



## **EXHIBIT HH 5.2**

**JUN DAVID  
MAHLABA**



**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,  
CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE**

2<sup>nd</sup> floor, Hillside House  
17 Empire Road,  
Parktown  
Johannesburg  
2193  
Tel: (010) 214 to 0651  
Email: [inquiries@sastatecapture.org.za](mailto:inquiries@sastatecapture.org.za)  
Website: [www.sastatecapture.org.za](http://www.sastatecapture.org.za)

---

**INDEX: EXHIBIT HH 5.2**

---

#	Description	Pages
1.	Affidavit of Jun David Mahlaba	01 to 05
2.	Annexure "JDM 1"	06 to 20
3.	Annexure "JDM 2"	21 to 26

IN THE COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE  
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR  
INCLUDING ORGANS OF STATE ("THE COMMISSION")

AN INVESTIGATION INTO THE VREDE DAIRY PROJECT

**SWORN AFFIDAVIT**

I, the undersigned,

**JUN DAVID MAHLABA**

hereby declare under oath as follows:

1. I am an adult male and member of the community that resides at Thembalihle Location, Vrede, in the Free State Province. I am one of the persons whose name is on the list of beneficiaries of the Vrede Integrated Dairy Farm project ("the dairy farm project") that the Department of Agriculture and Rural Development ("the Department") initiated.
2. The content of this affidavit is true and correct and falls within my own personal knowledge, unless the contrary clearly appears from the context or is otherwise stated.

*S. P. M.*

*JD*

3. On or about 09 July 2019 the investigators of the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector ("the Commission") arranged to interview me in relation to the dairy project. This is an account of my recollection of the events that ensued and that I participated in.
4. The first time I became aware of the dairy farm that was established in Vrede, was in or about April/May 2012 when a meeting was held at Mhlabunzima Hall in Thembalihle Locatioin, Vrede. In attendance at the meeting was Mr. Mosebenzi Zwane, the then MEC for Agriculture, who was accompanied by, among others, Mr. Thabethe and Ms. Alta Meyer. Also in attendance were members of the community who had an interest in the dairy farm. I was in attendance at that meeting.
5. We were invited to participate in the dairy farm as beneficiaries, and asked to write down our names and identity numbers for this purpose. I was one of those who responded positively.
6. A second meeting was held about a month later. There were at least 80 to 86 beneficiaries present at that meeting. This time we met Mr. Thabethe and Ms Meyer at the Town Hall. Ms Meyer asked us to select a Committee that would interact with the dairy farm, herself and with Mr. Thabethe. A three person Committee was selected, with myself as the Chairman, Ms Lindiwe Zephla Masiteng as Secretary, and Mr. James Dumalisile

S.P.M

SD

Ngqosini as the Treasurer.

7. Ms Meyer explained that the Committee would have to sign a beneficiary agreement on behalf of all the beneficiaries, which agreement I annex hereto marked "**JDM 1**" along with the list of beneficiaries, marked "**JDM 2**". She explained the contents of the beneficiary agreement to all of us, and thereafter I signed the agreement in my capacity as Chairman of the Committee and on behalf of all the beneficiaries. Ms. Masiteng and Mr. Ngqosini signed as witnesses.
8. When I signed the beneficiary agreement, it had the signatures of the departmental official, Dr TJ Masiteng and his witnesses, but no date. I did not date the agreement when I signed it either because Ms. Meyer said that they would insert the date at a later stage. I do not recall meeting Dr. TJ Masiteng. Ms Meyer was the person we interacted with when we signed the agreement.
9. I understood my role as Chairman of the Committee being that of liaising with the Department, and with the management of the dairy farm. We were promised work at the farm, as well as shares in the dairy farm. We were also told that products such as cheese, ultramel, and yoghurt would be produced at the dairy farm. As a Committee, our task was to report on progress in respect of both these issues, i.e. work opportunities and our shareholding, once the dairy farm was operational.

Sf.M

JD

10. Ms Meyer and Mr Thabethe said they would return after one to two months to select workers for the dairy farm. In the meantime the Committee should wait to hear from them.
11. This further interaction between the two Departmental officials and the Committee did not take place. In December 2012 we realised that there were people working at the farm. None of them were beneficiaries. Up to this point in time, the Committee had not been contacted by Ms Meyer or Mr. Thabethe or the management of the farm.
12. The Committee did not meet to discuss the dairy farm or any matters related thereto as we were waiting for Ms Meyer and/or Mr. Thabethe or the management of the farm to contact us.
13. I am aware that the members of the Democratic Alliance attended at the dairy farm. I was not in Vrede at that time. I am also aware of the interest of the Public Protector in matters related to the dairy farm.
14. In or about March/April this year I received a telephone call from an official in the Bloemfontein Office of the Public Protector, who wanted to know what was happening with regard the beneficiaries. I advised that nothing had transpired after our last meeting with the officials from the Department, i.e. Ms Meyer and Mr. Thabethe.
15. I further advised that I had signed a beneficiary agreement in my

Sf. m

JD

representative capacity as Chairman of the Committee that had been elected to liaise on the dairy farm matters. I also told that official that we as a Committee were still waiting for further interaction with the dairy farm.

16. Finally, I advised that to my knowledge, no one had sold any cattle in the expectation that these would be replaced by the dairy farm and/or Department.

17. This is all I wish to declare at this stage.

  
DEPONENT

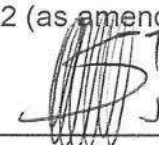
Signed and sworn before me at VRABE this 09 day of July 2019 after the deponent declared that the deponent is familiar with the contents of this statement and regards the prescribed oath as binding on the deponent's conscience and has no objection against taking the said prescribed oath. There has been compliance with the requirements of the Regulations contained in Government Gazette R1258, dated 21 July 1972 (as amended).

