

FAR WEST RAND DOLOMITIC WATER ASSOCIATION

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CIRCULAR REF: 2018/36

MINUTES OF THE MEMBERS/MANAGEMENT MEETING HELD ON 15TH OF MARCH
2018 AT 10:00 AM AT SIBANYE GOLD'S AMANZI BOARDROOM, LIBANON

ATTENDEES

MEMBERS	REPRESENTATIVES	ALTERNATES
Chamber of Mines	Mr P Kruger (Chairperson)Mr N Lesufi (Deputy Chairman)	Ms S Mudau*
Sibanye Still Water (Sibanye)		
AngloGold-Ashanti West Wits Operations	Mr A Labuschagne	Mr E Grond
Kloof Gold Mining Co/ Libanon and Venterspost	Mr. G. Stuart	
Driefontein Consolidated Ltd. West Driefontein / East Driefontein	Mr J Wagner*	
Ezulwini Mining Company (Pty) Ltd. Trading as Gold Four Cooke Operations)	Ms T Naude	
Kusasaletu Mine (formerly Elandsrand/Harmony Mine)	Ms M Vermaak*	Mr H Mashaba Ms M Tshamano* Mr N Davies* Mr S Mporetji*

Goldfields /South Deep (interested party)	Mr J Ekkerd*	Ms J Strydom Mr B Monama
Rand Uranium trading as Gold One Cooke Operations (interested party)	Ms T Naude	
MANAGEMENT COMMITTEE MEMBERS	REPRESENTATIVES	ALTERNATES
DMR	Mr J Sekgale*	Mr M Tlaila* Mr R Mabogo*
DWS	Mr M Keet*	Mr B Govender* Mr D Van Niekerk
Council for Geoscience	Mr S Ngubelanga	Mr B Msane Mr I Saunders*

Absent *

By invitation:

Mrs SD Braham

Mr G Heath and Mr. N. Oosthuizen

**Companies House -
secretary
GSG**

1.ADMINISTRATION

1.1 Welcome

The Deputy Chairperson opened the meeting and welcomed all members/attendees present.

1.2 Apologies

It was noted that apologies were received from

Mr J Wagner
Mr M Keet
Ms M Vermaak

1.3 Ratification of round robin resolution appointing Mr P Kruger as the Chairperson of the FWRDWA (Circular no 2018/20)

The Deputy Chairperson explained that according to the FWRDWA Constitution, the Chamber of Mines had nominated Mr P Kruger, the Sibanye Gold representative, replacing Mr. H. Hira, as the Chairperson of the FWRDWA. Mr P Kruger had accepted the nomination.

Members ratified the passing of the round robin resolution appointing Mr P Kruger as the Chairperson of FWRDWA and thanked him for having taken up this responsibility.

1.4 Introduction

Mr P Kruger took over the chairing of the meeting and thanked members for their confidence in him. He asked that all attendees introduce themselves and confirm their representative capacities.

1.5 Quorum

It was determined that as per the FWRDWA Constitution, the quorum for a management committee is 5. As this was confirmed by the secretary, the Chairperson declared the meeting duly constituted.

1.6 Membership

Dealt with under item no. 6.1 and 6.2 on the agenda.

It was noted that Goldfields, which mines in an adjacent compartment, currently attend Association's meetings as an interested party. It was placed on record that they are considering applying for membership of the Association which will be dependent on the outcome of the way forward. Decision to be taken thereafter.

2. RESOLUTION OF THE MEMBERS APPOINTING THE FWRDWA CHAIRPERSON (Circular no. 2018/20)

Dealt with under item no. 1.3 on the agenda.

3. AGENDA (Circular no. 2018/19)

Tabled, taken as read and adopted.

4. MINUTES FROM PREVIOUS MINUTES MEETING HELD ON 18TH OF JULY 2017 (CIRCULAR NO 2018/21)

The minutes of the previous meeting held on 18th of July 2017 were tabled. **The secretariat was tasked with re-circulating the document for review by all members, prior to the holding of the next meeting at which it will again be tabled for approval.**

5. MATTERS ARISING/ACTION LIST FROM MINUTES OF PREVIOUS MEETING HELD ON 18TH OF JULY 2018 AS HIGHLIGHTED IN THE MINUTES

Covered during the course of this meeting.

