



**(TERM LOAN: R750 603 000 – 10 YEARS)**

**LOAN AGREEMENT**

entered into between

**NEDBANK LIMITED**  
(Registration Number 1951/000009/06)

and

**NELSON MANDELA BAY METROPOLITAN MUNICIPALITY**

**NEDBANK**



## 1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement unless clearly inconsistent with or otherwise indicated by the context the following expressions shall bear the meanings ascribed to them hereunder and cognate expressions shall bear corresponding meanings -

1.1.1. "Accounting Officer" will have the meaning given to it in the MFMA;

1.1.2. "Agreement" means the agreement set out in this document;

1.1.3. "All-in-Margin" means the All-in-Rate less the indicative total base rate, that will be quoted on the day of draw down. The All-in-Margin is quoted upfront. The All-in-Margin over funding will be inclusive of the Credit Spread and the Liquidity Cost.

1.1.4. "Applicable Laws" means and includes common or customary law and any constitution, decree, judgement, legislation, order, ordinance, statute, treaty or other legislative measure applicable to any of the Parties and includes any present or future directive, regulation, guideline, practice, concession, instruction, request or requirement issued by any national, regional or local government or any governmental, administrative, fiscal, judicial or government owned body, department, agency, public or regulatory authority, corporation or commission, court or tribunal or any person having jurisdiction within the Republic of South Africa, whether or not government owned or controlled and howsoever constituted;

1.1.5. "Amortising Schedule" means the amortisation Schedule contained in Schedule 2, indicating the repayment amounts, consisting of Capital and interest, payable in bi-annual instalments in arrears on the respective interest and capital payment dates, in terms of this Agreement, to be provided on the Interest Rate Quotation Date;

1.1.6. "Annual Budget" shall have the meaning ascribed to it in the MFMA, as approved in terms of Section 5, 16, 17, 19 and 24;

1.1.7. "Basic Municipal Service" will have the meaning given to it in the MFMA;

1.1.8. "Banks Act" means the Banks Act 94 of 1990;

1.1.9. "Base Rate" means Nedbank's internal funding rate from time to time;

Base Rate	7.05% Seven Comma Zero Five Percent
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The said Base Rate is indicative and will be fixed on Fulfillment Date.

1.1.10. "Basis Point" means 1/100 (one hundredth) of 1 (one) percentage point;

1.1.11. "Borrower" means Nelson Mandela Bay Metropolitan Municipality;

1.1.12. "Borrower Account" means the Borrower's bank account as advised to Nedbank in writing by the Borrower;



- 1.1.13. "Breakage Costs" means the aggregate of all loss, premiums, penalties, fees, costs, charges, expenses and disbursements incurred or suffered by Nedbank or successful claims made against Nedbank in closing out, settling or unwinding any hedging arrangements, including, *inter alia*, any loan, swap, forward interest rate agreement, foreign exchange contract or other financial instrument relating directly or indirectly to the financing in terms of the Agreement;
- 1.1.14. "Breakage Gains" means the aggregate of all gains, premiums, penalties, fees, costs, charges, expenses and disbursements saved by Nedbank in closing out, settling or unwinding any hedging arrangements, including, *inter alia*, any loan, swap, forward interest rate agreement, foreign exchange contract or other financial instrument relating directly or indirectly to the financing of the Loan;
- 1.1.15. "Business Day" means any day other than a Saturday, Sunday or an official public holiday in the Republic of South Africa;
- 1.1.16. "Capital" means the aggregate of amounts advanced and paid to the credit of the Borrower Account in accordance with Schedule 1, up to a maximum aggregate value of R750 603 000.00 (Seven Hundred and Fifty Million Six Hundred and Three Thousand Rand);
- 1.1.17. "Capital Outstanding" means that portion of the Capital that is at any time outstanding, reduced in accordance with any repayment thereof made in terms of this Agreement;
- 1.1.18. "Capital Projects" means the Borrowers capital projects for the 2018 - 2019 / 2021 - 2022 financial year, as contemplated in the Annual Budget;
- 1.1.19. "Capital Project Assets" means the assets that will be acquired by the Borrower as identified in the Capital Projects;
- 1.1.20. "Capital Repayments" means the bi-annual repayments of the Capital Outstanding as per the Amortising Schedule;
- 1.1.21. "Companies Act" means the Companies Act, 71 of 2008;
- 1.1.22. "Confidential Information" shall have the meaning set out in clause 22;
- 1.1.23. "Default Rate" means the applicable Interest Rate plus 300 (three hundred) Basis Points per annum expressed as a NACS rate;
- 1.1.23.1. "Disbursement Dates" means the dates as stipulated in Schedule 1;
- 1.1.24. "Dispose" means to sell, transfer, cede, assign, lease, alienate, donate, renounce, surrender, waive, relinquish, exchange or otherwise dispose of;
- 1.1.25. "Encumbrance" means any mortgage, pledge, hypothecation, lien, lease, option restriction, right of first refusal, right of pre-emption, right of retention, right of set-off, right of consolidation or merger (excluding any right of set-off, consolidation or merger arising in favour of Nedbank by operation of law) third party right or interest, assignment, title extension, trust arrangement, cession, security interest or any kind or any other encumbrance or any other type of preferential arrangement having the effect of creating a security interest or right of retention;
- 1.1.26. "Event of Default" means any of the events described in clause 12;



- 1.1.27. "Final Repayment Date" means 31 July 2030 as stipulated in the Amortising Schedule;
- 1.1.28. "Fulfilment Date" means 31 July 2020 (*insert the Fulfilment Date*);
- 1.1.29. "GRAP" means Generally Recognised Accounting Practice;
- 1.1.30. "Indebtedness" shall be construed as widely as possible so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent and shall include, without limitation –
- 1.1.30.1. monies borrowed or raised;
  - 1.1.30.2. the outstanding principal amount of any bond, note, loan stock, debenture or similar instrument;
  - 1.1.30.3. any amount raised pursuant to any issue of shares which are expressed to be redeemable; and
  - 1.1.30.4. deferred payments for assets or services acquired;
- 1.1.31. "Integrated Development Plan" will have the meaning given to it in Chapter 5 of the Local Government: Municipal Systems Act No 32 of 2000;
- 1.1.32. "Interest Rate" means an all in percentage fixed rate equal to 9.22% (Nine comma Two Two percent);
- 1.1.33. "Interest Rate Quotation Date" means the day on which Nedbank advises the Borrower of the Interest Rate applicable to the Loan;
- 1.1.34. "Interest Period" means –
- 1.1.34.1. the period commencing on the Fulfilment Date and ending on the first Repayment Date thereafter;
  - 1.1.34.2. each period after the period described in clause 1.1.33.1 commencing on the previous Repayment Date and ending on the next Repayment Date, inclusive of the final Interest Period commencing on the last Repayment Date and ending on the Final Repayment Date;
- 1.1.35. "JIBAR" means, on any applicable date and in respect of the relevant period described in this Agreement –
- 1.1.35.1. the arithmetic mean (rounded, if necessary, to the nearest 3<sup>rd</sup> (third) decimal place) of the mid-market rates for Rand deposits for the relevant period as they appear on the Reuters display page designated as "SAFEY" (or such other page as may replace such page on such service) at or about 11:00am Johannesburg time on such date; or
  - 1.1.35.2. if no such service is available, "JIBAR" shall mean the arithmetic mean (rounded, if necessary, to the third decimal place and excluding (to the extent applicable) the 2 (two) highest rates and the 2 (two) lowest rates) of the mid-market deposit rates, as supplied to Nedbank and confirmed by Nedbank to the Borrower in reasonably sufficient detail, quoted by the JIBAR Reference Banks in the ordinary course of business in the Johannesburg interbank market at or about 11:00am (Johannesburg time) on such date for Rand deposits for the relevant period, provided that if any of the JIBAR Reference Banks shall be unable or otherwise fail to supply such rate by 11:00am (Johannesburg time) on the required date, JIBAR for the relevant period shall be determined, on



the basis of the quotation(s) of the remaining JIBAR Reference Bank(s), on the same basis, to the extent possible, as set out above;

- 1.1.36. "JIBAR Reference Banks" means the principal Johannesburg offices of the banks that quote deposit rates to the South African Futures Exchange from time to time, it being recorded that as at the Signature Date the JIBAR Reference Banks are Standard Bank of South Africa Limited, First National Bank of Southern Africa Limited, Absa Bank Limited and Investec Bank Limited;
- 1.1.37. "Loan" means the term loan in an amount equal to the Capital which is made available by Nedbank to the Borrower in terms of this Agreement;
- 1.1.38. "Margin" means 2.17% (Two Point One Seven percent) per annum expressed as an NACS rate;
- 1.1.39. "Market Disruption Event" means an event or circumstance specified as such in clause 6.
- 1.1.40. "Market Disruption Premium" means the difference between the Nedbank Liquidity Premium on the Interest Rate Quotation Date and the Nedbank Liquidity Premium on the Fulfilment Date or the Disbursement Date;
- 1.1.41. "Material Adverse Change" means an event, circumstance or matter or combination of events, circumstances or matters, including but not limited to:
- 1.1.41.1. Serious Financial Problems
- The criteria for determining serious financial problems shall be those stipulated in section 138 of the MFMA, either singularly or in combination or the criteria for determining serious or persistent material breach of financial commitments occurs as contemplated in section 140 of the MFMA.
- 1.1.41.2. Provincial Intervention
- It is necessary for a provincial intervention in terms of section 136 of the MFMA, whether it is a discretionary intervention (section 137) or a mandatory provincial intervention (section 139).
- 1.1.41.3. Financial Recovery Plan
- A financial recovery plan, as contemplated in Chapter 13 of the MFMA, in relation to the Borrower.
- 1.1.41.4. Stay of Legal Proceedings
- If the Borrower applies for an order to stay legal proceedings and/or for extraordinary relief, as contemplated in Chapter 13 of the MFMA.
- 1.1.41.5. which has or will have or would be likely to have a material adverse effect on -
- 1.1.41.5.1. the business, operations, property, assets, condition (financial or otherwise) or prospects of the Borrower; or
- 1.1.41.5.2. the ability of the Borrower to conduct its business in the normal, regular and ordinary course; or
- 1.1.41.5.3. the ability of the Borrower to perform its obligations under this Agreement; or
- 1.1.41.5.4. the legality, validity or enforceability of this Agreement;



without derogating from the foregoing, "**Material Adverse Change**" will also include any significant change in the MFMA and/or other Applicable Laws;

