Programme Memorandum dated 1 December 2023

CITY OF CAPE TOWN

ZAR7,000,000,000 Domestic Medium Term Note Programme

The City of Cape Town ("**Issuer**") has established a ZAR7,000,000,000 Domestic Medium Term Note Programme ("**Programme**") under which the Issuer may, from time to time issue notes of any kind ("**Notes**") pursuant to the Programme Memorandum dated 30 May 2008 ("**Original Programme Memorandum**"). The Original Programme Memorandum was replaced in its entirety by the Programme Memorandum dated 11 July 2017 ("**Previous Programme Memorandum**").

The Issuer has amended and updated the Previous Programme Memorandum on the basis set out in this Programme Memorandum, dated 1 December 2023, as amended and/or supplemented from time to time ("**Programme Memorandum**").

The Programme Memorandum must be read together with the Information Statement, dated 1 December 2023, as amended and/or supplemented from time to time ("**Information Statement**"). The Information Statement is available at the following website link: http://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance.

Unless otherwise defined in this Programme Memorandum or, in relation to a Tranche of Notes, the Applicable Pricing Supplement, capitalised terms used in this Programme Memorandum shall bear the meanings ascribed to them in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*" ("**Terms and Conditions**"). References in this Programme Memorandum to any Condition are to that Condition of the Terms and Conditions.

The Programme Memorandum, as read with the Information Statement, is a "placing document" as defined in the JSE Debt Listings Requirements ("**Placing Document**").

All information which is required by the JSE Debt Listings Requirements to be disclosed in the Placing Document will, if not disclosed in the Programme Memorandum, be disclosed in the Information Statement (see the section of the Programme Memorandum headed "*Information Statement*").

The Programme Memorandum, as read with the Information Statement, is a "disclosure statement" as defined in the Municipal Regulations on Debt Disclosures to the extent that the Programme Memorandum, as read with the Information Statement, discloses the information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures. Any additional information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures will, in relation to a Tranche of Notes, be disclosed in, or attached as an annexure to, the Applicable Pricing Supplement (together with the Programme Memorandum, as read with the Information Statement, the "**Disclosure Statement**").

Application has been made to the JSE for the registration and approval of the Programme Memorandum, dated 1 December 2023 (as read with the Information Statement, dated 1 December 2023). The Programme Memorandum, dated 1 December 2023 (as read with the Information Statement, dated 1 December 2023) was registered and approved by the JSE on 27 November 2023.

On and with effect from 1 December 2023 ("**Programme Date**"), this Programme Memorandum, as read with the Information Statement, applies to all Notes issued under the Programme on and after the Programme Date.

As regards Existing Notes, on and with effect from the Programme Date, the Information Statement, as read with the sections of this Programme Memorandum headed "*Documents Incorporated by Reference*", "*Form of the Notes*", "*Settlement, Clearing and Transfers of Uncertificated Notes*", "*South African Taxation*" and "*Exchange Control*" will supersede and replace the corresponding sections of the Previous Programme Memorandum in their entirety and, to this extent, update the Previous Programme Memorandum.

Subject to the paragraph above and all Applicable Laws (including, without limitation, the JSE Debt Listings Requirements), the Previous Programme Memorandum (including the section of the Previous Programme

Memorandum headed "*Terms and Conditions of the Notes*") will remain applicable to Existing Notes.

The Previous Programme Memorandum is available on the following website link: https://www.capetown.gov.za/Work and business/Invest-in-cape-town/The-citys-investor-relations/External-finance.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the *pro forma* pricing supplement set out in the section of this Programme Memorandum headed "*Pro forma Applicable Pricing Supplement*".

A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions (that is, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Save as set out in the Terms and Conditions, the Notes will not be subject to any minimum or maximum maturity (except as provided in terms of the Local Government: Municipal Finance Management Act, 2003).

This Programme Memorandum will apply to Notes issued under the Programme in an aggregate Outstanding Principal Amount which will not exceed ZAR7,000,000,000, unless such aggregate Outstanding Principal Amount is increased as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

The Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement.

Notes may be issued on a continuing basis and be placed by one or more Dealer(s) appointed by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.

The Issuer has been rated by the Rating Agency. The Applicable Pricing Supplement will reflect the Rating of the Issuer and the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. For so long as any Note is listed on the Interest Rate Market of the JSE, any change in the Rating assigned to the Issuer and/or the Programme, will be published by the Issuer on the Stock Exchange News Service ("**SENS**") or any other similar service established by the JSE, as soon as possible.