6. ITEMS FOR DISCUSSION AND NOTING

6.1 PRESENTATION ON THE WAY FORWARD (CIRCULAR NO 2018/22)

Tabled and taken as read.

The Chairperson took members through the presentation, salient features included:-

- The current legal status of the FWRDWA, according to its Constitution establishes the FWRDWA as a universitas (which according to SA law is recognised as a juristic person with a separate legal personality.)
- Membership of the FWRDWA is voluntary.
- It is distinct from its members, has the capacity to own property, enter into contracts and sue or be sued in its own name.
- It will continue to exist despite changes in membership.
- Its assets and liabilities will be kept separate from those of its members and no members shall have any claim to its properties or rights, nor bear any liabilities for its duties or obligations, except to the extent of any unpaid levy.
- Upon dissolution, its assets are to be passed onto or donated to a similar association with similar objects.
- An overview of the regulatory framework upon formation of the FWRDWA in the 1960's and its current regulatory framework; membership; the management committee; the property portfolio and disposal thereof was given.
- It was pointed out that the Constitution can be amended by unanimous vote of all of the members at an AGM, without the Minister's consent, as Government was not party to the original agreement entered into by the mining houses in 1964 and has never been a member of FWRDWA. Government representation is on the management committee only.
- Consideration of the relevance of the FWRDWA, the objects of which have been fulfilled to a large degree and or overtaken by legislation which has changed the regulatory framework. In addition, the functions/responsibilities of the organisation have been limited to the managing of the property portfolio; monitoring ground movement; monitoring of sinkholes, making them safe and the rehabilitation thereof and the Duty of Care under NEMA, as a landowner.
- **Proposed way forward included:-**
 - **Amendment of the Constitution to reflect the current objects/functions/responsibilities of the Association and aligning membership of FWRDWA and the management committee in line with current developments.**
 - **Conducting a land audit and assessment with a view of disposing of as many of the FWRDWA properties as possible.**
 - **Realisation of value or reducing the footprint or a combination of both.**

Feedback/suggestions received from members included :-

- In the event of dissolution, the proceeds/residual amounts could either be:-
 - transferred to the Chamber of Mines for utilising in the industry's environmental affairs, i.e. the creation of a rehabilitation fund; or
 - ring-fenced for any issues that may arise after regional closure, which the mining houses may be held liable for.
- The viability of State Institution's continued membership of the management committee as the mining houses are in any event, in their individual capacity, obliged to comply with regulatory requirements of DMR and DWA.
- Mr G Heath advised that there is still the joint responsibility of the mining houses to monitor and manage the land. It was suggested that an additional object be added to the Constitution dealing with the rehabilitation of the land in the event of the formation of sinkholes for example, whether natural or caused by dewatering, which is to be determined by an expert opinion from the GSG and or Council for Geoscience.
- A collective approach of all mining houses on the West Rand is required.

- **Mr G Heath was asked to meet with the Head of the Council for Geoscience to explain the importance of their representation on the management committee of the FWRDWA from a technical expertise perspective. It was suggested that the Council for Geoscience also meet with DMR in this regard.**
- **The Deputy Chairperson advised that he would be setting up meetings with each CEO individual of all the mining houses within the West Rand area. He would be advising that in the event that the FWRDWA's assistance is foregone, they will need to formally endorse the risks then taken on by their individual mining houses.**
- **Members were asked to take the proposal back to the principals of their Constituencies for their consideration. Formal feedback required from each member by mid-April 2018. The secretariat was tasked with following this up and circulating all feedback received to all members, prior to the holding of the next meeting on the 17th of May 2018 at which a decision forward will be sanctioned by all members.**

6.2 REVISED DRAFT CONSTITUTION (CIRCULAR NO 2018/ 23)

Tabled by the Chairperson and taken as read.

Members agreed that amending the Constitution will be decided upon at the upcoming May meeting, once the Chairperson's proposals on the way forward and the revised draft Constitution had been reviewed and feedback received from the principals of each of the Constituencies.

6.3 MANAGEMENT ACCOUNTS FOR JANUARY 2018 (Circular no's 2018/07 to 2018/12 (Incl))

Tabled by the Chairperson and taken as read.

