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AGREENIENT

ENTERED INTO BETWEEN

KAGISO TRUST

("the Trust")

and

("the Recipient")

. SOUTH AFRICAN EXTENSION UNIT

PROJECT NO: (471-000)

THE GRANT

1. The Trust hereby agrees to make available to the Recipient the sum of money referred to in Annexure "B", ("the grant") for the purposes set out in Annexure "A", ("the project description").

2. The grant shall be used by the Recipient only for the purposes and in the manner set out in Annexure "A".

3. The Recipient furthermore agrees to comply with the conditions for funding as set out in Annexure "C".

DATE OF OPERATION OF THE AGREEMENT

4. This agreement shall come into operation on the date on which it is signed by the parties.

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PAYIVIENT OF THE GRANT

5. Notwithstanding anything to the contrary herein contained or contained in the Annexures -

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The Trust shall be entitled to make payment to the Recipient of the grant at such time in such amounts and in such manner as it in its entire discretion deems fit;

The Trust may as an alternative to paying any part of the grant directly to the Recipient, pay such part of the grant directly to any person involved in the project and to whom such amount may be due in consultation with the Recipient.

FINANCIAL MANAGEMENT AND RECORDS

6. The Recipient undertakes responsibility for the proper supervision of the project.

7. The Recipient shall -

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render separately an income and expenditure statement detailing amounts received from Kagiso Trust and the expenses incurred which would be set off against such receipts. This statement would from a report separate from the overall recipients annual financial statement.
maintain proper books, records, documents and other evidence relating to all financial transactions with regard to the project in accordance with generally accepted accounting practice. The records pertaining to this grant shall be retained for a period of three (3) years from the date of expiry of the grant;

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the Trust with a detailed expenditure and income statement and such
7.3 furnish

other information as the Trust may reasonably require at annual intervals
calculated from the date of the commencement of the project and at such other
times as the Trust may require;

7.4 provide the Trust with a copy of any audited report obtained by the Recipient
during the period of the grant;

7.5 furnish the Trust with regular progress reports on the project in such manner
as the Trust may require. The Trust will determine at what intervals reports
are required;

7.6 not postpone, cancel or abandon the project without the written consent of the
Trust;

7.7 immediately advise the Trust if it experiences any problems which may affect
the project;

7.8 not be entitled to cede or assign any of its rights or obligations in respect of
. the project;

7.9 not alter, modify, vary or amend the project description without the consent
of the Trust;

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7.10 if the grant is in excess of RS000.00 per year or more, the Recipient undertakes to arrange for an audit of the funds provided in terms of this agreement and of the financial statements of the Recipient as a whole. Such audit shall be undertaken by an independent auditor and performed in accordance with generally accepted South African auditing standards. The costs of such audit shall be borne by the Recipient. The audit report shall be submitted to the Trust within ninety (90) days after completion of the audit. The audit shall be undertaken and completed and the report submitted not later than thirteen (13) months after the end of the Recipient's financial year.

8. The Recipient agrees to provide the Trust with a copy of its founding document, as well as details relating to its principal members/executive directors. This information shall include their names, designations and residential addresses. The Trust shall be notified in writing of any change in the principal members/executive directors of the Recipient organisation immediately this takes place.

9. The Recipient undertakes to employ suitable personnel with the necessary expertise.

RIGHTS OF THE TRUST

10. The Trust or its duly authorised representatives shall have free and total access to the

project and without limitation to -

10.1 all books and records relating to the project;

10.2 the bank accounts which shall be maintained by the Recipient in respect of the project;

10.3 all persons involved in the project.

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The Trust shall be entitled to audit any such books and records from time to time at its cost.

The Trust shall be entitled to conduct an evaluation of any of the Recipient's activities whenever it may deem necessary.

The Recipient hereby authorises and appoints the Trust with power of substitution irrevocably as the Recipient's attorney and agent in the Recipient's name, place and rights granted to it herein.

The project shall be carried on in the Recipient's name. The Recipient shall be solely responsible to third parties in regard to its activities and the Trust is hereby indemnified against any losses that the Recipient may sustain or any claims brought against it.

Where the main purpose of the Recipient is the producing of publications or other materials or where any project funded by the Trust produces any publications, or be provided to the Trust.

WARRANTIES

The Recipient hereby warrants:

16.1 that it has the necessary infrastructure to administer the project in accordance with its obligations in terms of this agreement;

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16.2 to make full disclosure to the Trust of any change in the circumstances of the project which may alter the original purpose for which the project was established.

SUSPENSION

17. In the event written notice is given to the Recipient of the breach of this agreement, the agreement shall be suspended pending the remedy to the Trust's satisfaction by the Recipient of the breach.

18. In the event the parties invoke the disputes procedure, the suspension would remain, effective until the dispute is resolved at either mediation or arbitration.

19. During the period of such suspension, the Recipient will not be entitled to claim payment of any amounts due in terms of this agreement.

CESSION

20. Insofar as the Recipient has a claim against Directors or employees of the Recipient arising out of theft, misuse or the misappropriation of funds received from the Trust, the Recipient hereby cedes its right, title and interest in such claims to the Trust. However, the Trust may at its option, choose not to exercise the cession and may require the Recipient to take appropriate steps to recover any amounts owing to it. Where the Trust exercises the cession and conducts litigation on behalf of the Recipient, the Trust reserves the right to recover the costs of the litigation from the Recipient.