COMMISSIONER OF OATHS:

FULL NAMES:

CAPACITY:

ADDRESS:

  
SIPHO PETROS MOWI  
SERGANT  
07 KERK STREET  
VRABE  
9835





agriculture & rural developmer  
Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

## BENEFICIARY AGREEMENT

Entered into and between

### DEPARTMENT OF AGRICULTURE FREE STATE (The Department)

The Department of Agriculture, Private Bag x01, Glen 9360, herein represented by the Chief  
Director: DISTRICT IMPLEMENTATION of the Department duly authorized thereto

AND

### VREDE DAIRY PROJECT 2013/14 (Hereinafter referred to as "PROJECT BENEFICIARY")

Herein represented by :

Name of Beneficiary: JUN DAVID MAHLABA

Identity no : 7605305426081

Physical address: 179 MAGAGASANE STR  
VREDE

AGREEMENT: DARD. VREDE DAIRY PROJECT

S.P.M. SD

Z.L.

M.T.E

CM

JDM

SD



## BENEFICIARY AGREEMENT

### PARTIES

1. The parties to this agreement are cited on the cover page to this agreement.

### RECORDAL

2. It is recorded that -
  - 2.1. the Comprehensive Agricultural Support Programme ("CASP") and Illema/ Letsema Programme of the Department, has as its long term goal, the enhancement of the living conditions of low income households in rural and peri-urban communities in the Free State through the use of capital funding from the CASP to establish economically viable and sustainable food and income generating activities, focusing in particular on the agricultural sector;
  - 2.2. the Department will make available Project Funds from the CASP and Illema/Letsema to the Beneficiary for purposes of funding the Project in accordance with the terms and conditions of this agreement;
  - 2.3. an Mentor may be appointed by the Department for the benefit of the Beneficiary, to assist the Beneficiary in the preparation and implementation of the Project by performing contractually agreed tasks and duties in relation to the Project, which performance shall be monitored by the Department and the Beneficiary;
  - 2.4. this agreement is concluded on the basis that the Beneficiary shall use its best endeavours to ensure the success, sustainability and profitability of the Project through the effective, efficient and accountable use and application of the Project Assets in relation to the Project; and
  - 2.5. the Parties agree as set out hereinafter.

### DEFINITIONS AND INTERPRETATION

- 3.1 In this agreement, unless inconsistent with or otherwise indicated by the context the following words and expressions shall have the meanings set out opposite them:

"Aftercare Services" :

Technical, financial and management assistance and support provided to the Beneficiary by the Department (whether by the Department itself or outsourced by the Department) in its sole discretion (taking into account the availability of funds and capacity to provide such services) after the Project Completion Date;

"Beneficiary" :

the Party contemplated in clause 1.2;

"BP" :

the business plan for the Project, or where such business plan does not exist at the date of signature of this agreement any future business

AGREEMENT: DARD: VREDE DAIRY PROJECT

JD

Z.L.

M.T.E

S.P.N

OM

S.D.M

SD

"Financial Year"	a period of 1 (ONE) year being the financial accounting period nominated by the Beneficiary, or as determined by applicable law;
"Mentor"	Mentor(s) or departmental official(s) or service provider(s) contracted by the Department to assist the Beneficiary in the preparation and implementation of the Project;
"Members"	the individual beneficiaries listed in the Constitution who are to benefit from the Project and form part of the Beneficiary whether as members, partners, shareholders, trust beneficiaries or otherwise, depending on the legal nature of the Beneficiary;
"Parties"	the Department and the Beneficiary, and any reference to "a Party" shall refer to one of the relevant Parties as required by the context;
"PIP"	the Project Implementation plan for the Projects, or where such Project implementation plan does not exist at the date of signature of this agreement any future Project implementation plan drafted for the Project and approved by the Department, and any future updates thereto or amendments thereof, containing details regarding the nature of the Project, the Project implementation framework and timeframes, production methodology, cost estimates and allocations, asset life and replacement cycles, cash flows and marketing strategy of the proposed business, as well as such other matters which are required by the Department;
"PMU"	the Project Management Unit of the Department responsible for the management and administration of the CASP and all aspects of projects implemented in terms thereof;
"PPAC"	the Provincial Project Appraisal Committee of the Department, being the final decision-making body with authority to grant approval for the Implementation of projects in terms of the CASP;
"Production Commencement Date"	the date on which the first draw downs from the Project Funds are made for working capital (as defined and set out in the PIP);
"Project"	the project identified in the BP to be implemented by the Beneficiary in accordance with the PIP with the assistance of the Department and IO and in accordance with the terms and conditions of this agreement;
"Project Completion"	the alienation of the Project Assets to the Beneficiary, entailing the transfer of title and ownership in the Project Assets to the Beneficiary and the alienation of control in the Project to the Beneficiary and, subject to the provisions of clause 10, the termination of this agreement and all responsibilities of the Department in terms of this agreement;
"Project Completion Date"	12 (TWELVE) months from the Production Commencement Date, or such longer period as extended in terms of clause 11 or unilaterally approved by the Department in its sole discretion;

JA

Z.L.

M.T.B.