The Issuer's obligations under the Applicable Terms and Conditions of a Tranche of Notes to be issued in terms of the Programme are unsecured.

Investors and Noteholders should be aware that any statement contained in the Programme Memorandum and/or the Information Statement or in any document which is incorporated by reference into the Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*") will be deemed to be modified or superseded for the purposes of the Programme Memorandum and/or the Information Statement to the extent that a statement contained in any subsequent document which is incorporated by reference into the Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Programme Memorandum and the Information Statement must therefore be read in conjunction with all documents which are incorporated by reference into the Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*").

Arranger and Dealer:	**Nedbank Limited, acting through its Corporate and Investment Banking division**
Debt Sponsor:	**Nedbank Limited, acting through its Corporate and Investment Banking division**
Legal Advisers to the Issuer:	**Cliffe Dekker Hofmeyr Inc.**

GENERAL NOTICE

The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted from this Programme Memorandum (as read with the Information Statement) which would make any statement contained in this Programme Memorandum (as read with the Information Statement) false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Programme Memorandum (as read with the Information Statement) contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all the information required by law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum (as read with the Information Statement), each Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments or supplements to the aforementioned, from time to time, except as otherwise stated therein.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum (as read with the Information Statement) contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information which is material in the context of the issue and offering of the Notes, that the information contained in (or incorporated by reference into) this Programme Memorandum (as read with the Information Statement), is true and accurate in all material respects and is not misleading and that the opinions and intentions expressed in this Programme Memorandum (as read with the Information Statement) are honestly held.

This Programme Memorandum (as read with the Information Statement) is to be read in conjunction with all documents which are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). This Programme Memorandum (as read with the Information Statement) shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum (as read with the Information Statement). Any reference in this section to the Programme Memorandum (as read with the Information Statement), shall be read and construed as including such documents incorporated by reference.

The Arranger, the Dealer(s), the Debt Sponsor and other professional advisors named herein have not separately verified the information contained in this Programme Memorandum (as read with the Information Statement). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the Debt Sponsor or other professional advisors named herein as to the accuracy or completeness of the information contained in this Programme Memorandum (as read with the Information Statement) or any other information provided by the Issuer. The Arranger, the Dealer(s), the Debt Sponsor and other professional advisors named herein do not accept any liability in relation to the information contained in this Programme Memorandum (as read with the Information Statement) or any other information provided by the Issuer in connection with the Programme or the Notes.

No person is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Programme Memorandum (as read with the Information Statement). Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Arranger or the Dealer(s), or any of their respective subsidiary or holding companies or a subsidiary of their holding company ("**Affiliates**") or advisors.

Neither the delivery of this Programme Memorandum nor the Information Statement nor any Applicable Pricing Supplement, nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the Programme Date or that the information contained in this Programme Memorandum (as read with the Information Statement) is correct at any time subsequent to the Programme Date or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same.

The Arranger, the Dealer(s) and other advisors have not separately verified the information contained in this Programme Memorandum (as read with the Information Statement). Accordingly, neither the Arranger, the Dealer(s) nor any of their respective Affiliates or advisors makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Programme Memorandum (as read with the Information Statement) or any other information supplied in connection with this Programme. Each person receiving this Programme Memorandum and/or the Information Statement acknowledges that such person has not relied on the Arranger, the Dealer(s) or any other person affiliated with the Arranger or the Dealer(s) in connection with its investigation of the accuracy of such information or its investment decision.

The JSE takes no responsibility for the contents of this Programme Memorandum (as read with the Information Statement) and/or any Applicable Pricing Supplement and/or the annual financial statements of the Issuer or any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of this Programme Memorandum (as read with the Information Statement) and/or any Applicable Pricing Supplement and/or the annual financial statements of the Issuer or any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of this Programme Memorandum (as read with the Information Statement) and the listing of the Notes on the Interest Rate Market of the JSE is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

Neither this Programme Memorandum (as read with the Information Statement) nor any information supplied in connection with this Programme is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger or the Dealer(s) that any recipient of this Programme Memorandum (as read with the Information Statement) or any information supplied in connection with this Programme should subscribe for or purchase any Notes.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, the extent of its exposure to risk (see the section of the Information Statement headed "*Risk Factors*") and any other factors which may be relevant to it in connection with such investment.

The Arranger and the Dealer(s) do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or the Dealer(s).

Neither this Programme Memorandum (as read with the Information Statement) nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme and/or the Notes constitute the rendering of financial or investment advice by the Issuer, the Arranger, the Dealer(s) or any other professional advisor.

