service Network and to provide Multimedia Services together with all or any other rights granted to the Licensee under this Licence.
- 3.6 The Licensee shall use its reasonable endeavours to ensure that its employees, agents or contractors comply with the provisions of this Licence in the exercise or performance of the Licensee's rights and obligations as set out in this Licence.

#### **4 LICENCE FEES**

##### **4.1 Fixed Licence Fee**

In consideration for the grant of the Licence, the Licensee shall pay to the Authority a fixed licence fee in respect of the initial term of the Licence, referred to in clause 2, in the amount of R25m (twenty five) million Rand.

- 4.1.I Should the Licensee fail to make payments of any amounts due in terms of clause 4.1.2 on the due date for payment thereof, then and in such event, interest at the Applicable Interest Rate shall accrue on the amount which is due in terms of clause 4.1.2, such interest to be



calculated from the due date for payment thereof to the date of actual payment.

- 4.1.2 Subject to clause 4.1.4, the principal amount of the fixed licence fee referred to in clause 4.1 shall be payable by the Licensee to the Authority in 5 (five) equal annual instalments, the first instalment to be paid on the third anniversary of the Effective Date.
- 4.1.3 The Licensee may accelerate payments of the fixed licence fee referred to in clause 4.1. by making payment prior to the dates specified in 4.1.2 and, in such cases, the provisions of clause 4.1.2 shall still apply.
- 4.1.4 In addition to the fixed licence fee, the Licensee shall pay the fees stipulated in its frequency spectrum licence and such other fees as may be payable in terms of such Regulations as may apply to it from time to time.

#### 4.2 Annual Variable Licence Fee

- 4.2.1 Subject to what *is* stated below, an annual variable licence fee in an amount equal to 0.5% (one half of one percent) of the audited Licence Fee Income shall be payable by the Licensee to the Authority.
- 4.2.2 The first payment of the annual variable licence fee referred to in clause 4.2.1 shall be made within 3 (three) months of the Licensee's Financial Year in the third year of the Licence Period and shall be calculated on the basis of the Licence Fee Income generated during the third year of the Licence Period.
- 4.2.3 After the fourth year of the Licence Period, the annual variable licence fee shall be payable within ninety days of *the* expiry of Sentech's financial year in question.
- 4.2.4 The annual variable licence fee payable by the Licensee shall be reviewable by the Authority after the *fifth* anniversary of the Effective Date, provided that, in the event of the percentage of Licence Fee Income payable by the Licensee being increased by the Authority, the percentage so increased shall not exceed the percentage of net operating income payable by similarly licensed operators in respect of the corresponding licence fees payable by them.
- 4.2.5 In reviewing the percentage of Licence Fee Income payable by the Licensee in terms of this clause, the Authority shall have due regard to factors such as the number of similarly licensed operators in the

Territory, the spectrum allocated to such similarly licensed operators and the percentage of net operating income payable **by** such similarly licensed operators.

4.2.6 The provisions of clause **4.2** shall apply *mutatis mutandis* to all subsequent Licence Periods of this Licence.

## **5 UNIVERSAL SERVICE FUND AND COMMUNITY SERVICE OBLIGATIONS**

### **5.1 Universal Service Fund Obligations**

The Licensee shall pay an annual contribution to the Universal Service Fund as prescribed by regulation in terms of section 67(2) of the Telecommunication Act.

### **5.2 Community Service Obligations**

The Licensee shall provide internet access in 1500 rural public schools in rural areas over 9 (nine) years as specified in Annexure A.

## **6 PERFORMANCE SPECIFICATIONS**

6.1 The Multimedia Services provided by the Licensee shall conform to such Regulations as prescribed by the Authority.

6.2 The Licensee shall introduce measures and at all times use its resources to ensure that any telecommunication apparatus used in connection with the Multimedia Service Network or in the provision of Multimedia Services, including any telecommunication facilities owned by the Licensee shall comply with:-

6.2.1 the requirements for electromagnetic compatibility; and

6.2.2 the requirements for network interoperability, as prescribed **by** the Authority in accordance with international specifications and standards.

**6.3** If requested by a customer in relation to a particular invoice, the Licensee shall provide such customer with a detailed statement of account.

## **7 CUSTOMER SERVICE STANDARDS**

- 7.1 The Licensee shall develop and enforce guidelines for use by its personnel when handling enquiries and complaints from a customer to whom it provides Multimedia Services and to whom it supplies Terminal Connection Equipment and/or User Terminal Devices. The Licensee shall make such guidelines available to any customer who requests to be furnished with a copy of the same.
- 7.2 The Licensee shall prepare and enforce standard terms and conditions for the use of its Multimedia Services and it shall make such standard terms and conditions available to customers at the commencement of or the bringing into service of Multimedia Services to be provided to such customers.