- 1.1.42. "**Mayor**" will have the meaning given to it in the MFMA;
- 1.1.43. "**MFMA**" means the Local Government Municipal Finance Management Act, No. 56 of 2003;
- 1.1.44. "**NACS**" means nominal, annual, compounded bi-annually in arrears on the first day of the month immediately following the calendar period in which the interest has accrued;
- 1.1.45. "**Nedbank**" means Nedbank Limited, (registration number 1951/000009/06), a company registered and incorporated in accordance with the Companies Act and registered as and conducting the business of a bank in terms of the Banks Act;
- 1.1.46. "**Nedbank Liquidity Premium**" means, at 9h00 on a specified date, the difference between the 1 (one) year NCD (Negotiable Certificate of Deposit) rate as quoted on the Reuters NEDMM (Nedbank Money Market) screen, as a nacq (nominal annual compounded quarterly) rate and the 1 (one) year swap rate as quoted on the Reuters NDIRS (is a Reuters code for Nedbank Interest Rate Swap) screen, as a nacq (nominal annual compounded quarterly).
- 1.1.47. "**Outstanding Capital**" means the balance of the Capital from time to time as it is reduced in terms of clauses 7 and 8;
- 1.1.48. "**Outstandings**" means at any given time, and from time to time, the aggregate of –
- 1.1.48.1. the Outstanding Capital;
- 1.1.48.2. any other amounts due from time to time under this Agreement which have not been paid; and
- 1.1.48.3. any unpaid interest accrued or capitalised on the amounts described in clauses 1.1.47.1 and 1.1.47.2 in terms of this Agreement;
- 1.1.49. "**Parties**" means Nedbank and the Borrower;
- 1.1.50. "**Permitted Encumbrances**" means any encumbrance which exist prior to the Fulfilment Date of the Agreement and which has been disclosed to Nedbank prior to the Fulfilment Date or provided for in the audited annual financial statements of the Borrower;
- 1.1.51. "**Permitted Indebtedness**" means –
- 1.1.51.1. indebtedness accruing from capital and operational expenditure, incurred in implementation of approved budgets of the Borrower; and
- 1.1.51.2. indebtedness which complies in all respects with the provisions of the MFMA and other Applicable Laws;
- 1.1.52. "**Potential Event of Default**" means any event which may become (with the passage of time, the giving of notice, the making of a determination hereunder or any combination thereof) an Event of Default;
- 1.1.53. "**Prepayment Date**" shall have the meaning set out in clause 8.1.2;
- 1.1.54. "**Repayment Dates**" means, with the exception of the Final Repayment Date, the date on which the Borrower has the obligation to make payment of Capital plus interest as specified in the Amortising



Schedule, provided that where such dates fall on a date which is not a Business Day, the relevant Repayment Date shall be the immediately preceding Business Day;

- 1.1.55. **"Signature Date"** means the date on which this Agreement is signed by the Party signing last in time;
- 1.1.56. **"Suspensive Conditions"** means the suspensive conditions described in clause 2;
- 1.1.57. **"Taxes"** means any tax, charge, impost, duty, deduction, withholding, fee or levy of any kind whatsoever (or any amount payable on account of or as security for any of the foregoing) levied, imposed, collected, withheld or assessed, or which may after the Signature Date become levied, imposed, collected, withheld or assessed by any central, provincial or local government body or other organ of state on any other person, whether under the Income Tax Act, 58 1962 or any other present or future legislation, including any interest, additions, fines, surcharges or other penalties imposed by the applicable body in respect thereof, and **"Tax"** shall have a corresponding meaning;
- 1.1.58. **"Term"** means the period of 10 (Ten) years commencing on the Fulfilment Date and terminating on the Final Repayment Date or such earlier date on which this Agreement is otherwise terminated in accordance with its terms;
- 1.1.59. **"Unpaid Sum"** means any sum due and payable but unpaid by the Borrower under this Agreement;
- 1.1.60. **"VAT"** means value added tax levied in terms of the Value Added Tax Act 89 of 1991; and
- 1.1.61. **"Warranties"** shall have the meaning set out in clause 10.
- 1.2. any reference to a statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and to any regulation, order, instrument or subordinate legislation under such statute or statutory provision;
- 1.3. any reference to any other agreement, document or instrument shall be to that agreement, document or instrument as amended, varied, novated or replaced from time to time;
- 1.4. words and expressions defined in any clause shall, notwithstanding that they are not defined in clause 1.1, bear the meanings assigned to such words and expressions in such clause wherever they are used in this Agreement;
  - 1.4.1. when any number of days is prescribed, such number shall be calculated inclusively of the first and exclusively of the last day;
  - 1.4.2. any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, months or years, as the case may be;
  - 1.4.3. where any act is to be performed on a day which is not a Business Day, such act shall be performed on the next Business Day save for Repayment Dates;
- 1.5. words importing the singular shall include the plural and vice versa;
- 1.6. words referring to one gender shall include a reference to the other genders;



- 1.7. any reference to a person shall include a reference to an individual, a firm, a body corporate, a trust, an unincorporated association, government or a partnership and that person's legal representatives and successors;
- 1.8. if any provision in clause 1.1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to that provision as if it were a substantive provision in the body of this Agreement;
- 1.9. clause headings have been inserted for convenience only and shall not be taken into account in its interpretation;
- 1.10. the rule of construction that a contract or any term thereof shall be interpreted against the party responsible for the drafting of or preparation of that contract or term, shall not apply; and
- 1.11. the use of the word "including" followed by a specific example shall not be construed as limiting the meaning of the general wording preceding it.

## 2. SUSPENSIVE CONDITIONS

- 2.1. The rights and obligations of the Parties under this Agreement (other than those set out in this clause 2, and clauses, 14 and 17 to 23, which shall be of immediate force and effect) are subject to and conditional upon the fulfilment of the following Suspensive Conditions on or before the Fulfilment Date or such later date as may be determined in terms of clause 2.3 –
  - 2.1.1. Nedbank has been provided with a certified copy of a resolution of the municipal council, signed by the Mayor approving the transaction contemplated by this Agreement. The Accounting Officer, signed this Agreement and all documents and notices to be signed under or in connection with this Agreement;
  - 2.1.2. receipt by Nedbank of a specimen of the signature of each signatory referred to in clause 2.1.1;
  - 2.1.3. written confirmation by the Borrower that it has complied with the requirements of the MFMA and the Local Government Municipal Systems Act and all other Applicable Laws in so far as it relates to the Agreement inclusive of copies of:
    - 2.1.3.1. an information statement, setting out the particulars of the debt, the amount, the purpose of the debt and that the public, the national treasury and the provincial treasury has been invited to submit written comments to the council, has been made public 21 (twenty one) days prior to the meeting of the council;
    - 2.1.3.2. a copy of the information statement has been submitted to the municipal council 21 (twenty one) days prior to the meeting together with particulars of the repayment terms, the anticipated payment schedule and the anticipated total costs.
  - 2.1.4. Execution of necessary legal documentation relating to the funding by all parties;
  - 2.1.5. the Borrower having complied with all requests for information made by Nedbank in terms of the Financial Intelligence Centre Act, No. 38 of 2001, the Prevention of Organised Crime Act, No 121 of 1988, the Banks Act and any other money laundering legislation applicable at the time such requests are made;

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- 2.1.6. written confirmation by the Borrower that no Event of Default or Potential Event of Default or Material Adverse Change has occurred and is continuing.
- 2.1.7. Report from National and Provincial Treasury, supporting the entering into a Long term debt for the Capital.
- 2.2. the Borrower shall use its best endeavours to procure the fulfilment of the Suspensive Conditions.
- 2.3. The Suspensive Conditions are stipulated to be for the benefit of Nedbank, which shall, by written notice to the Borrower to that effect given by not later than the Fulfilment Date, be entitled to waive some or all of the Suspensive Conditions and/or to extend the date by which some or all of the Suspensive Conditions are to be fulfilled.
- 2.4. If any of the Suspensive Conditions are not fulfilled (and fulfilment thereof is not waived in terms of clause 2.3) on or before the Fulfilment Date, this Agreement will terminate and be of no further force or effect and, to the extent that this Agreement may have been partially implemented, the Parties shall be restored as nearly as may be possible to the positions in which they would have been had this Agreement not been entered into and neither Party shall have any claim against the other Party as a result of the failure of the Suspensive Conditions, save for such claim as may arise out of a breach of this clause 2 or under any clause which remains in force and effect.

**3. PURPOSE**

The Loan shall be used by the Borrower to finance its Capital Projects. Without prejudice to the foregoing obligations of the Borrower, Nedbank shall be entitled but shall not be obliged to ascertain whether or not the Borrower has applied the Loan for the aforesaid purposes.

**4. ADVANCE**

- 4.1. Nedbank, relying upon each of the representations, undertakings and Warranties included in this Agreement, hereby agrees to lend and advance to the Borrower, which agrees to borrow, the Capital.
- 4.2. On the Disbursement Dates as stipulated in Schedule 1, Nedbank shall advance the Capital to the Borrower by paying to the credit of the Borrower Account the Capital, advanced in accordance with Schedule 1;
- 4.3. The payment by Nedbank of the amounts as aforesaid shall discharge the obligation of Nedbank to make the advance described in clause 4.1.
- 4.4. Against payment by Nedbank of the aggregate amounts in terms of clause 4.2 Nedbank shall be deemed to have advanced the entire Loan to the Borrower.

**5. INTEREST**

- 5.1. Interest shall be calculated on the Outstandings at the Interest Rate during each Interest Period in accordance with clause 5.2.
- 5.2. Interest shall accrue daily, on the basis of actual days elapsed and a 365 (three hundred and sixty five) day year, irrespective of whether such year is a leap year or not.
- 5.3. Interest shall be due and payable by the Borrower to Nedbank on each Repayment Date and the Final Repayment Date.



5.4. Interest shall be calculated and levied on a NACS basis.

## 6. MARKET DISRUPTION

6.1. a Market Disruption Event is deemed to have occurred if:

6.1.1. because of circumstances affecting the Johannesburg interbank market generally, reasonable and adequate means do not exist for ascertaining JIBAR and less than 2 of the Reference Banks quote JIBAR for the relevant period; or

6.1.2. matching deposits are not available to Nedbank in the Johannesburg interbank market in the ordinary course of business to fund the Loan; or

6.1.3. Nedbank advises the Borrower before 14h00 on each Disbursement Date, that the cost to Nedbank of obtaining matching deposits in the Johannesburg interbank market would be in excess of the JIBAR; or

6.1.4. if for the period between the Interest Rate Quotation Date and the Fulfilment Date, the Market Disruption Premium is in excess of 25 (twenty five) Basis Points; or

6.1.5. at or about noon on the quotation day for the relevant Interest Period the screen rate is not available and none or only one of the reference banks supplies a rate to determine JIBAR for the relevant Interest Period.

6.2. If, for any Interest Period, a Market Disruption Event occurs as contemplated in terms of clauses 6.1.1, 6.1.2, 6.1.3 and 6.1.5 in respect of the Loan then the Interest Rate shall be the percentage rate which is the sum of:

6.2.1. the rate notified to the Borrower by Nedbank as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to Nedbank of funding its participation in that loan from whatever source it may reasonably select;

6.2.2. mandatory costs (cost of funds plus liquid asset cost); and

6.2.3. the All-in Margin.