The Chairperson advised that currently RMS are responsible for the rental collections and the maintenance of the FWRDWA properties. Sibanye's finance department prepares the monthly FWRDWA management accounts which are circulated to members via the secretariat.

Members agreed with the Chairperson's proposal to appoint a representative of Sibanye's finance department as a Driefontein Mines alternate representative to Mr J Wagner. This representative will then attend future meetings and deal with the financial aspects of the FWRDWA.

The Chairperson outlined his concerns in regard to the proposed write off of rental collections, dating back to as far as 2008. Currently bad debts amounted to R13m, despite 90% thereof being with tracing agents. He proposed that upon the appointment of the financial representative, consideration will be given to the set-up of a sub-committee to work through this issue.

7. ITEMS FOR DISCUSSION AND FRAMEWORK FOR APPROVAL AND/OR AUTHORISATION

The Chairperson proposed that Members consider agreeing on a framework for approval and/or authorisation to allow for him to deal with various requests, without first having to obtain approval from members via round robin resolution, which is time consuming.

One example of the type of requests received had to do with the Association having to grant permission for the onward sale of all land previously owned by the Association. The Chairperson believed that this condition may have had to do with keeping track of land owned by the Association. In instances where land was donated, to ensure that it was utilised for the donation

purpose; or if part of a claim, either purchased due to water rights or unsuitable for development when acquired by the Association.

The Deputy Chairperson was of the opinion that this condition was only applicable to property that was donated. In this instance, GSG approval would need to be sought and a disclaimer included in the deed of donation.

Members agreed that all future requests of a similar nature concerning possible unsuitable or rehabilitated property include the requirement for GSG and or Council for Geoscience approval, however disclaimers/conditions are to be attached to the consent to mitigate risks.

7.1 CONSENTS TO TRANSFER PROPERTY REQUIRED FROM FWRDWA (Circular no 2018/24)

7.1.1 Erf 940 Venterspost

Resolution:

It was resolved that as GSG had deemed this property as being safe, the Chairperson was duly authorised, for and on behalf of the Association, to consent to the transfer thereof.

7.1.2 Erf 3632 Westonaria

Resolution:

It was resolved that as GSG had deemed this property as potentially unsafe, the deed of transfer include the necessary conditions/disclaimers. The Chairperson would then be duly authorised, for and on behalf of the Association, to consent to the transfer thereof, subject to the inclusion of the necessary conditions/disclaimers.

7.2 SERVITUDES (PIPELINES/OVERHEAD TRANSMISSION LINES)

The Chairperson advised that a request had been received from the Municipality for a servitude to be run across an Association property in Welverdiend. It was discovered that there is already an existing pipeline running through the said property however there is no servitude for this.

GSG had been tasked to regularise the existing servitude and investigate the feasibility of the abovementioned request.

Members agreed that GSG's recommendation be circulated to them for their information. Timeline for responses to be included, whereafter the Chairperson be duly authorised to take a decision on this matter, for and on behalf of the Association.

7.3 EXPROPRIATIONS OF NATIONAL ROADS (SANRAL PART R501)

The Chairperson advised that this expropriation had to do with Sibanye's property. A letter is expected for the balance of the land which is owned by the Association. It was noted that in terms of legislation that this will be an ongoing process.

Members agreed that information in this regard be circulated to them for their information. Timeline for responses to be included, whereafter the Chairperson be duly authorised to take a decision on this matter, for and on behalf of the Association.

7.4 RENEWAL OF FWRDWA INSURANCE

The Chairperson advised that the FWRDWA insurance policy was up for renewal. Mrs T Naude advised that she was involved in the last renewal which dealt with public liability and blanket cover of all of the Association's properties including requirement for the creation of firebreaks etc.

The Chairperson was authorised to arrange for the renewal of the FWRDWA insurance policy for and on behalf of the Association.