The Notes will be obligations of the Issuer. The Notes will not be obligations of or the responsibility of or guaranteed by the Arranger or the Dealer(s). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by, the Arranger or the Dealer(s).

The Arranger and the Dealer(s) expressly do not undertake to review the financial information or affairs of the Issuer during the life of the Programme. Investors should review, among others, the most recent financial statements of the Issuer when deciding whether or not to purchase or subscribe for any Notes.

Neither this Programme Memorandum (as read with the Information Statement) nor any Applicable Pricing Supplement constitutes an offer to sell or an invitation by or on behalf of the Issuer, the Arranger or the Dealer(s) to any person to subscribe for or purchase any of the Notes. The distribution of this Programme Memorandum (as read with the Information Statement), any Applicable Pricing Supplement and the offer or sale of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Arranger or the Dealer(s) that this Programme Memorandum (as read with the Information Statement) or any Applicable Pricing Supplement may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealer(s) which would permit a public offering of the Notes or distribution of this Programme Memorandum (as read with the Information Statement) or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum (as read with the Information Statement) nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. Persons into whose possession this Programme Memorandum (as read with the Information Statement) or any Applicable Pricing Supplement comes are required by the Issuer, the Arranger and the Dealer(s) to inform themselves about and to observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to any U.S. persons, except in accordance with Regulation S under the Securities Act. In addition, there are restrictions on the

distribution of this Programme Memorandum (as read with the Information Statement) in South Africa, the United Kingdom and the European Economic Area. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of this Programme Memorandum (as read with the Information Statement) (see the section of this Programme Memorandum headed "Subscription and Sale").

The provisions of this Programme Memorandum (as read with the Information Statement) and/or any Applicable Pricing Supplement, if this Programme Memorandum (as read with the Information Statement) and/or that Applicable Pricing Supplement is/are sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that this Programme Memorandum (as read with the Information Statement) or any Applicable Pricing Supplement is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.

The price/yield and Principal Amount of any Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer and/or the Arranger at the time of issue in accordance with prevailing market conditions.

In connection with the issue and distribution of any Tranche of Notes, the Issuer or a Dealer disclosed as the approved stabilisation manager, if any ("**Stabilisation Manager**"), in the Applicable Pricing Supplement may, to the extent permitted by Applicable Laws and regulations, over-allot or effect transactions with a view to supporting the market price of the Notes of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilisation shall be carried out in accordance with all Applicable Laws and regulations, including the JSE Debt Listings Requirements.

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DOCUMENTS INCORPORATED BY REFERENCE

The documents listed below are incorporated by reference into and form part of, this Programme Memorandum and are available for inspection by investors, during normal office hours after the Programme Date, at the Specified Office of the Issuer–

(i) the respective audited annual financial statements of the Issuer for the three financial years ended 30 June 2020, 30 June 2021 and 30June 2022 (which include the independent auditor's reports in respect of such annual financial statements), which audited annual financial statements are available at the following website link: http://www.capetown.gov.za/local%20and%20communities/meet-the-city/city-reports/annual-reports;

(ii) the respective audited annual financial statements of the Issuer for all financial years after the Programme Date (which will include the independent auditor's reports in respect of such annual financial statements), which audited annual financial statements will be available on the website link specified in paragraph (i) as and when such audited annual financial statements become available;

(iii) the respective annual reports of the Issuer for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022, which annual reports are available at the following website link: https://www.capetown.gov.za/local%20and%20communities/meet-the-city/city-reports/annual-reports;

(iv) the respective annual reports of the Issuer for all financial years after the Programme Date, which annual reports will be available on the website link specified in paragraph (iii) as and when such annual reports become available;

(v) each Applicable Pricing Supplement relating to a Tranche of Notes which is listed on the Interest Rate Market of the JSE (or any other separate platform, board or sub-market of the JSE) ("**JSE-listed Applicable Pricing Supplement**");

(vi) information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum and/or the Information Statement and which is electronically disseminated on SENS (or any other similar service established by the JSE) to SENS subscribers;

(vii) any supplements and/or amendments to this Programme Memorandum and/or the Information Statement circulated by the Issuer from time to time.

Any statement contained in this Programme Memorandum and/or the Information Statement or in any document which is incorporated by reference into this Programme Memorandum will be deemed to be modified or superseded for the purposes of this Programme Memorandum and/or the Information Statement to the extent that a statement contained in any subsequent document which is incorporated by reference into this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, for as long as this Programme Memorandum remains registered with the JSE, review this Programme Memorandum, on an annual basis following each anniversary of the Programme Date, to consider if any of the information contained in this Programme Memorandum in relation to the Issuer, but expressly excluding the Terms and Conditions, is outdated in a material respect.