6.3. If a Market Disruption Event occurs in terms of clause 6.1.4 then the All-in Margin will be increased by the Market Disruption Premium.

6.4. Notwithstanding anything to the contrary contained in this Agreement, the Market Disruption provisions may be applied in the event that the Interest Rate Quotation Date is a date other than the Fulfilment Date other than the Disbursement Date.

## 7. CAPITAL REPAYMENTS

7.1. The Outstandings in respect of the Loan shall be repaid by the Borrower to Nedbank, in the amounts and on the Repayment Dates set out in the Amortising Schedule. The Repayment Dates will be bi-annually.

7.2. Once the whole or any part of the Capital has been repaid in accordance with this clause 7, Nedbank will not be obliged to re-advance any such repaid amount.

7.3. Notwithstanding the provisions of clause 7.1, the Borrower shall ensure that all Outstandings in respect of the Loan, have been repaid in full by no later than the Final Repayment Date.

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7.4. Should any payment of the Outstanding Capital or interest as set out in the Amortising Schedule not be made on a Repayment Date or Final Repayment Date, the Interest Rate shall be amended to the Default Rate, which shall be calculated and levied in the same manner as the Interest Rate until date of payment of any amounts due which have not been paid ("the arrears"). After the arrears have been settled, the Default Rate will be amended to the Interest Rate.

## 8. PREPAYMENT OR EARLY SETTLEMENT

### 8.1. Prepayment

8.1.1. Subject to the clauses hereunder, the Borrower shall be entitled to prepay any part of the Outstandings not then due for payment.

8.1.2. Should the Borrower wish to prepay any part of the Outstandings it shall, not less than 1 (one) month prior to the date on which it wishes to prepay any part of the Outstandings, furnish Nedbank with written notice to that effect and shall specify the date on which any part of the Outstandings shall be prepaid ("Prepayment Date") and the amount of its intended prepayment. Once such written notice of prepayment has been issued by the Borrower, it shall be irrevocable and the amount stipulated in such notice shall be due and payable on the Prepayment Date specified therein.

8.1.3. No amount shall be deemed to have been prepaid unless and until Nedbank has irrevocably received payment of all amounts due but not paid in terms of this Agreement.

8.1.4. No prepayment shall be made in terms hereof unless such amount is at least R1 000 000,00 (One Million Rand) or a multiple thereof.

8.1.5. The Borrower shall be entitled to prepay any part of the Outstandings subject to the payment of a prepayment penalty of-

8.1.5.1. 2% (two percent) of the amount prepaid if the prepayment is made within 12 (twelve) months from the Fulfilment Date; or

8.1.5.2. 1% (one percent) of the amount prepaid if the prepayment is made on a date which falls within the period which is more than 12 (twelve) months from the Fulfilment Date but less than the full Term of the Loan.

8.1.6. In addition to the prepayment penalty contemplated in clause 8.1.5, the Borrower will be liable for such Breakage Costs as Nedbank may have incurred or will incur as a consequence of such prepayment, whilst Nedbank shall pass on any Breakage Gains to the Borrower. Within 10 (ten) Business Days of receipt by Nedbank of any notice in terms of clause 8.1.2, Nedbank shall certify in writing to the Borrower the amount of any Breakage Costs, or Breakage Gains, as the case may be, arising in respect of the prepayment so notified.

### 8.2. Settlement

8.2.1. Subject to the clauses hereunder, the Borrower shall be entitled to settle the whole of the Outstandings not then due for payment.

8.2.2. Should the Borrower wish to settle the whole of the Outstandings it shall, not less than 1 (one) month prior to the date on which it wishes to settle the whole of the Outstandings, furnish Nedbank with written

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notice to that effect and shall specify the date on which the whole of the Outstandings shall be settled ("**Settlement Date**"). Once such written notice of settlement has been issued by the Borrower, it shall be irrevocable and the settlement amount in such notice shall be due and payable on the Settlement Date specified therein.

- 8.2.3. No amount shall be deemed to have been settled unless and until Nedbank has irrevocably received payment of all amounts due but not paid in terms of this Agreement.
- 8.2.4. No settlement shall be made in terms hereof unless the settlement amount is at least R1 000 000,00 (One Million Rand) or more.
- 8.2.5. The Borrower shall be entitled to settle the Outstandings subject to the payment of a settlement penalty of-
  - 8.2.5.1. 2% (two percent) of the settlement amount if the settlement is made within 12 (twelve) months from the Fulfilment Date; or
  - 8.2.5.2. 1% (one percent) of the settlement amount if the settlement is made on a date which falls within the period which is more than 12 (twelve) months from the Fulfilment Date but less than the full Term of the Loan.
- 8.2.6. In addition to the settlement penalty contemplated in clause 8.2.5, the Borrower will be liable for such Breakage Costs as Nedbank may have incurred or will incur as a consequence of such settlement, whilst Nedbank shall pass on any Breakage Gains to the Borrower. Within 10 (ten) Business Days of receipt by Nedbank of any notice in terms of clause 8.2.2, Nedbank shall certify in writing to the Borrower the amount of any Breakage Costs, or Breakage Gains, as the case may be, arising in respect of the settlement so notified.

## 9. PAYMENTS

- 9.1. Any payments to be made by the Borrower in terms of this Agreement shall be made before 12h00 on due date to the credit of the following Nedbank account number 1766000029 branch code 176605 Domestic Suspense impersonal account or in such other manner as Nedbank may timeously notify the Borrower in writing from time to time.
- 9.2. Any payment made by the Borrower under this Agreement shall be made free of exchange or right of deferment, avoidance or set-off and without deduction for or on account of any Tax unless the Borrower is, under applicable law, required to make such payment subject to the deduction or withholding of Tax, in which case the amount payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, Nedbank receives and retains (free from any liability in respect of such deduction or withholding) a net amount equal to the amount which it would have received and so retained had no such deduction or withholding been required to be made.
- 9.3. All amounts received in terms of this Agreement shall be appropriated, first to the payment of costs (including Breakage Costs) and any other amounts other than Capital and interest outstanding in terms of this Agreement, then towards the payment of interest (whether interest or default interest) and thereafter in reduction of the Outstanding Capital.

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- 9.4. The Borrower's obligation to repay the Outstandings in accordance with this Agreement shall be unconditional (except as otherwise expressly provided herein or prohibited by law) irrespective of any contingency whatsoever including, but not limited to –
- 9.4.1. any right of set-off, counterclaim, recoupment, defence or other right unless and to the extent that the law entitles such right to be exercised;
- 9.4.2. any insolvency, administration, business rescue, reorganisation, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against Nedbank;
- 9.4.3. any invalidity or unenforceability of any part of this Agreement, or lack of due authorisation of any signatory to this Agreement,
- 9.5. While the funds drawn down by the Borrower in terms of this Agreement are to be used solely for the purpose of funding the Borrower's Capital projects, Nedbank's recourse in terms of this facility is to be to the Borrower and is in no way limited by the success or progress of the integrated development plan.

## 10. REPRESENTATIONS AND WARRANTIES

- 10.1. The Borrower represents and warrants on a continuous basis from the Signature Date for the duration of the Term to Nedbank that –
- 10.1.1. **Status**
- It is a Municipality, as contemplated in section 155 of the Constitution of the Republic of South Africa Act no. 108 of 1996.
- It is compliant with the terms of the Financial Intelligence Centre Act No. 38 of 2001 and to the best of its knowledge, all Applicable Laws.
- The obligations assumed by it in terms of this Agreement are legal and valid obligations binding upon it and enforceable against it in accordance with the terms hereof;
- 10.1.2. **Non-conflict with other Obligations**
- 10.1.2.1. The entry into and performance by it of and the transactions contemplated by this Agreement to which it is a party do not and to the best of its knowledge, will not –
- 10.1.2.1.1. conflict with or result in a breach of any of the terms or provisions of, constitute a default under any agreement, deed, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets or revenues; and/or
- 10.1.2.1.2. does not and to the best of its knowledge, will not conflict with any Applicable Laws, including, without limitation, the MFMA.

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**10.1.3. Power and Authority**

It has taken all necessary action and has complied with Applicable Laws and relevant applicable procedures to authorise, and has obtained all necessary authorisations in respect of its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement.

**10.1.4. Long-term debt**

The Borrower undertakes to incur long term debt in accordance with the Applicable Laws and such long term debt shall be raised after approval by the Borrower's bid adjudication committee and a resolution by the Borrower's Municipal Council passed at a duly constituted meeting approving the debt agreement.

**10.1.5. No Proceedings pending or threatened**

No litigation, arbitration or administrative proceedings are presently current or pending against the Borrower or, to the knowledge of the Borrower, threatened against it which, if adversely determined, would result in a Material Adverse Change.

**10.1.6. No Misleading Information**

10.1.6.1. All of the information supplied by it in connection with this Agreement is true, complete and accurate in all material respects.

10.1.6.2. It has disclosed to Nedbank any and all material information relating to the Borrower as well as such other information within its personal knowledge which, in the reasonable opinion of Nedbank would have affected Nedbank's decision to advance the Loan.

10.1.6.3. Nedbank can rely on any representation made by any person on behalf of the Borrower that has interacted with Nedbank for the purpose of this Agreement and disclosed information, as being true and correct and has furnished such information with the due authorisation.

**10.1.7. *Pari Passu* Ranking**

Its payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations preferred solely in terms of chapter 13 of the MFMA.

**10.1.8. Assets**

As at the Signature Date and subsequent to such date, it has not sold or otherwise disposed of its assets which disposal may directly or indirectly impact on the Borrower's ability to exercise its obligations as envisaged in MFMA and the Local Government Municipal Systems Act, save as are disclosed in writing to Nedbank prior to the Signature Date, or as may be disposed of in the ordinary course of its operations, the nature of which it shall fully disclose to Nedbank.

**10.1.9. Financial Statements**

Its financial statements will be prepared in accordance with GRAP and in line with the National Treasury guidelines (as updated from time to time) for the 2018 - 2019 / 2021 - 2022 financial year and thereafter.

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10.1.10. **Compliance with Laws**

It has complied in all material respects with all Applicable Laws to the extent that a failure to comply would result in the Borrower not being able to comply with its payment obligations to Nedbank in terms of this Agreement.

10.1.11. **Compliance with MFMA**

Notwithstanding anything to the contrary contained herein, it has complied with the MFMA in respect of the provisions pertaining to the conclusion and enforceability of this Agreement.

10.1.12. **Indebtedness**

All Indebtedness incurred by the Borrower shall constitute Permitted Indebtedness and which indebtedness will not constitute a Material Adverse Change.

10.1.13. **Serious Financial Problems**

As at the Signature Date, none of the factors contained in sections 138 and 140 of the MFMA, indicating serious financial problems and/or persistent material breach of financial commitments, has occurred in relation to the Borrower.