AM

JAM

SD

SPM

plan drafted for the Project and approved by the Department, and any future updates thereto or amendments thereof, containing details regarding the nature, description, objectives, cost estimates, cash flows and marketing strategy of the envisaged business;

"Certificate of Completion":

the certificate issued by the Department's auditor containing the final asset register compiled during the Completion Audit and the Completion Date, and signed by the Beneficiary and Department signifying that Project Completion has taken place;

"Completion Audit":

the audit conducted by the Department's auditor for the purpose of determining the nature, quantity and value of the Project Assets as at the date the audit is conducted in terms of clause 12.1;

"Completion Date":

the date certified by the Department's auditor in the Certificate of Completion as the date on which the Project is completed and this agreement, subject to its terms and conditions, is terminated;

"Constitution":

the founding document of the Beneficiary, approved by the Department, which may be a founding constitution, trust deed, articles of association, partnership agreement or association agreement, depending on the legal nature of the Beneficiary;

"CASP":

the Comprehensive Agricultural Support Programme;

"Department":

the Free State Department of Agriculture and Rural development being a provincial department of the Government of South Africa as contemplated in section 7(2) of the Public Service Act, 1994 (promulgated under Proclamation No. 103 of 1994) read with Schedule 2 thereof (as amended);

"Department's auditor": the person nominated by the Department to conduct an Alienation Audit;

"Effective Date": date of approval of the Project by the PPAC, notwithstanding the date of signature of this agreement by the Parties;

"Extension Services":

the ancillary services supplied by the Department (whether by the Department itself or outsourced by the Department) to the Members of the Beneficiary on an ad hoc basis, for the duration of this agreement, which may include but shall not be limited to technical, financial and management assistance and advice, the provision of technical, financial and management information, training and development and informal transfer of skills to the Members of the Beneficiary;

"Financial Statements" at a minimum shall include a Balance Sheet, Income Statement and Cash Flow statement;

S. J. M.

SD

Z. L.

M. J. E.

DM

JDM

SD

**"Project Assets"**

all buildings, plant, fixtures and fittings, and all improvements constructed/and or installed on the Project Site, as well as all equipment, livestock, furniture, tools, spare parts and other assets, all of the aforesaid in relation to the Project and procured by the Department for the Beneficiary with the Project Funds in terms of a competitive procurement process;

**"Project Extension 11;**

"an extension of the Project in accordance with the provisions of clause

**"Project Funds"**

the total funds as indicated in the PIP and BP to be made available for the Project by the Department in terms of this agreement, as well as any further funds made available for the Project pursuant to a Project Extension, which funds may include amounts for planning and implementation, training, materials and equipment, services, transport, capital expenditure, working capital and sundries;

**Project Site"**

the site, subject to clause 5, on which the Project is to be executed;

**"Termination Date"**

any date of termination of this agreement in accordance with its terms earlier than the Completion Date;

**"the/this agreement thereto;**

this agreement between the Parties together with the Annexures

**"Trial Balance"**

a summary statement of the debit and credit balances of all Project accounts at a specified point in time and in a format approved by the Department;

3.2. In this agreement, unless inconsistent with or otherwise indicated by the context -

3.2.1. the headings of clauses, sub-clauses and Annexure have been inserted for convenience only and shall not affect the interpretation of this agreement;

3.2.2. any reference to any agreement or annexure, shall be construed as including a reference to any agreement or annexure amending, varying, novating or substituting that agreement or annexure, provided all approvals required to be given pursuant to this agreement for any amendment, variation, novation or substitution of such agreement or annexure has been obtained;

3.2.3. any reference to "Parties" shall include the Parties' respective successors-in-title;

3.2.4. any reference to one gender shall include the other gender;

3.2.5. words in the singular number shall include the plural and vice versa;

3.2.6. references to a "person" shall include where the context so requires, an individual, firm, company, corporation, juristic person, local authority, and any trust, organisation, association or partnership, whether or not having separate legal personality;

3.2.7. words defined in a specific clause have the same meaning in all other clauses of this agreement;

- 3.2.8. if any definition in this clause 3 contains a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to such provision as if it was a substantive provision in the body of this agreement; and
- 3.2.9. the main body of this agreement (excluding Annexures) and the Annexures thereto should be read and interpreted together to be consistent with the intention of the Parties. In the event of any inconsistency between the main body of the agreement and the Annexures thereto, the provisions of the main body shall prevail.

### PURPOSES AND OBJECTIVES

4. The purpose and objective of this agreement is to provide for and govern the implementation and disbursement of the Project Funds and to create a framework for the successful and sustainable development, implementation and management of the Project by utilizing the Project Funds, Project Assets and Extension Services and the services of the Mentor.

### PROJECT CONDITIONS

- 5.1. This agreement is subject to the suspensive condition that the Beneficiary shall, on or before the Effective Date, have valid legal ownership of the Project Site, or have legal access and use thereof in the form of a valid and duly executed lease agreement or other similar legal arrangement approved by the Department, for the purposes of the execution of the Project.
- 5.2. If the condition stipulated in clause 5.1 is not fulfilled, on or before the date of last signature of this agreement, or such later date as the Department may in its sole discretion indicate to the Beneficiary in writing, this agreement shall be automatically cancelled and shall be of no force and effect, with the exclusion of any clauses which need to remain to apply to give effect to the provisions of this clause 5.2.

### STATUS OF THE PARTIES

6. It is recorded that, notwithstanding any provision to the contrary or any provision which could be construed to the contrary, the status of the Beneficiary shall be that of an independent party, and the Beneficiary shall under no circumstances and for no purposes whatsoever be regarded as a partner or employee, as the case may be, of the Department. The Parties hereby specifically record that they are contracting on an independent basis, and the Beneficiary shall under no circumstances and for no reason whatsoever have the right to in any way bind or represent the Department.

### THE PROJECT

- 7.1. The Department shall make available for the carrying out of the Project the Project Funds, which Project Funds shall be approved and released in accordance with and for the purposes and requirements of the PIP.

AGREEMENT: DARD: VREDE DAIRY PROJECT

SD

Z.L.

M.T.B.