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TERMINATION OF AGREEMENT

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The Trust will be entitled to terminate this agreement on written notice to the Recipient in the event of :

21.1 the Recipient breaching any terms of the agreement including any of the warranties and failing to remedy said breach within seven (7) days of written notice from the Trust calling upon it to remedy the breach complained of;

21.2 the grant is not being utilised for the purposes as set out in the project specification;

21.3 the purpose for which the Trust approved the project has ceased to exist or has been materially altered;

21.4 the project is not being implemented by the Recipient in accordance with the project specification.

In addition to paragraph 17 above, this agreement may be terminated at any time by either party on three months written notice to the other party.

In addition to the grounds specified herein, the Trust shall be entitled to cancel this agreement for any other lawful cause on written notice to the Recipient.

Should the agreement be terminated the Recipient shall be required immediately to return to the Trust all monies made available in terms of this agreement which have not at such date actually been expended by it. In addition the Trust may claim the repayment of any monies paid to the Recipient, without prejudice to any other rights which it may have in law.

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DISPUTES

25. If any dispute arises between the parties, out of or in connection with the operation L.

of this agreement, the procedure for resolving same shall be as follows:

25.1 Written notice shall be given of the dispute within five (5) days of the dispute having arisen to the other party;

25.2 Within five (5) days of the declaration of the dispute in writing, the parties shall meet to discuss the resolution of the dispute. Should the parties not be able to resolve the dispute at the meeting the dispute shall thereafter be referred by the parties to mediation before an independent mediator agreed between the parties.

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26. The costs of mediation shall be borne equally by both parties to this agreement.

27. The costs of arbitration shall be borne entirely by the unsuccessful party.

NON-VARIATION AND WAIVER

28. No agreement varying, adding to, deleting from, or cancelling or extending this agreement, and no waiver of any right under this agreement shall be effective unless it is reduced to writing and signed by or on behalf of both parties.

REFUNDS

29. The Trust reserves the right to require a refund by the Recipient of any amount which the Trust determines to have been expended for purposes not in accordance with the terms and conditions of this grant.

AGREEMENT

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CONCESSIONS

30. No concession granted by the Trust to the Recipient shall constitute a waiver of any of the Trustts rights under this agreement and accordingly the Trust shall not be precluded, as a consequence of having granted such concession from exercising against the Recipient any of its rights in terms of this agreement.

ADDRESS FOR SERVICE

31. The parties choose as domicilium citandi et axecutandi the following addresses

For the Trust: 5th Floor

FHA House

158 Market Street

J ohannesburg

For the Recipient: Allied Building

236 Bree Street

J ohannesburg

2001

Any change in the address for service has to be communicated to the other

NO TICES

32. Every notice or other communication required or permitted herein from either party shall be in writing. It shall be deemed to be sufficiently given and transmitted if and when:

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32.1 hand-delivered to other party at its address for service designated herein or any amended address in terms of which notice has been given in writing;

32.2 transmitted by means of telex or telefax number and in respect of which an acknowledgement of receipt has been received;

. 32.3 deposited in the mail, duly registered with postage prepaid and addressed to the other party at its address for service designated herein or any amended address in terms of which notice has been given in writing. A notice sent by mail in terms of the sub-clause shall be deemed to have been delivered on the fourth business day after the day of posting.

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THUS DONE AND SIGNED at JOHANNESBURG on this the day
of 1993, in the presence of the undersigned witnesses:
KAGISO TRUST (EMPLOYEES) AS WITNESSES:

RECIPIENT: AS WITNESSES :

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ANNEXURE "A"

DETAILS OF THE PROJECT

South African Extension Unit - (SAEU)

The SAEU is a regional distance teaching institution. It was established to cater for the education and training needs of South African exiles.

Objectives and activities for the year 1993/94

Students who have returned to South Africa

- The continued support of SAEU students

of the unit to South Africa.

through the relocation of activities

The effective amalgamation of administration and professional services with

those of SACHED and distance learning initiatives.

undertaken in their studies. Course materials will be developed

centres will be established and managed. Regional support

structures will be established in Johannesburg and Durban initially and a programme of

support for learners will be implemented. A monitoring and evaluation system to ensure

quality, student progress and efficient delivery will be implemented.

Up to 520 students will be supported

and modified. Administrative operations

Timeframe: 1993/94

ANNEXURE "B"

The amount made available for the project is R649,544.00

which shall, subject to the provisions of the agreement, be paid as follows:

1st instalment R 389,726.00 to be released upon signing of contract.

2nd instalment 194,863.00 to be released by the European Commission upon acceptance of an interim implementation

report including a financial statement (income & expenditure) .

3rd instalment 64,955.00 to be released by the European Commission

upon receipt of final narrative report including

an audited financial statement.

REPORTING CONDITIONS

Progress reports shall be furnished on or before the following date: (refer clause)

1. A copy of an interim implementation report and a financial statement to reach the Trust not later than 01 December 1993.

2. A copy of the final narrative report and financial statement to reach the Trust by 01 June 1994.

3. An audited financial statement to be submitted to the Trust at the end of the projects financial year. The statement must reflect all grants received from Kagiso Trust in conjunction with the Commission of the European Communities.

ANNEXURE "C"

IT IS A CONDITION OF FUNDING:

1. That the recipient provides an audited financial statement to reflect the recipient's total income and expenditure as at the financial year end closest to the date the final report is due.

2. That the supervisory authorities of the COMMISSION OF EUROPEAN COMMUNITIES,, including its court of auditors, be granted access to the project, if so requested, over and above the normal audited financial and narrative reports submitted to KAGISO TRUST.

. 3. That the recipient will acknowledge in its public documents the contribution made by the COMMISSION OF THE EUROPEAN COMMUNITIES (CBC) and KAGISO TRUST.