10.1.14. **Provincial Intervention**

As at the Signature Date, no steps have been taken to bring about any provincial intervention whatsoever in relation to the Borrower, whether or not discretionary or mandatory, as contemplated in Chapter 13 of the MFMA.

10.1.15. **Financial Recovery Plan**

As at the Signature Date, no financial recovery plan, as contemplated in Chapter 13 of the MFMA, is being prepared in relation to the Borrower.

10.1.16. **Stay of Legal Proceedings**

As at the Signature Date, the Borrower has not applied for an order to stay legal proceedings and/or for extraordinary relief, as contemplated in Chapter 13 of the MFMA.

10.1.17. **No Default**

10.1.17.1. No Event of Default or Potential Event of Default has occurred and is continuing or might reasonably be expected to result from any utilisation of the Loan.

10.1.17.2. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might result in a Material Adverse Change.

10.1.18. **Withdrawal of Municipal Bank Accounts**

Any withdrawal from the Borrower's bank accounts for the purpose of payment in terms of this Agreement, complies with section 11 of the MFMA in that the official withdrawing the money is duly authorised and that such withdrawal is for an authorised purpose.

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10.1.19. **Approved Expenditure**

The expenditure incurred for the payment in terms of this Agreement has been incurred in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

The long term debt is consistent with the Borrower's Annual Budget as stipulated in its annual budget.

10.1.20. **Utilization of the Capital**

The Capital is solely to be spent on Capital Projects that have been approved in compliance with section 19 of the MFMA.

10.1.21. **Maintenance of Systems**

The Accounting Officer has taken all reasonable steps to ensure compliance with subsection 63(2)(a), (b) and (c) (the maintaining of information systems, the correct valuation of the Borrower's assets and liabilities and the maintaining of internal control of assets and liabilities) of the MFMA.

10.1.22. **Encumbrance**

No Encumbrance exists in respect of Capital Project Assets except for permitted Encumbrances.

10.2. Each of the Warranties and representations ("**Warranties**") given by the Borrower in terms of clause 10.1 shall –

10.2.1. *prima facie* be deemed to be a Warranty of fact inducing Nedbank to enter this Agreement;

10.2.2. insofar as any of the Warranties is promissory or relates to a future event, be deemed to have been given as at the due date for the fulfilment of the promise or the happening of the event, as the case may be; and

10.2.3. be a separate Warranty and in no way limited or restricted by reference to or influence from the terms of any other Warranty.

11. **UNDERTAKINGS**

In addition to such other undertakings as the Borrower may have made elsewhere in this Agreement, the Borrower hereby irrevocably agrees and undertakes to Nedbank from Signature Date, for so long as there are any Outstandings under this Agreement, that it shall-

11.1. **Financial Statements**

The Borrower shall supply to Nedbank:

11.1.1. as soon as the same are available (and in any event by the end of October each year) its unaudited annual consolidated financial statements; and

11.1.2. the audited annual consolidated financial statements within 6 (six) months after the end of its financial year; and

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11.1.3. such material information as Nedbank may from time to time require in respect of the financial condition of the Borrower within 30 (thirty) calendar days of request being made therefore, or such earlier date as agreed in writing between Nedbank and the Borrower.

11.2. **Compliance with Applicable Laws**

In as far as the Borrower needs to fulfil its obligations in terms of this Agreement, the Borrower undertakes to comply at all times in full with all relevant Applicable Laws, including, without limitation, the MFMA.

11.3. **Proof of Compliance**

Forthwith upon request by Nedbank, the Borrower shall provide Nedbank with such proof as Nedbank may reasonably require indicating compliance by the Borrower with all Applicable Laws, including, without limitation, the MFMA.

11.4. **Annual Budget**

The Borrower shall at all times comply with the Borrower's approved Annual Budget and/or approved adjustment budget as contemplated in section 28 of the MFMA ("Adjustment Budget") and shall provide Nedbank, forthwith after it has become available, with a copy of the Adjustment Budget and Adjustment Budget as the case may be.

11.5. **Notification of Default**

Forthwith upon becoming aware thereof the Borrower shall inform Nedbank in writing of any occurrence of which it becomes aware which may result in any Event of Default or Potential Event of Default or any Material Adverse Change and will, from time to time, if so requested by Nedbank, confirm to Nedbank in writing that, save as otherwise stated in such confirmation, no such Event of Default or Potential Event of Default or Material Adverse Change has occurred and/or is continuing.

11.6. **Information: Miscellaneous**

11.6.1. The Borrower shall forthwith inform Nedbank if legal proceedings which will or may materially and adversely affect the Borrower's ability to perform its obligations in terms of this Agreement (including, without limitation, arbitration proceedings) are instituted or threatened against it.

11.6.2. The Borrower shall forthwith upon becoming aware thereof inform Nedbank in writing of any occurrence of which it becomes aware which will or may adversely affect the Borrower's ability to perform or observe its obligations in terms of this Agreement.

11.7. **Authorisations**

The Borrower shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by the Applicable Laws and regulations of South Africa to enable it lawfully to enter into and perform its obligations under this Agreement and to conduct its business and affairs, including, without limitation any authorisations, approvals and consents required by the MFMA.

11.8. **Disposals**



The Borrower shall not, contrary to the provisions of the MFMA and in any event to the detriment of Nedbank, or in contravention of its obligations, whether express or implied herein, dispose of, whether by one or more transactions or series of transactions any of the Capital Project Assets.

**11.9. Positive Undertakings**

The Borrower undertakes for the duration of the Agreement to do the following:

- 11.9.1. to make provision in its budgets for the payment of its financial obligations in terms of this Agreement, including Capital and interest;
- 11.9.2. to retain revenues, other charges, fees or funds at a level sufficient to meet its financial obligations in terms of the Agreement;
- 11.9.3. to ensure that the Accounting Officer furnishes a copy of a report written to the municipal council (in compliance with section 70 of the MFMA) in respect of impending shortfalls, overspending and overdrafts to Nedbank;
- 11.9.4. to furnish Nedbank by no later than 10 (ten) business days after the end of each month with a copy of a statement in the prescribed format (as prescribed in section 71 in respect of monthly budget statements) on the state of the Borrower's budget;
- 11.9.5. to furnish Nedbank with a copy of the midyear budget and performance assessment (in compliance with section 72 of the MFMA);
- 11.9.6. to furnish Nedbank with the information that must be placed on the website as referred to in section 21(A) of the Municipal Systems Act within 5 (five) days after its tabling in the council or on the date on which it must be made public, whichever occurs first as contemplated in section 75 of the MFMA;
- 11.9.7. to furnish Nedbank with an annual report in accordance with Chapter 12 of the MFMA and within 7 (seven) days after the adoption of the oversight report in respect of aforementioned annual report, furnish Nedbank with same;
- 11.9.8. to notify Nedbank, prior to encumbering any of the Capital Project Assets as security for its creditors, that the Borrower intends to do so.

**12. EVENTS OF DEFAULT**

12.1. Each of the following events or circumstances is an Event of Default –

**12.2. Non-Payment**

The Borrower fails to pay any amount due by it in terms of this Agreement on the due date for payment therefore, unless the failure to pay is solely due to technical or administrative reasons and the relevant amount is duly paid within 3 (three) Business Days of its due date.

**12.3. Misrepresentation**

A representation, warranty, statement made or deemed to be made or repeated, or undertaking given in connection with this Agreement or in any document delivered by or on behalf of the Borrower under or in



connection with this Agreement, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made or repeated or given and as a consequence results in a Material Adverse Change.

**12.4. Material Adverse Change**

Any event (or any series of events) or circumstance occurs (or any existing circumstance continued) which will result in a Material Adverse Change provided that such Material Adverse Change will have or would be likely to have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement.

**12.5. Cessation of Delivery of Minimum Level of Basic Municipal Services**

The Borrower becomes unable or ceases, for any reason whatsoever, to deliver a minimum level of basic municipal services, or any material part thereof, as contemplated in section 73(1)(c) of the Local Government: Municipal Systems Act, No. 32 of 2000, in an ordinary and regular manner provided that such cessation will have or would be likely to have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement..

**12.6. Repudiation**

The Borrower repudiates this Agreement or does or causes to be done any act or thing evidencing an intention to repudiate this Agreement.

**12.7. Cross Default**

Any material Indebtedness or obligation or any loan, debt or guarantee constituting Indebtedness of the Borrower becomes due and payable prior to its specified maturity by reason of default, or is not paid when due, whether or not Nedbank is concerned therewith or any creditor of the Borrower becomes entitled to declare any Indebtedness due and payable prior to its specified maturity.

**12.8. Judgements**

Any judgement to the value of R2 000 000,00 (Two Million Rand) or more, of any court or arbitration awarded against the Borrower, respectively, remains unsatisfied for a period of 10 (ten) Business Days after it has been granted against the Borrower, respectively, and has not been the subject of an application for rescission or review or appealed against within the period allowed for such rescission, review or appeal, which in each instance is diligently pursued and, in the event of such application, review or appeal being unsuccessful, the Borrower, respectively, fail to make immediate payment thereof.

**12.9. Unlawfulness**

It be or become unlawful for the Borrower to perform or comply with any or all of their obligations under this Agreement or any of the obligations of the Borrower not be or cease to be legal, valid, binding and enforceable.

**12.10. Adverse Determination by the Auditor General**

If the Auditor General or its successor after performing its audit on the Borrower raises an issue with regards to the affairs of the Borrower in terms of Section 131 of the MFMA.

**12.11. Other Obligations**



In the event the Borrower fails to comply with the undertakings set out in clause 11, and fails to provide a written proposal to Nedbank setting out the remedial action to be taken in respect of such non compliance within 10 (ten) Business Days after delivery by Nedbank to the Borrower of a written notice requiring the Borrower to provide such a proposal and in the event that such a proposal is received by Nedbank within the stated period, the Borrower failing to remedy such non compliance within the period stipulated in the Borrower's written proposal or such other period as may be agreed by the Parties.

## 12.12. Additional Default Events

It would be an Event of Default if:

- 12.12.1. the municipal council of the Borrower has not approved the annual budget by the start of the budget year or any revenue raising measures necessary to give effect to the budget;
- 12.12.2. the national treasury stop the transfer of funds to the Borrower as contemplated in section 38(1) of the MFMA (funds due to the Borrower as its share of the local government's share or transfer of funds due to the Borrower as an allocation referred to in section 214(1)(c) of the Constitution;
- 12.12.3. the Borrower faces any serious financial problems as contemplated in section 54(2) of the MFMA, in terms of which the Mayor must respond to and initiate steps;
- 12.12.4. the Accounting Officer fails to submit financial statements to the auditor general in accordance with section 126(1) or (2) of the MFMA and the auditor general must act in accordance with section 133 (1)(b) of the MFMA or if the Mayor fails to table the annual report of the Borrower in accordance with section 127(2) and the Mayor, as result of such failure, is obliged to act on terms of section 133 (1)(a).
- 12.12.5. during the term, the following covenants are not met (after receipt of a 10 day notification to do so):
  - 12.12.5.1. debt to income of <45%. Debt to income is calculated as follows:  $\text{Total Interest bearing Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease)} / (\text{Total Operating Revenue} - \text{Operating Conditional Grant})$ .
  - 12.12.5.2. gearing of <0.75%. Gearing is calculated as follows:  $\text{Total Interest bearing debt} / \text{Retained surpluses}$ .
  - 12.12.5.3. collection rate of >85%. The Collection rate is calculated as follows:  $\text{Gross Debtors Opening Balance} + \text{Billed Revenue} - \text{Gross Debtors Closing Balance} - \text{Bad Debts Written Off} / \text{Billed Revenue} \times 100$ .