## **8 FAIR TRADING**

- 8.1 The Licensee, its agents and sub-contractors shall not demonstrate any undue preference to or exercise any undue discrimination against any person or class or description of persons in respect of the provision of Multimedia Services or in respect of the construction or maintenance of any connection to the Multimedia Service Network.
- 8.2 The Licensee shall include a provision in its end-user agreements with customers wherein it undertakes to comply with a code of practice for consumer affairs to be established by the Licensee and which shall at a minimum address the following:-
- 8.2.1 guidance to customers in respect of disputes or complaints relating to the provision of Multimedia Services by the Licensee;
  - 8.2.2 advice to customers on charging and billing and procedures including the procedures to be followed in respect of billing and charging enquiries;
  - 8.2.3 advice on the procedures to be followed in respect of the proper use of the Multimedia Services by customers; and
  - 8.2.4 standards of conduct to be adhered to by the Licensee in the provision of Multimedia Services to its customers.
  - 8.2.5 The Licensee shall lodge with the Authority representative sample copies of all end-user contracts relating to the Licensee's provision of Multimedia Services to any customer.

- 8.3 The Licensee shall not unfairly cross-subsidise its charges for any Multimedia Services in which the Licensee competes with the services mentioned in section 32C (7) of the Act.

## **9 ACCOUNTS**

- 9.1 The Licensee shall maintain proper accounting records in a form, which is sufficient to show and explain its transactions and in this regard, the Licensee shall maintain such records as fairly represent the cost, revenue and financial position of the Licensee's business activities in terms of this Licence.
- 9.2 Within 3 (three) months after the end of each Financial Year of the Licensee, the Licensee shall present to the Authority audited annual financial statements prepared in accordance with Generally Accepted Accounting Practice.

## **10 TRANSFER OF LICENCE AND OWNERSHIP AND CONTROL**

### **10.1 Transfer of Licence**

The Licensee shall not transfer the Licence without the prior written consent of the Authority having been obtained in terms of the Telecommunications Act and the applicable Regulations.,

### **10.2 Transfer of ownership and control**

- 10.2.1 Any transfer of shares of the issued share capital of the Licensee being acquired by any party which is not a shareholder of the Licensee as at the Effective Date shall require prior written approval by the Authority.
- 10.2.2 Any transaction, agreement or undertaking entered into by the Licensee with any other party that could have the effect of changing the control of the Licensee, shall require prior written approval by the Authority.

## **11 EMPLOYMENT EQUITY, HUMAN RESOURCE DEVELOPMENT AND TRAINING**

- 11.1 The Licensee shall comply with the provisions of the Employment Equity Act, No 55 of 1998, and the Skills Development Act, No 97 of 1998, in relation to employment equity, human resource development and training. All reports submitted to the Department of Labour in this regard by the Licensee shall also be submitted to the Authority.

11.2 The Licensee shall participate in the development of the telecommunication industry by, *inter alia*:

11.2.1 supporting independent contractors from Historically Disadvantaged Groups; and

11.2.2 supporting industry development initiatives.

## **12 GENERAL**

12.1 Should any provision of this Licence be invalid and unenforceable for any reason, the remaining provisions shall nevertheless remain of full force and effect.

12.2 To the extent that this Licence may be inconsistent with any provisions of the Telecommunications Act or any applicable Regulations, such provisions of the Telecommunications Act or the Regulations shall take precedence over this licence.

## **13 FORCE MAJEURE**

13.1 The Licensee shall not be liable for any default or delay in the performance of its obligations under the Licence if and to the extent:-

13.1.1 such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, riots, civil disorders, rebellions or revolutions in any country or any other cause beyond the reasonable control of the Licensee; and

13.1.2 the Licensee *is* without fault in causing such default or delay.

## **14 CONFIDENTIALITY OF INFORMATION**

### **14.1 Content of communications**

14.2 The Licensee ~~shall~~ not disclose the content of any communication transmitted or intended for transmission over the Multimedia Service Network, unless required to do so by a court order or in terms of any law.

### **14.3 Customer information**

The Licensee shall not use any information regarding its past, current or potential customers for purposes other than those for which the information was obtained, unless the customer gives prior written consent to such other use.

## 15 RENEWAL OF THE LICENCE

The Licence may be renewed in terms of the Telecommunications Act.