AM

JAM

SD



- 7.2. The Project Assets shall only be utilized in relation to the Project and for no other purpose whatsoever, unless authorized in writing by the Department and in accordance with this agreement.
- 7.3. The Department, with appropriate assistance by the mentor where necessary, shall utilize the Project Funds to procure the necessary services, supplies and work items required in accordance with the PIP for the Project on behalf of the Beneficiary.
- 7.4. The Project Funds shall be capped at the amounts contained in the PIP and BP approved by the Department, and the Beneficiary shall have no claim in terms of this agreement for any further amounts or funds from the Department, unless approved by the Department for purposes of a Project Extension.
- 7.5. The Beneficiary shall have no title or claim against the Department for any portion of the Project Funds not utilized in relation to the Project at the Completion Date or Termination Date.
- 7.6. The Project Assets shall be procured by the Department utilizing the Project Funds. At Project Completion, all title and ownership of the Project Assets, including all risk, costs and expenses associated therewith, shall pass to the Beneficiary, and the Department shall have no ownership or obligations in respect of such Project Assets.

#### RIGHTS AND OBLIGATIONS OF THE BENEFICIARY

##### 8.1. General obligations in relation to the Project

The Beneficiary shall –

- 8.1.1. use its best endeavours in the execution of the Project and shall at all times act in good faith towards the Department and mentor and act in the best interests of its Members;
- 8.1.2. ensure that its Members at all times comply with and execute the Project in accordance with the provisions of its Constitution;
- 8.1.3. at all times ensure that the Project is carried out in compliance with all applicable legislation, law, regulations, ordinances, proclamations, consents, and applicable health, safety and environmental standards;
- 8.1.4. execute the Project at its own risk and shall be solely responsible to ensure the success and sustainability of the Project; and
- 8.1.5. be entitled to generate, charge and collect revenue from the Project for its own account, and the Department and mentor shall have no entitlement to any share, distribution or dividend from the revenue generated by the Project.

##### 8.2. Project Assets

The Beneficiary shall –

- 8.2.1. use the Project Assets solely for the execution of the Project and for no other purpose whatsoever, unless the prior written consent of the Department for the

alternative use of the Project Assets has been obtained;

- 8.2.2. sell, dispense, replace, encumber, cede, assign, transfer, depreciate or alienate the Project Assets deemed to be capital items reasonably in accordance with the asset life and replacement cycle contained in the PIP, provided that where the Beneficiary requires a substantial deviation from the asset life and replacement cycle for the treatment of any capital item, such deviation must be approved by the Department in writing;
- 8.2.3. use, consume, alienate, sell, transfer, dispense, destroy or replace Project Assets deemed to be working capital items in accordance with the PIP, provided that where the Beneficiary requires a substantial deviation from the PIP for any working capital item, such deviation must be approved by the Department in writing.
- 8.2.4. at its own cost and expense be responsible for the maintenance and up-keep of the Project Assets, and shall ensure that such are maintained at a reasonable level and standard;
- 8.2.5. take all reasonable steps against third parties who are in unlawful possession of Project Assets to recover such assets and compensation for damages thereto;
- 8.2.6. ensure that all Project Assets acquired are without undue delay, recorded in an asset register kept on the Project Site, which asset register shall be regularly updated by the Beneficiary and kept current to at any given time reflect the status and condition of all Project Assets;
- 8.2.7. furnish the Department within 14 (FOURTEEN) working days of the receipt of a request from the Department, with full details regarding the use and whereabouts of all Project Assets;
- 8.2.8. allow the Department to recover and remove any remaining Project Assets from the Project Site in the event of any breach of this agreement by the Beneficiary;
- 8.2.9. be liable to reimburse to the Department the monetary value of all Project Funds, or any portion thereof, disbursed in the carrying out of the Project in the event of the Beneficiary failing to substantially comply with the provisions of clause 8.2; and
- 8.2.10. allow the Department where the Department so requires, to register a bond for the benefit of the Department over any of the Project Assets which are capital items, as security for the due fulfilment of the Beneficiary of its obligations in terms of clause 8.2.2. The entitlement of the Department to such bond shall terminate in accordance with clause 10.3.

### 8.3. Access

The Beneficiary shall -

- 8.3.1. for the duration of this agreement at all reasonable times during normal working hours grant unrestricted access to the Project Site to the Department and the mentor in order to enable the Department and the mentor to perform their respective activities and ensure the compliance of the Beneficiary with the terms of this agreement; and

- 8.3.2. for the duration of this agreement at all reasonable times during normal working hours grant unrestricted access to all books, records, documents, notices, invoices, financial statements, and other records or documents required by the Department or mentor which are in the possession or under control of the Beneficiary.

#### 8.4. Finances and management

The Beneficiary shall -

- 8.4.1. implement and maintain a proper accounting or bookkeeping system in respect of the Project which complies with generally accepted accounting practice and which is kept current and managed on a daily basis;
- 8.4.2. supply the Department, for the duration of this agreement, within 14 (FOURTEEN) days after the end of each calendar month with a Trial Balance for that month together with a progress report in a format approved by the Department, briefly detailing the progress of the Project in relation to the PIP. The first Trial Balance shall be submitted in the first calendar month following the month in which the bookkeeping system was implemented;
- 8.4.3. supply the Department, for the duration of this agreement, within 3 (THREE) months after the end of each Financial Year, with the Financial Statements of the Beneficiary for that Financial Year;
- 8.4.4. pay all taxes which apply to the Beneficiary and the Project, and without limiting the generality thereof, pay any VAT (where the Beneficiary is a registered VAT vendor), regional service levies, taxes relating to employees, duties and other taxes which may apply;
- 8.4.5. implement good management practices in relation to the Project in order to ensure the effective management and monitoring of all aspects of the Project; and
- 8.4.6. ensure that the conditions of employment and treatment of employees of the Beneficiary (if any) are in accordance with current labour laws and standards.

#### 8.5. Project specific requirements

The Beneficiary shall ensure compliance in all respects with the specific obligations of the Beneficiary relating to the Project.