## 13. ACCELERATION

On or at any time after the occurrence of an Event of Default, Nedbank shall, in addition to and without prejudice to any rights it may have in terms of this Agreement or in law, including its rights to claim damages, be immediately entitled, without further notice to the Borrower, to –

- 13.1. cancel the Loan; and/or
- 13.2. immediately claim and recover from the Borrower –
  - 13.2.1.1. the Outstandings; and/or



- 13.2.1.2. Breakage Costs arising on the Event of Default; and/or
- 13.2.1.3. any other charges, costs or expenses incurred by Nedbank and/or payable in terms of this Agreement, including but not limited to arrear payments and any default interest; and/or
- 13.2.2. subject to clause 7.4, levy finance charges calculated in accordance with the Default Rate, if the Borrower does not remedy a breach within 20 (twenty) business days of written notice to do so;
- 13.2.3. enforce compliance with the terms and conditions of all or part this Agreement and claim such damages as Nedbank may have suffered as a result of the Event of Default.

#### 14. INDEMNITIES

- 14.1. Without prejudice to the other remedies of Nedbank under this Agreement and/or in law, the Borrower hereby irrevocably indemnifies and holds Nedbank harmless against any costs, claim, loss, expense (including legal fees on the scale as between attorney and own client) or liability, together with any VAT thereon, which may be suffered or incurred by Nedbank as a result of the occurrence of any Event of Default or the operation of clause 13.
- 14.2. For the purposes of this clause 14, "loss" shall include any amounts of Capital, interest, fees, Breakage Costs or other sums whatsoever paid or payable on account of any funds borrowed by Nedbank in order to enable Nedbank to advance the Loan to the Borrower.
- 14.3. The rights of Nedbank in respect of the indemnities contained in this clause 14 shall continue in full force and effect in favour of Nedbank for a period terminating on the 3<sup>rd</sup> (third) anniversary of the last day of the Term.

#### 15. CHANGE IN COSTS

- 15.1. If, at any time during the Term, there occurs –
  - 15.1.1. any adoption, amendment, variation, replacement or change in interpretation of any of the Applicable Laws or of any authorisation with which commercial banks generally in the Republic of South Africa are required to comply or any change in circumstances occurs or any duties are imposed on such commercial banks at any time after the Signature Date; and/or
  - 15.1.2. any directive, requirement, request or guidance (whether or not having the force of law but if not having the force of law, one which applies generally to a class or category of financial institutions and/or financial service companies directly or indirectly) of any central bank or any other fiscal, monetary, regulatory or other authority in the Republic of South Africa; and/or
  - 15.1.3. any change in banking practice, as it affects or is applied generally to or by any financial institution directly or indirectly in the Republic of South Africa; and/or
  - 15.1.4. a requirement by any statutory or monetary authority in the Republic of South Africa, to –
    - 15.1.4.1. pay levies or any other amounts whatsoever or to maintain special deposits or reserve assets, in addition to those paid or maintained or reserved by Nedbank as at the Signature Date; or
    - 15.1.4.2. comply with any reserve, cash ratio, special deposit or liquid requirements (or any other similar requirements) in respect of this Agreement in addition to those anticipated by Nedbank at the Signature Date; or



- 15.1.4.3. to pay any Tax; and/or
- 15.1.5. any compliance by Nedbank with any capital adequacy, reserve, cash ratio, special deposit, liquidity or similar requirements of a statutory or monetary authority, howsoever arising in South Africa in respect of this Agreement, including any increase in the amount of the Capital to be allocated by Nedbank to the amount advanced under this Agreement or a change of weighting of the commitment under this Agreement; or
- 15.1.6. any compliance by Nedbank with "International convergence of capital measure and capital standards, a revised framework" published by the Basel Committee on banking supervision in June 2004 in the form existing hereof (Basel II) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by government, regulator or Nedbank but excluding any increases as would ordinarily be excluded), incurred by it in making, maintaining or funding its obligations under the Agreement arising by reason of a change in law or the interpretation thereof, or compliance with any central bank or similar request occurring after the Interest Rate Quotation Date ; or
- 15.1.7. any other event attributable to a statutory or monetary authority which is beyond control of Nedbank, with the result that –
- 15.1.7.1. Nedbank is subjected to any Tax, duty or other charge in respect of the Loan or a change in the basis of taxation of Nedbank in respect of amounts payable to Nedbank in terms of this Agreement; or
- 15.1.7.2. any reserve, special deposit or similar requirement is imposed against the assets or deposits with or for the account of, or credit extended by Nedbank; or
- 15.1.7.3. any other obligation or condition directly affecting the cost of Nedbank is imposed on Nedbank of maintaining or funding its commitment under this Agreement; or
- 15.1.7.4. the cost to Nedbank of making or maintaining the Loan is increased or any amounts received or receivable by Nedbank under this Agreement are reduced; or
- 15.1.7.5. Nedbank's rate of return on its capital is reduced by reason only of change in the manner in which it is required to allocate capital resources to its obligations under this Agreement; or
- 15.1.7.6. Nedbank is required to make a payment or forego the return on any amount received or receivable by it under this Agreement;
- 15.1.8. And the result of any of the above is to increase the net after Tax cost to Nedbank of maintaining or funding its commitment under this Agreement or reduces the net after Tax return to Nedbank in respect of maintaining or funding its commitment under this Agreement, the Parties shall consult in relation to the manner in which such increased costs or the reduction of the return to Nedbank may be recovered, to place Nedbank in the same position in which it would have been if such increase or reduction had not taken place.

Nedbank will promptly notify the Borrower of such increased costs or reduction, disclose the event giving rise to such increased costs or reduction and certify the calculation of such amount to the Borrower. The

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Borrower shall have the right to have such amount verified by the auditors of Nedbank. The Parties will meet to discuss means of reducing the impact of any increased costs or aforesaid reduction on the Borrower.

If no agreement is reached within 10 (ten) days after receipt of aforesaid notification by the Borrower in respect of any dispute in terms of this clause 15.1, including the amount of aforesaid increased cost or reduction or the means of reducing their impact, either party may request the Executive President of the South African Institute for Chartered Accountants (SAICA) or his nominee to appoint a member of SAICA to resolve the dispute acting as an expert and not as an arbitrator.

"acting as an expert and not an arbitrator" means, in the context of such appointee making a determination in terms hereof, such person doing so on the following basis:

- 15.1.8.1. such person shall investigate the matter or dispute in such manner as he in his sole discretion considers appropriate, provided that each party to the dispute shall have the right to make written representations to such person in relation to the matter or dispute;
  - 15.1.8.2. In carrying out his investigations, such person shall be entitled to consult with any or all of the Parties, or with any other person and to take advice from any third party;
  - 15.1.8.3. such person shall issue his ruling, within 20 (twenty) days of his appointment or as soon as may be reasonably possible thereafter.
  - 15.1.8.4. the determination of such person shall be final and binding on the Parties;
  - 15.1.8.5. the costs and charges (including but not limited to the attorney and own client costs) of such person shall be borne by that party which, in the sole discretion of such person, is the appropriate party to bear such costs and charges, provided that such person shall be entitled to direct that the costs and charges be borne by all or certain of the Parties, in such ratios as such person may determine.
- 15.2. This clause 15 does not apply to any increased cost arising in terms of clause 15.1 –
- 15.2.1. on account of Tax payable on any income, profits or gains of Nedbank to the extent arising from amendments or changes which affect corporate taxpayers generally; or
  - 15.2.2. resulting from any breach or violation by Nedbank of, or breach by Nedbank of any limits imposed by, any provision of any law, ruling, regulation or practice by any relevant monetary or fiscal authority or court or competent official, arising as a consequence of any action or omission by Nedbank after the introduction of such provision and/or imposition of such limits or after the relevant change in the interpretation thereof has become known to Nedbank and/or generally known amongst banks operating in the Republic of South Africa.
- 15.3. If Nedbank is entitled to any tax benefit by reason of any circumstance in respect of which the Borrower has paid the fee as contemplated in clause 15.1, Nedbank shall pay to the Borrower such amount, limited to the maximum of the fee paid by the Borrower as aforesaid, as will leave Nedbank with the same net after Tax return as it would have received in respect of maintaining or funding its commitment under this Agreement had the tax benefit not been granted. Payment of such sum shall be made within 10 (ten) Business Days of Nedbank becoming entitled to such tax benefit.

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- 15.4. If any of the events or circumstances envisaged in clause 15.1 occur with the result that the net after Tax cost to Nedbank of maintaining or funding its commitment under this Agreement reduces or the net after Tax return to Nedbank in respect of maintaining or funding its commitment under this Agreement increases, then Nedbank shall pay to the Borrower such fee as would be necessary to place Nedbank in the same position in which it would have been if such increase or reduction had not taken place, which fee shall be payable within 10 (ten) Business Days of receipt by Nedbank of a written demand from the Borrower, and accompanied by the requisite documentation to substantiate the Borrower's entitlement to such fee.

## 16. ILLEGALITY

### 16.1. Liability for Breakage Costs in the Event of Terms and Conditions hereof becoming unlawful

- 16.1.1. If, at any time, it becomes unlawful, or contrary to any request from or requirement of any fiscal, monetary or other similar authority compliance with which is in accordance with the general practice of persons to whom such request or requirement is intended to apply, for Nedbank to make, fund or allow to remain outstanding all or any of the Outstandings then Nedbank shall, as soon as reasonably practicable after becoming aware of the same, deliver to the Borrower a certificate to that effect and if Nedbank so requires, the Borrower shall on such date as Nedbank shall have specified repay all the Outstandings. The Borrower shall be liable for any Breakage Costs arising as a consequence of such prepayment, which Breakage Costs the Borrower shall be required to pay to Nedbank within 10 (ten) days of receipt of such certificate.
- 16.1.2. If Nedbank becomes entitled to give notice pursuant to clause 16.1.1, it will endeavour to avoid the circumstances therein referred to, but nothing in this clause 16.1.2 shall oblige Nedbank to incur any costs or expenses or to take or refrain from taking any action where, in its reasonable opinion, to take or refrain from taking (as the case may be) such action would be materially prejudicial to its interests.
- 16.1.3. If at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its obligations hereunder the Borrower shall as soon as reasonably possible notify Nedbank in writing. If the Borrower is unable, within 10 (ten) days of the aforesaid notice of the performance becoming unlawful, to procure that a replacement Borrower is substituted for it on such terms as may be reasonably acceptable to Nedbank, then Nedbank shall, after the expiry of such 10 (ten) day period be entitled to deliver to the Borrower a notice requiring the Borrower to repay all Outstandings on a date specified in such notice and the Borrower shall on such date as Nedbank shall have specified repay all Outstandings together with any Breakage Costs arising as a result of the early termination.
- 16.1.4. If Nedbank becomes entitled to give notice pursuant to clause 16.2, it will endeavour to avoid the circumstances therein referred to, but nothing in this clause 16.2.2 shall oblige it to incur any costs or expenses or to take or refrain from taking any action where, in its reasonable opinion, to take or refrain from taking (as the case may be) such action would be materially prejudicial to its interests.