7.5 RENEWAL OF RMS CONTRACT

The Chairperson advised that the original contract with RMS had expired and was being run on a month by month basis. He advised that the current costing was R30K per month and 10% on rentals collected. **Members agreed that the terms and scope of the agreement/contract requires review and that it may need to be put out to tender in the future, however, currently it made sense for the Association to renew the RMS contract for a period of 12 months only. In addition, the SLA is to be reviewed and issues of concerns, including items listed under item no. 8 on the agenda, are to be investigated and brought to the attention of the Members. Matter to be included on the agenda of the next meeting.**

7.6 SIBANYE SOLAR PROJECT – FARM UITVAL

The Chairperson advised that at the last meeting, the former Chairperson had been tasked to obtain a separate legal opinion on the lease of this property to Sibanye.

He was of the opinion that if the Association decides to dispose of its properties, it would make no sense for the Association to enter into a long term notarial lease. **He further suggested that the property be evaluated and rather sold to Sibanye. Members agreed with this proposal and the Chairperson was duly authorised to obtain a valuation on this said property.**

7.7 140 FUTURE PHAMBILE PETROLEUM FILLING STATION SITE LICENCE

The Chairperson explained that this filling station has been up and running since December 2017 and that it required a retail and site licence.

He advised that the Petroleum Act was unclear as to who is responsible for making application to the relevant authorities for these licences.

Members agreed that it was not the responsibility of the Association, nor in its best interest, as the land owner to apply for these licences on behalf of the tenant and that the tenant rather be granted consent to make application for the licences.

7.8 DRAFT AFS AND SCHEDULING OF AGM

The Chairperson advised that upon the finalisation of the draft AFS, these will be circulated to Members for their review and consideration prior to the upcoming meeting scheduled for the 17th of May 2018. AGM to be scheduled on the 27th of June 2018.

8. GENERAL

8.1 Matters of concern raised requiring attention by RMS

8.1.1 Fire-fighting equipment and creation of fire breaks

Mrs T Naude advised that as far as she was aware, the Association had donated 10 fire-fighting units to an organisation known as "Working on Fire". The FPA were to assist in the creation of the required firebreaks. **Mrs T Naude offered to assist in the investigations and undertook to revert with further information in this regard.**

GSG were tasked with liaising with RMS and Mr E Stoch (where necessary) and determining :-

- i) Whether there is an agreement entered into with FPA in this regard and whether membership fees are still being paid to them.**
- ii) Determining the whereabouts of the fire-fighting equipment, the condition thereof and what the current arrangement and future need of the Association is in this regard.**
- iii) Whether there are any obligations contained in the lease agreements for tenants to be held responsible for the creation of the firebreaks and/or whether they are required to contribute towards the cost thereof, i.e. payment of the FPA membership fees.**
- iv) Whether the insurance policy sufficiently covers the possible liability of fires.**

A report thereon is to be circulated to members, prior to the holding of the next scheduled meeting.

8.1.2 Cattle and livestock management

Mr G Stuart requested that this contentious issue be reviewed and current status determined.

8.1.3 Donation of Abe-Bailey

Members requested that an enquiry be made as to why the Association is still fitting the bill for the costs of this property albeit it having been donated a long time ago.

9. 2018 MEETING DATES – to be scheduled

The Chairperson tabled possible future meeting dates, namely :-

17th of May 2018

27th of June 2018 (AGM)

15th of August 2018

21st of November 2018

The secretariat was tasked with circulating diary invites of these dates. The Chairperson asked that if main representatives were unable to attend on these proposed dates that they send an alternate in their stead.

10. CLOSURE

There being no further business to discuss, the Chairperson closed the meeting at 12:00 pm and thanked all members and invitees for attending.

**READ AND APPROVED AS A TRUE RECORD OF THE PROCEEDINGS AT A
STRATEGY WORKSHOP/MEETING HELD ON 17 MAY 2018**

.....
CHAIRPERSON

.....
DATE

FAR WEST RAND DOLOMITIC WATER ASSOCIATION

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26 April 2018

CIRCULAR REF: 2018/36

**MEMBERS/ALTERNATES OF FWRDWA
INVITEES**

**MINUTES OF THE MEMBERS/MANAGEMENT MEETING/WORKSHOP HELD ON
15TH OF MARCH 2018 AT 10:00 AM AT SIBANYE GOLD'S AMANZI BOARDROOM,
LIBANON**

See attached for your information. Please take note of the bolded actions.

Kind regards

**SD Braham
Companies House Secretarial
Services (Pty) Ltd.
Secretariat of FWRDWA**

Chairperson: Mr P Kruger