### RIGHTS AND OBLIGATIONS OF THE DEPARTMENT

9. The Department shall -
- 9.1. provide, subject to clause 13.2.8, the Project Funds / Assets as required in terms of this agreement and may contract an mentor (If deemed necessary and upon condition of available funds for doing so) to provide the necessary support to the Beneficiary;
- 9.2. for the duration of this agreement provide Extension Services to the Beneficiary; and
- 9.3. after the Completion Date at its discretion and on request of the Beneficiary provide Aftercare Services to the Beneficiary.



**DURATION AND TERMINATION OF AGREEMENT**

- 10.1. This agreement, subject to clause 10.3, shall commence on the Effective Date and shall thereafter endure until the Completion Date or Termination Date, whichever the earlier.
- 10.2. Upon termination of this agreement for whatever reason, the Beneficiary shall furnish the Department within 1 (ONE) month after the termination, such accounting records, asset register as contemplated in clause 8.2.4 and other documentation relating to the Project as requested by the Department.
- 10.3. Clause 8.2 shall survive the termination of this agreement for a further period of 3 (THREE) years.

**PROJECT EXTENSION**

- 11.1. The Beneficiary may at any time during the existence of the agreement apply to the Department for a Project Extension, which application must be in writing and must clearly state whether the Beneficiary is requesting an extension of the Project Completion Date and/or an allocation of further Project Funds to the Project.
- 11.2. The Department after considering the application for Project Extension may –
  - 11.2.1. grant an extension of the Project Completion Date; or
  - 11.2.2. grant an allocation of further Project Funds to the Project; or
  - 11.2.3. grant both 11.2.1 and 11.2.2; or
  - 11.2.4. refuse the application for Project Extension, in which event the Department shall provide the Beneficiary with written reasons for such refusal.

**PROJECT COMPLETION**

- 12.1. Project Completion shall only occur in the event of the Project being determined by the Department to be a sustainable Project carried out to the satisfaction of the Department in accordance with this agreement, which determination shall not be unreasonably withheld. Until the Department has made such determination, the Department may extend the Project Completion Date until such time as the Department determines the Project to be sustainable.
- 12.2. Approximately 1 (ONE) month prior to the Project Completion Date approved by the Department, the Department's auditor shall conduct a Completion Audit of the Project and shall reconcile and verify the Project asset register kept by the Beneficiary (or where no such asset register exists, compile an asset register of the Project Assets on the Project Site), with the disbursement of Project Funds and the BP and PIP for the Project.
- 12.3. Discrepancies, differences, shortfalls or any other matter of concern to the Department's auditor arising from the audit contemplated in clause 12.2 must be clarified and substantiated by the Beneficiary. In the event that the Beneficiary fails to provide substantiation to the reasonable satisfaction of the Department's auditor as to the concerns raised, such failure shall be deemed a breach of this agreement.

- 12.4. In the event that the Department's auditor is satisfied with the outcome of the Completion Audit, the Department's auditor shall draft a Certificate of Completion which shall be signed by the Department and the Beneficiary.
- 12.5. A Letter of Donation will be given to the project to indicate the alienation of the procured assets after the successful verification of the procured assets. The Letter of Donation shall state the Completion Date, on which date this agreement, subject to clause 10.3 shall terminate.

### BREACH

- 13.1. Should the Beneficiary commit a breach of any provision of this agreement and fail to remedy or rectify such breach within 14 (FOURTEEN) days after receipt of a written notice from the Department, calling upon the Beneficiary to remedy such breach, the Department shall be entitled, without prejudice to any other of its rights, to forthwith cancel this agreement by written notice to the Beneficiary.
- 13.2. Without limiting the generality of clause 13.1, the Department shall be entitled to cancel this agreement without notice to the Beneficiary on the occurrence of one or more of the following events -
- 13.2.1. the termination of activities, dissolution, deregistration, or winding up of the Beneficiary;
  - 13.2.2. any act of insolvency as defined in the Insolvency Act 24 of 1936, by the Beneficiary;
  - 13.2.3. any wilful or negligent destruction of a material part of the Project Assets;
  - 13.2.4. any failure to comply with the provisions of clause 8.2;
  - 13.2.5. any removal from the Project Site of the Project Assets other than in the ordinary course of the execution of the Project, without the approval of the Department;
  - 13.2.6. failure or refusal by the Beneficiary for a period of more than 14 (FOURTEEN) days to sign the Certificate of Completion as contemplated in clause 12.4;
  - 13.2.7. a continued and prolonged refusal by the majority Members of the Beneficiary to participate in the Project leading to stagnation and failure of the Project; and
  - 13.2.8. the unavailability of the Project Funds, for whatever reason, for disbursement by the Department in terms of this agreement.
- 13.3. In the event of cancellation by the Department of this agreement in terms of this clause 13, the Department, notwithstanding any other rights which it may have, shall be entitled to recover any remaining Project Assets from the Beneficiary and/or the monetary value of the Project Funds, or any portion thereof, utilized in relation to the Project together with interest thereon from the Beneficiary.

### INDEMNITY

14. The Beneficiary hereby indemnifies and shall keep the Department indemnified at all times against any claim in respect of the death and/or personal injury of any person,

AGREEMENT: DARD: VREDE DAIRY PROJECT

S.P.M

J.D

Z.L.

M.T.B.

AM

JAM

JD

including employees of the Department and the public, and/or any claims for loss or damage to the property or assets of any person, including employees of the Department and the public, arising in consequence of any act by any employee, member, agent or invitee of the Beneficiary in the course of carrying out the Project, but excluding any claims for loss or damage arising from the gross negligence of the Department or its employees.