## 17. CERTIFICATE OF INDEBTEDNESS AND OTHER NOTICES

- 17.1. A certificate signed or purporting to be signed by a manager or director of Nedbank (whose appointment it shall not be necessary to prove) shall be *prima facie* proof of –

A handwritten signature in black ink, appearing to be 'E. O.' followed by a flourish.



- 17.1.1. the amount of any debt owing by the Borrower to Nedbank (including, without limitation, accrued interest and default interest) in terms of this Agreement;
- 17.1.2. the due dates of performance in respect of any obligations of the Borrower in terms of this Agreement;
- 17.1.3. any Interest Rate; or
- 17.1.4. the fact that the debts are due and owing and have not been paid or otherwise discharged.
- 17.2. In addition to and in application of the provisions of clause 17.1, any schedule, certificate or other document provided by Nedbank in terms of this Agreement shall, if signed by any manager or director of Nedbank, be deemed to be *prima facie* proof of the correctness of its contents.

## 18. ASSIGNMENT

- 18.1. This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent successors-in-title.
- 18.2. The Borrower shall not be entitled to cede, delegate or assign (as the case may be) all or any of its rights, benefits and obligations under this Agreement to any person, without the prior written consent of Nedbank.
- 18.3. Nedbank may, at any time after the Fulfilment Date, sell down all (and not part) of the Outstandings, and assign its corresponding rights and obligations under this Agreement, provided that such transfer will not result in any increased costs to the Borrower in terms of clause 15. Nedbank shall promptly notify the Borrower of any such assignment (including the identity, address and facsimile number for notices and the *domicilium citandi et executandi* of the assignee).

## 19. RENUNCIATION OF BENEFITS

The Borrower hereby renounces any benefits to which it is entitled in law, including without in any way limiting or affecting the generality of the foregoing the benefits of the legal exceptions "*non numeratae pecuniae*", "*exceptio non causa debiti*", "revision of accounts", "*beneficio ordinis seu excussionis*", splitting of claims and "*de duobus vel pluribus reis debendi*" and declares itself to be fully acquainted with the full meaning and effect of the same.

## 20. DOMICILIUM CITANDI ET EXECUTANDI

- 20.1. The Parties choose the addresses set out opposite their names below as their *domicilium citandi et executandi* (whether in respect of notices, court processes or any other documents or communications of whatsoever nature) for all purposes of this Agreement:

- 20.1.1. Nedbank

Physical Address:	135 Rivonia Road Corporate Place Block F Sandown Sandton 2196
Current Fax no:	011 2941333
Attention:	The General Manager Corporate Credit
Email Address:	JackN@nedbank.co.za



Designation of Email Receiver: Business Manager

20.1.2. the Borrower:

Physical Address: Nelson Mandela Bay Metropolitan Municipality  
City Hall, Vuyisile Mini Square  
Govan Mbeki Avenue  
Nelson Mandela Bay  
6000

Current Fax no: 041 506 2422

Attention: Municipal Manager

Email Address: **To be provided by Municipality**

Designation of Email Receiver: **To be provided by Municipality**

- 20.2. Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing. It shall be acceptable to give notice by fax provided that proof of such fax transmission is provided to the Party to whom notice is addressed and physical copies of the notice or communication are delivered to the aforesaid address of the Party to whom such notice is addressed within 3 (three) Business Days of such fax transmission.
- 20.3. Any Party may by written notice to the other Parties change its chosen address to another physical address, provided that the change shall become effective on the 7th (seventh) day after delivery of such notice to the addressee.
- 20.4. Any notice to a Party contained in a correctly addressed envelope and delivered by hand to a responsible person during ordinary business hours at its chosen address shall be deemed to have been received, unless the contrary is proved, on the first Business Day after delivery.
- 20.5. Notwithstanding anything to the contrary contained in this clause 20, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen address.

21. **COSTS AND EXPENSES**

- 21.1. Each Party shall be responsible for its own costs of negotiating, drafting and implementing this Agreement.
- 21.2. The applicable Party shall on demand reimburse the counter Party for all reasonable costs and expenses (including legal fees on the attorney and client scale) incurred as a result of the applicable Party's unremedied breach of this Agreement.

22. **CONFIDENTIAL INFORMATION**

The Parties acknowledge that for the duration of this Agreement information will be required and furnished in terms of this Agreement.

The Parties undertake to utilise such information solely for the purpose of the administration of this Agreement. This undertaking will be effective for the duration of this Agreement and will survive the termination of this Agreement. It will be irrespective for what reason the Agreement is terminated.



## 23. MISCELLANEOUS

### 23.1. Partial Invalidity

The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction will not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

### 23.2. Waivers and Remedies Cumulative

Unless condoned in writing, no failure to exercise, and no delay in exercising on the part of either Party, of any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by either Party shall be effective unless it is in writing and duly executed by the Party granting such waiver.

### 23.3. Entire Contract

This Agreement contains all the express provisions agreed on by the Parties with regard to the subject matter of the Agreement and the Parties waive the right to rely on any alleged express provision not contained in this Agreement.

### 23.4. Duration

This Agreement shall endure for the Term.

### 23.5. No Partnership

Nothing in this Agreement shall be deemed to constitute a partnership or establish a relationship of principal and agent or any other relationship of a similar nature between any of the Parties or, unless expressly provided, entitle either Party to commit or bind the other Party in any manner.

### 23.6. No Representations

A Party may not rely on any representation or warranty which allegedly induced it to enter into this Agreement, unless the representation or warranty is recorded in this Agreement.

### 23.7. Variation, Cancellation and Waiver

No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of the Parties.

### 23.8. Indulgences

The grant of any indulgence by a Party under this Agreement shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor.

### 23.9. Severability

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this Agreement without



invalidating the remaining provisions of this Agreement or affecting the validity or unenforceability of such provision in any other jurisdiction.

**23.10. Applicable Law**

This Agreement is to be interpreted and implemented in accordance with the law of the Republic of South Africa.

**23.11. Jurisdiction**

Each of the Parties irrevocably agrees that the High Court of the Republic of South Africa shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such court.

**23.12. Counterparts**

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

**23.13. Independent Advice**

The Parties hereby acknowledge and agree that they have been free to secure independent legal and other professional advice (including legal, financial and taxation advice) as to the nature and effect of the provisions of this Agreement and that they have either taken such independent advice or has dispensed with the necessity of doing so.

**24 ARBITRATION**

Any dispute ("a dispute") between the Parties arising in connection with this Agreement or the subject matter hereof shall be submitted to and determined by arbitration in accordance with this clause. For the purpose hereof the term "dispute" shall be interpreted in the widest sense and shall include any dispute or difference in connection with or in respect of the conclusion or existence of this Agreement, the carrying into effect of this Agreement, the interpretation or application of the provisions of this Agreement, the Parties' respective rights and/or obligations in terms of and/or arising out of this Agreement and/or the validity, enforceability, rectification, termination or cancellation, whether in whole or in part, of this Agreement.

Either Party ("the Referring Party") shall be entitled to refer a dispute to arbitration in terms of this clause by notifying the other Party in writing of its intention to do so ("the Arbitration Notice"). The Arbitration Notice shall include the name of not less than 3 (three) natural persons whom the Referring Party proposes for appointment as arbitrator.

Should the Parties fail to agree to an Arbitrator within 5 (five) business days of the Arbitration Notice, the arbitrator shall be appointed, at the written request of either Party (which request shall be copied to the other Parties), by the



Chairman for the time being of the Bar Council of the Johannesburg Society of Advocates (or its successor); subject to the proviso that the Arbitrator so appointed by the said Chairman shall be a practising Senior Counsel or a retired judge.

Unless otherwise expressly agreed by the Parties in writing:

- The arbitration proceedings shall be held at Sandton, Republic of South Africa and shall be conducted under the Standard Rules of the Association of Arbitrators ("the Arbitration Rules");
- The Arbitrator shall be entitled, on the written application of either Party at any time (to be made in a manner acceptable to the Arbitrator), to amend the Arbitration Rules and/or any time period provided for therein or to supplement the Arbitration Rules in the interests of resolving the dispute effectively, efficiently and economically (but provided that no such amendment or supplemental rule shall operate retrospectively);
- The arbitration proceedings shall be conducted as expeditiously as possible but the time periods provide for a Section 23(a) of the Arbitration Act 42 of 1965 ("the Arbitration Act") shall not apply thereto; and
- The decision of the Arbitrator shall be final subject to a right of appeal in terms of the provisions of the Arbitration Rules.

The Arbitrator shall be entitled to determine his or her own jurisdiction and shall be entitled, *mero motu*, to raise matters *mutatis mutandis* as if the dispute was being heard before a Judge in the Gauteng Division of the High Court of South Africa.

The provisions of this clause shall prevail to the extent of there being any conflict between the Arbitration Rules and this clause. Subject to the other provisions of this clause, the arbitration proceedings contemplated herein shall be held in accordance with the provisions of the Arbitration Act.

Without detracting from the effect (if any) of any other act taken by either Party which may affect the issue of prescription, the Parties irrevocably agree and acknowledge that the Arbitration notice shall interrupt prescription and shall be deemed to constitute the service of a process for the purpose of interrupting prescription in terms of Section 13 of the Prescription Act 68 of 1969 (or, at the case may be, the corresponding provision in any amendment thereto or in any replacement legislation).




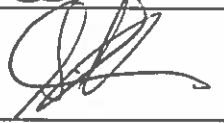
The provisions of this clause:

- Constitute an irrevocable consent by the Parties to the arbitration proceedings provided form herein and neither Party shall be entitled to withdraw from the provisions of this clause or claim at any such proceedings that it is not bound by this clause or such proceedings;
- Are severable form the rest of this Agreement and shall remain in effect despite the termination, cancellation, invalidity or allege invalidity of this Agreement for any reason whatsoever.