## 16 CANCELLATION OF LICENCE

In the event of the liquidation of the Licensee, the Licensee shall notify the Authority in writing of the cancellation of the Licence.

## 17 REVOCATION OF THE LICENCE

The Licence may be revoked in accordance with the Telecommunications Act.

## 18 NOTICES

- 18.1 The Licensee selects as its *domicilia citandi* et *executandi* the following physical addresses:-

<u>Name</u>	<u>Physical Address</u>	<u>Telefax</u>
Sentech Limited	Sender Technology Park Octave Road Radiokop	(011) 471-4753

or such other address or telefax number as may be substituted by notice given as herein required. The Licensee shall be entitled from time to time by written notice to the Authority, to vary its *domicilium* to any other address within the Territory.

- 18.2 Any notice addressed to the Licensee at its physical address shall be delivered by hand, or sent by telefax.

- 18.3 Any notice shall be deemed to have been given:-

18.3.1 if hand delivered during business hours on a business day, on the day of delivery;

18.3.2 if sent by telefax, on the date of sending of such telefax.

## 19 AMENDMENT

- 19.1 Subject to the provisions of section 48 to the Telecommunications Act, the Authority shall be entitled to amend any term or condition of this Licence.
- 19.2 No amendment, alteration, addition, variation or consensual cancellation of this Licence shall be of any force or effect unless reduced to writing and signed by the Authority.

## **20 22. MISCELLANEOUS PROVISIONS**

### **22.1 Adherence to International Standards**

The Licensee shall comply with the applicable standards and requirements of the ITU, as agreed to or adopted by the Republic.

### **20.1 22.2 Compliance**

- 20.2 The Licensee shall comply with all applicable laws of the Republic and with all international obligations to which the Republic is bound. Unless specifically indicated to the contrary, nothing in this Licence shall be construed or understood so as to relieve or exempt the Licensee from complying with the provisions of this Licence or the Telecommunications Act. The Licensee shall use all reasonable endeavours to ensure that its employees, agents or contractors comply with the provisions of this Licence and the Telecommunications Act.

### **22.3 Access to Network Facilities**

Upon reasonable notice, the Licensee shall provide access to its Network facilities for inspection by the Authority.

Issued at Sandton on this 30 April 2004

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**MANDLA LANGA**  
**CHAIRPERSON**  
**INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA (ICASA)**

## **ANNEXURE A**

“Effective date” means the **1<sup>st</sup> April 2005**, date on which the Licensee will commence the roll out of community service obligations as per this Annexure A.

- A1.** The Licensee shall provide Internet access to no more than 1500 (one thousand five hundred) rural public schools by 2014 in accordance with the implementation timetable below and the roll-out plan referred to in clause A5 below. The Licensee shall provide Internet access in schools in rural public schools according to the following implementation schedule:
- A1.1** Within 2 (two) years from the Effective Date, the Licensee shall have provided Internet access to 400 (four hundred) rural public schools.
- A1.2** Within 3 (three) years from the Effective Date, the Licensee shall have provided Internet access to 600 (seven hundred) rural public schools.
- A1.3** Within 4 (four) years from the Effective Date, the Licensee shall have provided Internet access to 800 (eight hundred) rural public schools.
- A1.4** Within 5 (five) years from the Effective Date, the Licensee shall have provided Internet access to 1000 (one thousand) rural public schools.
- A1.5** Within 6 (six) years from the Effective Date, the Licensee shall have provided Internet access to 1150 (one thousand one hundred and fifty) rural public schools.
- A1.6** Within 7 (seven) years from the Effective Date, the Licensee shall have provided Internet access to 1300 (one thousand three hundred) rural public schools.
- A1.7** Within **8** (eight) years from the Effective Date, the Licensee shall have provided Internet access to 1450 (one thousand four hundred and fifty) rural public schools.
- A1.9** Within 9 (nine) years from the Effective Date, the Licensee shall have provided Internet access to 1500 (one thousand five hundred) rural public schools.
- A1.10** Within ~~two~~ 2 (two) months after the end of each roll-out period, as stated in A.1.1 to A.1.3 above, provide to the Authority with a compliance report in terms of a format to be prescribe by the Authority.