### DISPUTE RESOLUTION

- 15.1. The Dispute Resolution Procedure set out in this clause 15 (the "Dispute Resolution Procedure") shall apply to any dispute, claim or difference arising out of or relating to this agreement.
- 15.2. All disputes shall first be referred to a mediation committee (the "Mediation Committee") consisting of the Head of the PMU and a representative of the Department and the Chairperson of the Beneficiary and a further representative nominated by the Beneficiary, for resolution. An agreement reached by the Mediation Committee shall be reduced to writing and shall be binding on the Parties.
- 15.3. If the Parties have been unable to resolve any dispute within 21 (TWENTY-ONE) working days of referral to the Mediation Committee, either Party may refer the dispute for arbitration.
- 15.4. The arbitration shall be conducted in accordance with the provisions of the Arbitration Act, 1965 (Act No 42 of 1965, as amended from time to time), provided that –
  - 15.4.1. a single arbitrator shall be appointed;
  - 15.4.2. the arbitrator shall be a practicing counsel or attorney of not less than 10 (TEN) years standing agreed upon by the Parties within 10 (TEN) days after the date on which the arbitration is called for.
- 15.5. If the Parties fail to reach agreement within 10 (TEN) days after arbitration has been called for on the arbitrator to be appointed, such arbitrator shall be appointed by the President for the time-being of the Law Society of the Free State.
- 15.6. The arbitration proceedings shall take place in Bloemfontein at a venue and time to be determined by the arbitrator.
- 15.7. The arbitration proceedings shall be held informally and in a summary manner, and all procedural requirements and formalities shall be determined by the arbitrator. In determining such formalities and procedure, the arbitrator does not need to observe the normal strict rules of evidence or usual formalities of procedure.
- 15.8. The decision of the arbitrator shall be final and binding.
- 15.9. The cost of the arbitration proceedings shall be borne by the Parties as decided by the arbitrator.
- 15.10. This arbitration clause shall not prevent the Parties from acquiring urgent relief from a court of law by means of motion proceedings.

**INSURANCE**

- 16.1. The Beneficiary must ensure that for the duration of this agreement adequate insurance at the replacement value of the relevant assets is procured and maintained in accordance with the relevant insurance industry standards for Project Assets which are capital items, unless the Department in writing waives the obligation to insure specific assets.
- 16.2. The Beneficiary hereby cedes and undertakes to cede all amounts receivable in terms of the Insurance referred to in clause 16.1 as security against the damage or destruction of the Project Assets contemplated in clause 16.1.
- 16.3. The Beneficiary shall do all necessary, and sign all documentation, including to notify the Insurers of the insurance contemplated in clause 16.1, of the cession thereof as contemplated in clause 16.2, to give effect thereto.
- 16.4. In the event of the damage or destruction of the Project Assets contemplated in clause 16.1, the Beneficiary shall utilize the proceeds of the insurance to restore, repair or replace such damaged or destroyed Project Assets.
- 16.5. Where the Beneficiary fails to utilize the proceeds of the insurance as contemplated in clause 16.4, the Department shall be entitled to demand immediate payment of all such proceeds and to, at its discretion, utilize the proceeds to either restore, repair or replace the damaged or destroyed Project Assets, or to return such proceeds back to the CASP and to terminate the agreement.

**ENTIRE AGREEMENT**

17. This agreement and the Annexures therewith, contain all the terms and conditions of the agreement between the Parties concerning the subject matter thereof and no terms, conditions, warranties or representations whatever apart from those contained in this agreement have been made or agreed to by the Parties.

AGREEMENT: DARD VREDE DAIRY PROJECT

SPM J.A. Z.L. M.T.B. AM JAM

SD

**INDULGENCE**

18. No relaxation or indulgence which any Party ("the first party") may grant to the other Party ("the second party") in regard to any of the second party's obligations in terms hereof shall constitute a waiver of or prejudice any of the first party's rights in terms hereof.

**NOTICES AND DOMICILIUM**

- 19.1. All notices given by either Party to the other in terms of this agreement shall be given in writing by pre-paid registered post or telefax, or delivered by hand to the addresses of the Parties indicated on the coverpage to this agreement or such other address as the one Party may inform the other in writing, which address will not be a *post restante*, and shall be deemed to have taken effect 14 (FOURTEEN) days after posting of the required written notice.
- 19.2. A notice -
- 19.2.1. given by registered post, will be deemed to have been received 5 (FIVE) days after the date of posting thereof;
- 19.2.2. sent by telefax, shall be deemed to have been received on the first working day following the date of transmission of such notice;
- 19.2.3. delivered by hand shall be deemed to have been received on the date of delivery thereof.
- 19.3. Notwithstanding anything to the contrary contained or implied in this agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.
- 19.4. The Parties choose as their *domicilium citandi et executandi* for all purposes under this agreement at the addresses referred to in clause 19.1.

**NON-VARIATION**

20. No variation or consensual termination of this agreement or any part thereof shall be of any force or effect unless in writing and signed by or on behalf of the Parties.

**COSTS**

21. The Department shall bear all costs relating to the drafting and administration of this agreement.

SIGNED AT Colen ON .....

Mejo  
WITNESS

AGRICULTURE & Rural Dev  
THE DEPARTMENT

[Signature]  
WITNESS

Dr. TS Masitong

Who by his/her signature  
warrants that he/she is duly  
authorized thereto

SIGNED AT Vrede ON .....