Nothing in this clause shall preclude either Party form seeking interim and/or urgent relief form a Court of competent jurisdiction and to this end the Parties hereby consent to the jurisdiction of the Gauteng Division of the High Court of South Africa.


Signed at PORT ELIZABETH on this the 31<sup>ST</sup> day of JULY 2020

As Witnesses:

1.   
2. 

For: **Nedbank Limited**

  
Name: L DANIS  
Capacity: PEM

  
Name: ROB HEFFER  
Capacity: PROVINCIAL MANAGER CREDIT





Signed at Port Elizabeth on this the 31<sup>st</sup> day of July 2020

As Witnesses

1. [Signature]

2. [Signature]

For: NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

[Signature]

Name: MVULENI M. MPOPU

Capacity: Acting City Manager

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

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**SCHEDULE 1**

**DISBURSEMENT DATES AND AMOUNTS SCHEDULE**

**NELSON MANDELA METRO - DRAWDOWN  
SCHEDULE**

1st Drawdown	R 85 765 880	Date of Pay-out (1st Draw)	Friday, 31 July 2020
2nd Drawdown	R 128 648 820	Date of Pay-out (2nd Draw)	Monday, 01 February 2021
3rd Drawdown	R 101 697 880	Date of Pay-out (3rd Draw)	Friday, 30 July 2021
4th Drawdown	R 152 546 820	Date of Pay-out (4th Draw)	Monday, 31 January 2022
5th Drawdown	R 112 777 080	Date of Pay-out (5th Draw)	Monday, 01 August 2022
6th Drawdown	R 169 165 620	Date of Pay-out (6th Draw)	Tuesday, 31 January 2023

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## SCHEDULE 2

### AMORTISING SCHEDULE

**[DRAFTING NOTE: The Schedule must reflect the items stipulated hereunder]**

#### REPAYMENT AMOUNTS:

Date	Balance Outstanding	Cumulative Interest/ Interest Accrued	Capital Repaid	Total Repayment
31 July 2020	R 85 765 880			
01 February 2021	166 874 490.63	4 007 968.81	47 540 209.37	51 548 178.18
30 July 2021	224 569 571.14	7 545 378.68	44 002 799.50	51 548 178.18
31 January 2022	336 062 687.41	10 494 474.45	41 053 703.73	51 548 178.18
01 August 2022	412 741 633.94	15 450 044.71	36 098 133.47	51 548 178.18
31 January 2023	549 438 594.93	19 079 519.16	32 468 659.02	51 548 178.18
31 July 2023	523 011 351.43	25 120 934.68	26 427 243.49	51 548 178.18
31 January 2024	495 772 167.71	24 308 994.45	27 239 183.73	51 548 178.18
31 July 2024	467 016 469.76	22 792 480.23	28 755 697.95	51 548 178.18
31 January 2025	437 174 705.30	21 706 413.72	29 841 764.46	51 548 178.18
31 July 2025	405 614 633.74	19 988 106.62	31 560 071.56	51 548 178.18
30 January 2026	372 816 519.86	18 750 064.30	32 798 113.88	51 548 178.18
31 July 2026	338 408 096.02	17 139 754.33	34 408 423.85	51 548 178.18
29 January 2027	302 417 789.66	15 557 871.82	35 990 306.36	51 548 178.18
30 July 2027	264 772 875.80	13 903 264.32	37 644 913.85	51 548 178.18
31 January 2028	225 597 933.09	12 373 235.46	39 174 942.72	51 548 178.18
31 July 2028	184 421 326.30	10 371 571.39	41 176 606.79	51 548 178.18
31 January 2029	141 444 849.26	8 571 701.14	42 976 477.04	51 548 178.18
31 July 2029	96 363 684.60	6 467 013.52	45 081 164.66	51 548 178.18
31 January 2030	49 294 384.88	4 478 878.46	47 069 299.72	51 548 178.18
31 July 2030	0.00	2 253 793.30	49 294 384.88	51 548 178.18

*[Handwritten initials/signature]*



**CAPITAL:**

Date	Capital Repaid
31 July 2020	
01 February 2021	47 540 209.37
30 July 2021	44 002 799.50
31 January 2022	41 053 703.73
01 August 2022	36 098 133.47
31 January 2023	32 468 659.02
31 July 2023	26 427 243.49
31 January 2024	27 239 183.73
31 July 2024	28 755 697.95
31 January 2025	29 841 764.46
31 July 2025	31 560 071.56
30 January 2026	32 798 113.88
31 July 2026	34 408 423.85
29 January 2027	35 990 306.36
30 July 2027	37 644 913.85
31 January 2028	39 174 942.72
31 July 2028	41 176 606.79
31 January 2029	42 976 477.04
31 July 2029	45 081 164.66
31 January 2030	47 069 299.72
31 July 2030	49 294 384.88

*Handwritten signature or initials*



**INTEREST:**

Date	Cumulative Interest/ Interest Accrued
31 July 2020	
01 February 2021	4 007 968.81
30 July 2021	7 545 378.68
31 January 2022	10 494 474.45
01 August 2022	15 450 044.71
31 January 2023	19 079 519.16
31 July 2023	25 120 934.68
31 January 2024	24 308 994.45
31 July 2024	22 792 480.23
31 January 2025	21 706 413.72
31 July 2025	19 988 106.62
30 January 2026	18 750 064.30
31 July 2026	17 139 754.33
29 January 2027	15 557 871.82
30 July 2027	13 903 264.32
31 January 2028	12 373 235.46
31 July 2028	10 371 571.39
31 January 2029	8 571 701.14
31 July 2029	6 467 013.52
31 January 2030	4 478 878.46
31 July 2030	2 253 793.30

**INTEREST PAYMENT DATES:**

Date
31 July 2020
01 February 2021
30 July 2021
31 January 2022
01 August 2022
31 January 2023
31 July 2023
31 January 2024
31 July 2024
31 January 2025
31 July 2025
30 January 2026
31 July 2026
29 January 2027

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30 July 2027
31 January 2028
31 July 2028
31 January 2029
31 July 2029
31 January 2030
31 July 2030

**CAPITAL PAYMENT DATES:**

Date
31 July 2020
01 February 2021
30 July 2021
31 January 2022
01 August 2022
31 January 2023
31 July 2023
31 January 2024
31 July 2024
31 January 2025
31 July 2025
30 January 2026
31 July 2026
29 January 2027
30 July 2027
31 January 2028
31 July 2028
31 January 2029
31 July 2029
31 January 2030
31 July 2030

**FINAL REPAYMENT DATE:**

**31 July 2030**

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Client Name	Nelson Mandela Bay Municipality				
1st Drawdown	R 85 765 880	Date of Pay-out (1st Draw)	Friday, 31 July 2020		
2nd Drawdown	R 128 648 820	Date of Pay-out (2nd Draw)	Monday, 01 February 2021		
3rd Drawdown	R 101 697 880	Date of Pay-out (3rd Draw)	Friday, 30 July 2021		
4th Drawdown	R 152 546 820	Date of Pay-out (4th Draw)	Monday, 31 January 2022		
5th Drawdown	R 112 777 080	Date of Pay-out (5th Draw)	Monday, 01 August 2022		
6th Drawdown	R 169 165 620	Date of Pay-out (6th Draw)	Tuesday, 31 January 2023		
TOTAL	R 750 602 100				
Indicative Base Rate (Nedbank Internal Funding Curve - NACS) incl. NCC Add-on	7.05%			Date of 1st Instalment	01 February 2021
All-in Margin	2.17%	Date of Maturity	31 July 2030	Total Capital Repaid	750 602 100.00
All in Rate (NACS)	9.22%	Date of Last Instalment	31 July 2030	Instalment/Payment	R 51 548 178.18
Number of Years	10.01				
Outstanding Balance at end of period	0.00				

Number of Days (From Inception)	Date	Balance Outstanding	Cumulative Interest/ Interest Accrued	Capital Repaid	Total Repayment	Payment Indicator
0	31 July 2020	R 85 765 880				1st Drawdown
185	01 February 2021	166 874 490.63	4 007 968.81	47 540 209.37	51 548 178.18	2nd Drawdown + Capital + Service Interest 1
179	30 July 2021	224 569 571.14	7 545 378.68	44 002 799.50	51 548 178.18	3rd Drawdown + Capital + Service Interest 2
185	31 January 2022	336 062 687.41	10 494 478.45	41 053 703.73	51 548 178.18	4th Drawdown + Capital + Service Interest 3
182	01 August 2022	412 741 633.94	15 450 044.71	36 098 133.47	51 548 178.18	5th Drawdown + Capital + Service Interest 4
183	31 January 2023	549 438 594.93	19 079 519.16	32 468 659.02	51 548 178.18	6th Drawdown + Capital + Service Interest 5
181	31 July 2023	523 011 351.43	25 120 934.68	26 427 243.49	51 548 178.18	Capital + Service Interest 6
184	31 January 2024	495 772 167.71	24 308 994.45	27 239 183.73	51 548 178.18	Capital + Service Interest 7
182	31 July 2024	467 016 469.76	22 792 480.23	28 755 697.95	51 548 178.18	Capital + Service Interest 8
184	31 January 2025	437 174 705.30	21 706 413.72	29 841 764.46	51 548 178.18	Capital + Service Interest 9
181	31 July 2025	405 614 633.74	19 988 106.62	31 560 071.56	51 548 178.18	Capital + Service Interest 10
183	30 January 2026	372 816 519.86	18 750 064.30	32 798 113.88	51 548 178.18	Capital + Service Interest 11
182	31 July 2026	338 408 096.02	17 139 754.33	34 408 423.85	51 548 178.18	Capital + Service Interest 12
182	29 January 2027	302 417 789.66	15 557 871.82	35 990 306.36	51 548 178.18	Capital + Service Interest 13
182	30 July 2027	264 772 875.80	13 903 264.32	37 644 913.85	51 548 178.18	Capital + Service Interest 14
185	31 January 2028	225 597 933.09	12 373 235.46	39 174 942.72	51 548 178.18	Capital + Service Interest 15
182	31 July 2028	184 421 326.30	10 371 571.39	41 176 606.79	51 548 178.18	Capital + Service Interest 16
184	31 January 2029	141 444 849.26	8 571 701.14	42 976 477.04	51 548 178.18	Capital + Service Interest 17
181	31 July 2029	96 363 684.60	6 467 013.52	45 081 164.66	51 548 178.18	Capital + Service Interest 18
184	31 January 2030	49 294 384.88	4 478 878.46	47 069 299.72	51 548 178.18	Capital + Service Interest 19
181	31 July 2030	0.00	2 253 793.30	49 294 384.88	51 548 178.18	Capital + Service Interest 20

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**Nelson Mandela Bay Municipality**