- A.2 For the purposes of compliance with the obligations contained in A.1.1 to A.1.10 above, Internet access shall be construed as the provisioning of Internet connectivity as a telecommunication service, which shall include the necessary telecommunications access link and bandwidth to connect the rural and urban public school to the global network of networks known as the Internet, but shall exclude any other necessary information technology support infrastructure, end-user equipment and facilities, such as power supply, personal computers and user terminals, on-premise servers network equipment and other related local area network infrastructure.
- A.3 The Internet access shall consist of sufficient bandwidth to allow Internet usage from all work stations and is to be provided **by VSAT** or by means of any other appropriate technology.
- A.4 During the licence period the Authority may review the community service obligations in order to determine the Licensee's obligations for the remainder of the Licence period.
- A.5 The Licensee has a period of 6 months following the date upon which its amended Licence is issued to submit to the Authority the roll-out plan providing for Internet access at the rural public schools.
- A.6 The roll-out plan referred to in A5 above shall stipulate amongst others the technology to be used, operational details, cost-sharing between the licensee and the relevant school involved and specify location, name, the need for such internet access, and to what extent such school is un-served.
- A.7 Subject to and following co-ordination and consultation with the Universal Service Agency, the national and any provincial Departments of Education or any other entity referred to in A.7 above, the Licensee shall provide the Authority with statistical data in relation to the rural public schools to which the roll-out plan relates, indicating the level to which the rural public school is under-served or un-served, subject to the approval of the Authority. The statistical data shall be included in the roll-out plan.
- A.8 Should the Licensee fail to produce the roll-out plan approved **by** the Authority within the 6 month period from the effective date; the Authority may impose the roll-out plan upon the Licensee.
- A.9 For the purposes of compliance with the obligations contained herein, the rural public schools that shall qualify as schools to which the Licensee is required to provide Internet access, shall **be** schools in under-served and un-served areas, and/or any school or other registered further

education and training institution that may be listed and approved by the Department of Education as a school or registered education and training institution in need of Internet access.

- A.10 For avoidance of doubt, the rural public schools to which Internet services are to be provided shall exclude those rural public schools which already have Internet access.
- A.11 Within 6 months of Effective Date or such other reasonable date as the Authority may determine, the Licensee shall submit to the Authority the roll-out plan in respect of the Internet access to be provided for the first two years referred to in A.1.1, that specifies the rural public schools where such Internet access will be provided. At least 2 (two) months prior to the end of the period referred to in A.1.1 or within such other reasonable date as the Authority may determine, the Licensee shall submit to the Authority the roll-out plan in respect of the 9 year period referred to in A.1. At least 2 (two) months prior to the end of the period referred to in A.1.2 or such other reasonable date as the Authority may determine, the Licensee shall submit to the Authority the roll-out plan in respect of the remaining period for the 7 years referred to in A.1.3. The approval of the roll-out plan is subject to the discretion of the Authority.
- A.12 The roll-out plan as contemplated in A.9 above shall be co-ordinated in consultation with the Universal Service Agency, under the supervision of the Authority. Without derogating from the contents of these obligations, the implementation of the Licensee's obligations and commitments may further be co-ordinated between the Licensee, national and provincial Departments of Education and other entities working to achieve computer and Internet accessibility in rural public schools.
- A.13
- a). The provision of Internet access for the purposes of compliance with the obligations contained in A.1 read together with A.2 above, shall be made available at the 50% discount rate applicable to all rural public schools and further public education and training institutions referred to in section 45(3) of the Act or such other suitably discounted rates as the Authority may, in its reasonable discretion, approve from time to time.
- b). The Licensee shall be solely responsible for concluding all contractual arrangements necessary for the provision of the Internet access services to qualifying schools, whether concluded directly with such schools or otherwise on their behalf, including payment and levels of service, provided that the Licensee will use its reasonable endeavours to minimise any disruption of Internet access to such schools due to non-payment and will notify the Authority in the event that any Internet access service is

discontinued for this reason. Upon good cause shown, disruption of any Internet access service shall not prejudice compliance by the Licensee with the obligations contained in this Annexure A.

- A.14 The contents of the roll-out plan contemplated in A.9 may be amended by agreement between the Licensee and the Authority to include any proposals made by the Authority or the Licensee within the 6 months or 2 (two) month period referred to in A1.10 above. Such proposals may include community centres or community clinics and on such terms and conditions as the Authority may determine.
- A.15 The Authority shall periodically **assess** the Licensee's level of compliance with its obligations to provide Internet access to rural public schools. For the purposes of compliance with the obligations contained in this Annexure A, the Internet access to ~~be~~ provided **by** the Licensee, may be contracted or procured **by** the Licensee from any **alternative** suppliers using any suitable telecommunication facilities, subject to compliance with the general conditions of the Multi-MediaService Licence.
- A.16 The Licensee agrees to the commitments and obligations set out in this Annexure A. Failure by the Licensee to comply with, or to discharge the commitments set out in Annexure A may result in the imposition penalties in terms of section 100 of the Act.
-