[Signature]  
WITNESS

JUN DAVID MATLAGAS  
BENEFICIARY:

[Signature]  
WITNESS

[Signature]  
Who by his/her signature  
warrants that he/she is duly  
authorized thereto



0000012

Cm: Kuhn &amp; Prinsloo Street

VREDE, 9835

Tel: 058 913 8300

PHUMELELA  
LOCAL MUNICIPALITY

Private Bag x 5

VREDE, 9835

Fax: 058 913 2317

## VREDE DAIRY BENEFICIARY LIST

No	Name & Surname	ID No.	Contacts	Address
1	Mpumelelo Ngubeni		073 237 7511	76 Dlamini Street
2	Kenneth Radebe		083 4784 632	219 Zamanani
3	Nomusa Mzizi		076 9703314	276 Zamani
4	Jun David Mahlaba	7605305426081	082 5972 557	91 Dladla Street
5	Lindiwe Masiteng		076 580 7739	2646 Sisulu Street
6	Dhlamini Ephraim Makhosini	6310215284081	083 9655 409	2387 Khanye Street
7	Meshack Mphaleni Ncongwane	5701255870089	084 389 6821 084 389 6821	
8	Velly Dhlamini	6405165452082	083 5346994	1503 Mashinini Street
9	Paulos Khumalo		072 504 6594	1863 Radebe Section
10	Josias Mahlaba	56210045759082	076 818 7824	91 Dladla Street
11	Samuel Msimanga	5005165235080	071 2473 433	1868 Radebe Section
12	Petrus Sangweni	6508185455082	084 351 0936	2538 Ext 3
13	Phumulane Sibeko	6001285969082	073 3637 395	2328 Khanye Street
14	Piet Mokoena	5412025377088	084 965 1415	2162 Ndaba Street
15	Samuel Dlamini	6405015627088	083 5092 181	2005 Ndaba
16	Mokhashane Jantjie Mphuthi	4001015257094	076 646 6851	Arandel Plaas
17	Selina Mthabela		076 7298 112	25 Mntungwa Street
18	Moses Motaung	6603285521089	076 379 4152	Lady Vlei
20	Aletta Mbele		079 851 1534	44 Mphuthi Street
21	Josinah Limakatso Radebe	5604090335081	083 499 0885	339 Vilane Street
22	Makhosini Josua Mokoena	304501135433089	079 302 3657	Langvirwag
23	Tshabalala Buti Andries		078 2921 594	1874 Radebe Section
24	Tshabalala Fanie		078 2921 594	1874 Radebe Section
25	Doctor Abednigo Moloi	7506105357080	084 3133 039	2385 Modise Section
26	Mbele Johannes	900225454088	072 8120 151	1712 Radebe Street
27	Twala Pickup Michael	3801085130084		1728 Radebe Section

S.m

JD

0000616

28	Jan Mfuphi		072 8573 640	Sweetwater farm	✓
29	Jim Twala		073 820 1674	219 Three Section	✓
30	David Khumalo	6106135419082	073 492 2969	3248 Mabhena Street	✓
31	Petrus Molefe	7505155357081	084 6096 853	Warden	✓
32	Teboho Nala	7603056068087	072 276 7727	Warden	✓
33	Sipho David Sigasa	6908185737085	084 0664 351	3098 Ntsele Street	✓
34	Mandla Mkhwanazi	8501195648083	078 912 9297	Warden	✓
35	James Ngqosini	7310315309084	072 481 0423	Vrede	✓
36	Kubeka Eric	7905065878087	078 288 5192	Vrede	✓
37	Motahane Teboho	6301155790088	079 7380 774	Warden	✓
38	Ntshingila Samson	9105105319089	071 706 6578	Warden	✓
39	Mokoena Jacob	4906105465086	079 555 9309	Warden	✓
40	Oupa Tshabalala	6309285340088	083 467 4716	Warden	✓
41	Amos Malinga		076 2388 205	Warden	✓
42	Agnes Ntshingila	5306265473088	084 650 1731	Warden	✓
43	Tshabalala Therisia	5007240393082	082 568 7632	Warden	✓
44	Thabo Mabula	6702110286080	078 2690 338	Warden	✓
45	Mazibuko Velaphi	8612175322084	073 656 4600	Warden	✓
46	Mokoena Simon	6209015443089		Warden	✓
47	Leah Motahane	4003285172086	078 812 5578	Warden	✓
48	Lizzy Moloi	6202020739088		756 Warden	✓
49	Matebesi Sebiloane	4803300414086	083 5335427	Roadside	✓
50	Mbele MJ	6306305205082	073 156 5587	Warden	✓
51	Adam Selepe	6110105559083	076 5539 784	1691 Radebe Section	✓
52	Elija Tshabalala	8402175322080	071 595 0432	3093 Extension 3	✓
53	Lucas Khanye	6310025749083	071 2720 704	3048 Extension 3	✓
54	Twala Motlalepule	6308075354085	072 569 3434	3444 Mhlambi Street	✓
55	Mlangeni Khehla Jim	5112285601082	071 269 4046	3049 Mhlambi Street	✓
56	Wellem Khanye	4811225218086	078 474 6699	21 Dungwa Street	✓
57	Jose Mofokeng	350514583088	082 598 1689	2156 Ndaba Village	✓
58	Phillmon Ngwenya	6501255887086	083 5240 509	3182 Extension 3	✓
59	Selina Ruth Masiteng	4812050438088	071 143 8901	2646 Ext 3	✓
60	Maria Phindile Dhlamini		083 965 5409	2387 Khanye Street	✓
61	Pauline Matse	6812030316089			✓
62	Nomshado Ireen Twala		084 850 7331	2385 Kheswa Street	✓
63	Annah Mkhanye	7410160439083	083 697 9946	56B Mphuthi Street	✓
64	Julai Khumalo	6209130631084	083 340 9195	1737 Radebe Section	✓
65	Zwelithini Cambridge Sebiloane		083 863 4034	1580 Mpholo Village	✓
67	B.H Motlounq	7705275289087	084 6410840	2488 Extention 3	✓
68	Moses Mollo	3702025207082	071 4594 202	Smal Deer Farm	✓
		4302145359085	074 750 0965	2520 Ext 3	✓