Client Name	Nelson Mandela Bay Municipality	
1st Drawdown	R 85 765 850	Friday, 31 July 2020
2nd Drawdown	R 128 648 820	Monday, 01 February 2021
3rd Drawdown	R 101 697 880	Friday, 20 July 2021
4th Drawdown	R 152 546 820	Monday, 31 January 2022
5th Drawdown	R 112 777 000	Monday, 01 August 2022
6th Drawdown	R 169 165 620	Tuesday, 31 January 2023
TOTAL	R 750 602 100	
Indicative Base Rate (Medbank Internal Funding Curve - NACS) Incl. RCC Add-on	7.05%	Date of 1st Instalment
AP-in Margin	2.17%	31 July 2020
AE in Rate (NACS)	9.22%	Total Capital Repaid
Number of Years	10.01	31 July 2030
Outstanding Balance at end of period	0.00	Instalment/Payment
		R 51 548 178.18

Friday, 31 July 2020	4 007 968.81	47 540 209.37	51 548 178.18	1st Drawdown	Friday
Monday, 01 February 2021	7 545 378.68	44 007 799.50	51 548 178.18	2nd Drawdown + Capital + Service Interest 1	Monday
Friday, 20 July 2021	10 034 474.45	41 053 703.73	51 548 178.18	3rd Drawdown + Capital + Service Interest 2	Friday
Monday, 31 January 2022	15 450 044.71	36 098 133.47	51 548 178.18	4th Drawdown + Capital + Service Interest 3	Monday
Monday, 01 August 2022	19 079 519.16	32 468 659.02	51 548 178.18	5th Drawdown + Capital + Service Interest 4	Monday
Tuesday, 31 January 2023	25 120 934.68	26 427 243.49	51 548 178.18	6th Drawdown + Capital + Service Interest 5	Monday
	24 308 994.45	27 235 183.73	51 548 178.18	Capital + Service Interest 6	Monday
	22 797 480.23	28 755 697.95	51 548 178.18	Capital + Service Interest 7	Wednesday
	21 706 413.72	29 841 764.46	51 548 178.18	Capital + Service Interest 8	Wednesday
	19 988 106.62	31 560 071.56	51 548 178.18	Capital + Service Interest 9	Friday
	17 139 754.33	32 798 113.68	51 548 178.18	Capital + Service Interest 10	Thursday
	18 750 064.30	34 008 423.05	51 548 178.18	Capital + Service Interest 11	Friday
	15 552 871.82	35 990 306.36	51 548 178.18	Capital + Service Interest 12	Friday
	31 903 264.32	37 648 913.85	51 548 178.18	Capital + Service Interest 13	Friday
	32 373 235.46	39 178 942.72	51 548 178.18	Capital + Service Interest 14	Friday
	10 371 571.39	41 176 606.79	51 548 178.18	Capital + Service Interest 15	Monday
	8 571 701.14	42 976 477.04	51 548 178.18	Capital + Service Interest 16	Monday
	141 444 849.76	45 081 164.66	51 548 178.18	Capital + Service Interest 17	Wednesday
	96 363 684.40	47 089 299.72	51 548 178.18	Capital + Service Interest 18	Tuesday
	4 478 878.46	49 294 384.88	51 548 178.18	Capital + Service Interest 19	Thursday
	0.00	49 294 384.88	51 548 178.18	Capital + Service Interest 20	Wednesday

Number of Days (from Inception)	Date	Balance Outstanding	Cumulative Interest/Interest Accrued	Capital Repaid	Total Repayment	Payment Indicator
0	31 July 2020	R 85 765 850				
185	01 February 2021	166 874 490.63	4 007 968.81	47 540 209.37	51 548 178.18	1st Drawdown
179	30 July 2021	224 568 571.14	7 545 378.68	44 007 799.50	51 548 178.18	2nd Drawdown + Capital + Service Interest 1
185	31 January 2022	336 062 687.41	10 034 474.45	41 053 703.73	51 548 178.18	3rd Drawdown + Capital + Service Interest 2
182	01 August 2022	412 741 633.94	15 450 044.71	36 098 133.47	51 548 178.18	4th Drawdown + Capital + Service Interest 3
183	31 January 2023	549 438 594.93	19 079 519.16	32 468 659.02	51 548 178.18	5th Drawdown + Capital + Service Interest 4
181	31 July 2023	513 011 351.43	25 120 934.68	26 427 243.49	51 548 178.18	6th Drawdown + Capital + Service Interest 5
184	31 January 2024	495 721 167.71	24 308 994.45	27 235 183.73	51 548 178.18	Capital + Service Interest 6
182	31 July 2024	467 016 469.76	22 797 480.23	28 755 697.95	51 548 178.18	Capital + Service Interest 7
184	31 January 2025	437 174 705.30	21 706 413.72	29 841 764.46	51 548 178.18	Capital + Service Interest 8
181	31 July 2025	405 614 633.74	19 988 106.62	31 560 071.56	51 548 178.18	Capital + Service Interest 9
183	30 January 2026	372 816 519.86	17 139 754.33	32 798 113.68	51 548 178.18	Capital + Service Interest 10
182	31 July 2026	338 408 096.00	18 750 064.30	34 008 423.05	51 548 178.18	Capital + Service Interest 11
182	29 January 2027	303 417 789.66	15 552 871.82	35 990 306.36	51 548 178.18	Capital + Service Interest 12
182	30 July 2027	264 722 875.80	31 903 264.32	37 648 913.85	51 548 178.18	Capital + Service Interest 13
185	31 January 2028	225 597 933.09	32 373 235.46	39 178 942.72	51 548 178.18	Capital + Service Interest 14
182	31 July 2028	184 421 326.30	10 371 571.39	41 176 606.79	51 548 178.18	Capital + Service Interest 15
184	31 January 2029	141 444 849.76	8 571 701.14	42 976 477.04	51 548 178.18	Capital + Service Interest 16
181	31 July 2029	96 363 684.40	6 461 013.52	45 081 164.66	51 548 178.18	Capital + Service Interest 17
184	31 January 2030	49 294 384.88	4 478 878.46	47 089 299.72	51 548 178.18	Capital + Service Interest 18
181	31 July 2030	0.00	2 453 793.30	49 294 384.88	51 548 178.18	Capital + Service Interest 19
						Capital + Service Interest 20

Client Name		Nelson Mandela Bay Municipality	
1st Drawdown	R 85 765 880	Date of Pay-out (1st Draw)	Friday, 31 July 2020
2nd Drawdown	R 128 648 820	Date of Pay-out (2nd Draw)	Monday, 01 February 2021
3rd Drawdown	R 101 697 880	Date of Pay-out (3rd Draw)	Friday, 30 July 2021
4th Drawdown	R 152 546 820	Date of Pay-out (4th Draw)	Monday, 31 January 2022
5th Drawdown	R 112 777 080	Date of Pay-out (5th Draw)	Monday, 01 August 2022
6th Drawdown	R 169 165 620	Date of Pay-out (6th Draw)	Tuesday, 31 January 2023
TOTAL	R 750 602 100		
Indicative Base Rate (Nedbank Internal Funding Curve - NACS) incl. NCC Add-on	7.05%		
All-in Margin	2.17%		
All-in Rate (NACS)	9.22%		
Number of Years	10.01		
Outstanding Balance at end of period	0.00		
		Date of 1st Instalment	01 February 2021
		Total Capital Repaid	750 602 100.00
		Instalment/Payment	R 51 548 178.18

Number of Days (from Inception)	Date	Balance Outstanding	Cumulative Interest/ Interest Accrued	Capital Repaid	Total Repayment	Payment Indicator	
0	31 July 2020	R 85 765 880				1st Drawdown	Friday, 31 July 2020
185	01 February 2021	166 874 490.63	4 007 968.81	47 540 209.37	51 548 178.18	2nd Drawdown + Capital + Service Interest 1	Monday, 01 February 2021
179	30 July 2021	224 569 571.14	7 545 378.68	44 002 799.50	51 548 178.18	3rd Drawdown + Capital + Service Interest 2	Friday, 30 July 2021
185	31 January 2022	336 062 687.41	10 454 474.45	41 053 703.73	51 548 178.18	4th Drawdown + Capital + Service Interest 3	Monday, 31 January 2022
182	01 August 2022	412 741 693.94	15 450 044.71	36 098 133.47	51 548 178.18	5th Drawdown + Capital + Service Interest 4	Monday, 01 August 2022
183	31 January 2023	549 438 594.93	19 079 519.16	32 468 659.02	51 548 178.18	6th Drawdown + Capital + Service Interest 5	Tuesday, 31 January 2023
181	31 July 2023	523 011 351.43	25 170 934.68	26 427 243.49	51 548 178.18	Capital + Service Interest 6	Monday, 31 July 2023
184	31 January 2024	495 772 167.71	24 308 994.45	27 239 183.73	51 548 178.18	Capital + Service Interest 7	Wednesday, 31 January 2024
182	31 July 2024	467 016 469.76	22 792 480.23	28 735 697.95	51 548 178.18	Capital + Service Interest 8	Wednesday, 31 July 2024
184	31 January 2025	437 174 705.30	21 706 413.72	29 841 764.46	51 548 178.18	Capital + Service Interest 9	Friday, 31 January 2025
181	31 July 2025	405 614 633.74	19 988 106.62	31 560 071.56	51 548 178.18	Capital + Service Interest 10	Thursday, 31 July 2025
183	30 January 2026	372 816 519.86	18 750 064.30	32 798 113.88	51 548 178.18	Capital + Service Interest 11	Thursday, 30 January 2026
182	31 July 2026	338 408 096.02	17 139 754.33	34 408 423.85	51 548 178.18	Capital + Service Interest 12	Friday, 31 July 2026
182	29 January 2027	302 417 789.66	15 557 871.82	35 990 306.36	51 548 178.18	Capital + Service Interest 13	Friday, 29 January 2027
182	30 July 2027	264 772 875.80	13 903 264.32	37 644 913.85	51 548 178.18	Capital + Service Interest 14	Friday, 30 July 2027
185	31 January 2028	225 597 933.09	12 373 235.46	39 174 942.72	51 548 178.18	Capital + Service Interest 15	Monday, 31 January 2028
182	31 July 2028	184 421 326.30	10 371 571.39	41 176 606.79	51 548 178.18	Capital + Service Interest 16	Monday, 31 July 2028
184	31 January 2029	141 444 849.26	8 571 701.14	42 976 477.04	51 548 178.18	Capital + Service Interest 17	Monday, 31 January 2029
181	31 July 2029	96 363 684.60	6 467 013.52	45 083 164.66	51 548 178.18	Capital + Service Interest 18	Tuesday, 31 July 2029
184	31 January 2030	49 294 384.88	4 478 878.46	47 069 299.72	51 548 178.18	Capital + Service Interest 19	Thursday, 31 January 2030
181	31 July 2030	0.00	2 253 793.30	49 294 384.88	51 548 178.18	Capital + Service Interest 20	Wednesday, 31 July 2030

*[Handwritten signature]*