S.p.m

SP



0000617

Name \$ Surname	ID No	Contacts	Adress	
69. Khumalo Elliot		0792482824	9140 Ndaba village	✓
70. Sebiloane Lili Emma	5908230647 082	0726759205	36 Uys street	✓
71. Mokonehatsi Silas	6202126013 081	0818872761	1512 Modise	✓
72. Mkwebane Isaac	5605175719 088	0730615056	1718 Hambanathi	✓
73. Radebe Khehla	6103305491 082	0826350484	Pramkom Farm	✓
74. Ngubeni Meshack	8609046362 083	0711763784	3412 Ext. 3	✓
75. Tshabalala Richard	7805285272 089			✓
76. Motaung Simon Ntoeng	6907045288 081			✓
77. Moloj Maki Ntsoaki	7009120408 087			✓
78. Mkhwanazi Thokozani	8304206072 082			✓
79. Mdlala Lungile Favourite	7611060248 082			✓
80. Nkabinde Mbuyiswa Johan	81111058630 085			✓

**Management Committee:**

Chairperson: Jun David Mahlaba

Cell: 08259972557

Secretary: Zelpha Lindiwe Masiteng

Cell: 0765807739

Treasure: James Dumalisile Ngqosini Cell:

Cell: 0724810423

S.P.M.

SP

0000014

Name \$ Surname	ID No	M	F	Y
1. Mpumelelo Ngubeni		x		
2. Kenneth Radebe		x		
3. Mzizi Nomusa			x	
4. Jun David MAhlaba	7605305426 081	x		
5. Masiteng Lindiwe			x	
6. Dhlamini Ephraim Makhosini	6310215284 081	x		
7. Meshack Mphaleni	5701255870 089	x		
8. Velly Dhlamini	6405165452 082	x		
9. Paulus Khumalo		x		
10. Josias Mahlaba	6210045759 080	x		
11. Samuel Msimanga	5005165235080	x		
12. Sangweni Petrus	6508185455 082	x		
13. Sibeko Phumulane	8007285969 082	x		
14. Mokoena Piet	5412025377 088	x		
15. Dlamini Samuel	6405015327 088	x		
16. Makhasane Jantji Mphuthi	4001015257 094	x		
17. Mthabela Selina			x	
18. Motaung Moses	6603285521 089	x		
19. Mbele Alletta			x	
20. Radebe Josina Limakatso	5604090835 087		x	
21. Makhosini Joshua Mokoena		x		
22. TshabalalaButi Andries		x		
23. Tshabalala Fanie		x		
24. Moloi Doctor Abednigo		x		
25. Mbele Johannes	9002225454088	x		
26. Twala Pickup Michael	3801085130084	x		
27. Mfuphi Jan		x		
28. Twala Jim	6106135419082	x		
29. Khumalo David	7505155357081	x		
30.. Molefe Petrus	7603056068087	x		
31. Nala Teboho	6908185737085	x		
32. Mgqosini James	7905065878087	x		x
33. Sigaza David Sipho	8501195648083	x		x
34. Mkhwanazi Mandla	7310315309804	x		

S-f-m

J20

0000015

35. Khubheka Eric	6301155790088	x		
36. Motahane Teboho	9105105319089	x		x
37. Ntshingila Samson	4906105465086	x		
38. Mokoena Jacob	6309285340088	x		
49. Tshabalala Oupa		x		
40. Malinga Amos	5306265473088	x		
41. Ntshingila Agnes	5007240393 082		x	
42. Tshabalala Therisia	6702110286080		x	
43. Mabula Thabo	861175322084	x		x
44. Mazibuko Velaphi	6209015443089	x		
45. Mokoena Simon	4003285172086	x		
46 Motahane Leah	6202020739088		x	
47. Moloi Lizzy	4803300414086		x	
48. Sebilane Matebesi	6306305283082	x		
49. Mbele M. J.	6110105559083	x		
50. Selepe Adam	8402175322080	x		x
51. Tshabala Elija	6310025749083	x		
52. Khanye Lucas	6308075354085	x		
53. Twala Motlalepule		x		
54. Mlangeni Khehla Jim	5112285601 082	x		
55. Khanye Willem	4811225218086	x		
56. Mofokeng Jose	3505145183088	x		
57. Ngwenya Phillimon	6501255887 086	x		
58. Masiteng Ruth Selina	4812050438 088		x	
59. Dhlamini Maria Phindile	6812030316 089		x	
60. Matse Paulina			x	
61. Twala Nomshado Ireen	7410160439 083		x	
62. Mkhanye Anna	6209130431 084		x	
63. Khumalo Julai		x		
64. Zwlithini cambridge Sebilane	7705275289 087	x		
65. Motloung B. H.	3702025207 083	x		
66. Mollo Moses	4302145359 085	x		

S-P-M

30

0000013

Name \$ Surname	ID No	M	F	Y
67. Khumalo Elliot		X		
68. Sebiloane Lili Emma	5908230647 082		X	
69. Mokonehatsi Silas	6202126013 081	X		
70. Mkwebane Isaac	5605175719 088	X		
71. Radebe Khehla	6103305491 082	X		
72. Ngubeni Meshack	8609046362 083	X		
73. Tshabalala Richard	7805285272 089	X		X
74. Motaung Simon Ntoeng	6907045288 081	X		
75. Moloï Maki Ntsoaki	7009120408 087		X	
76. Mkhwanazi Thokozani	8304206072 082	X		
77. Mdlala Lungile Favourite	7611060248 082		X	
78. Nkabinde Mbuyiswa Johan	81111058630 085	X		X
			17	7

6,8

**Management Committee:****Chairperson: Jun David Mahlaba****Cell: 08259972557****Secretary: Zelpha Lindiwe Masiteng****Cell: 0765807739****Treasure: James Dumalisile Ngqosini Cell:****Cell: 0724810423**

S-P-M

JD