If, following such review, the Issuer determines that any of the information contained in this Programme Memorandum in relation to the Issuer, but expressly excluding the Terms and Conditions, is outdated in a material respect, the Issuer shall procure that this Programme Memorandum is updated as set out in the penultimate paragraph below.

No update of any information which has been incorporated by reference into this Programme Memorandum (see the 1st paragraph, and the proviso thereto, above) will require an update of this Programme Memorandum; provided that the Issuer will procure that a SENS announcement is released which notifies the Noteholders of the update of information which has been incorporated by reference into this Programme Memorandum and where such updated information is available.

The required updates to this Programme Memorandum will be provided for in a new Programme

Memorandum or a supplement to this Programme Memorandum, as the case may be. All such updates must be approved by the JSE. The Issuer will procure that a SENS announcement is released which contains a summary of such updates and a statement that the new Programme Memorandum or the supplement to this Programme Memorandum, as the case may be, containing such updates will be available for inspection on the following website link: http://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance.

Any new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, shall be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or the supplement to this Programme Memorandum, as the case may be.

The Issuer will provide, free of charge and upon request, to any member of the general public, a copy of the Programme Memorandum and/or any of the documents which are incorporated by reference into the Programme Memorandum, unless such documents have been modified or superseded. Requests for such documents should be directed to the Issuer at its Specified Office. Copies of the most recently published audited annual financial statements of the Issuer are available free of charge at the office of the Issuer situated at 7th Floor, Civic Centre, 12 Hertzog Boulevard, Cape Town, 8001, contact persons: Chief Financial Officer and Director: Treasury.

The Programme Memorandum, any new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, the Information Statement and each JSE-listed Applicable Pricing Supplement will be made available on the website of the JSE (www.jse.co.za). These documents, together with the documents which are incorporated by reference into this Programme Memorandum, are available for inspection at the Issuer's Specified Office during office hours.

The Programme Memorandum is available at the following website link: http://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance. The Issuer shall place an electronic copy of the Programme Memorandum, any new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, the Information Statement, each Applicable Pricing Supplement and the Issuer's audited annual financial statements on the website referred to in section 21A of the Local Government: Municipal Systems Act, 2000 which is www.capetown.gov.za.

GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme and the Terms and Conditions is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement.

Under the Programme, the Issuer may from time to time issue Notes denominated in Rand. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions (that is, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement).

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes, and will rank *pari passu* among themselves (unless otherwise specified in the Applicable Pricing Supplement) regardless of the Issue Date of the relevant Tranche of Notes.

Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the *pro forma* pricing supplement set out in the section of this Programme Memorandum headed "*Pro forma Applicable Pricing Supplement*", setting out details of such Notes.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further Exchange(s) as may be determined by the Issuer, subject to any Applicable Laws. Unlisted Notes may also be issued.

This Programme Memorandum will only apply to Notes (including Existing Notes) in issue under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Limit, unless such Programme Limit is increased as set out below. For the purpose of calculating the aggregate Outstanding Principal Amount of the Notes in issue under the Programme from time to time, the amount of Zero Coupon Notes and other Notes issued at a discount or premium shall be calculated by reference to the net subscription proceeds received by the Issuer for the relevant issue.

From time to time the Issuer may wish to increase the Programme Limit. Subject to the requirements of the Programme Agreement, the JSE Debt Listings Requirements and/or such other or further Exchange(s) on which any Tranche of Notes may be listed and to any Applicable Law, the Issuer may, without the consent of Noteholders, increase the Programme Limit by delivering a notice thereof to the Noteholders and to the relevant Exchange. Upon such notice being given, all references in this Programme Memorandum, or any other agreement, deed or document relating to the Programme, to the aggregate Outstanding Principal Amount of the Notes that may be in issue by the Issuer under the Programme will be, and will be deemed to be, references to the increased Programme Limit set out in such notice.

SUMMARY OF THE PROGRAMME

The information set out below is a brief summary of certain aspects of the Programme. This summary should be read in conjunction with, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement.

TRANSACTION PARTIES	
Issuer	City of Cape Town, a metropolitan municipality established in terms of section 12(1) of the Municipal Structures Act, read with the Province of the Western Cape Gazette (Provincial Notice No. 479/2000) dated 22 September 2000, with its principle place of business at the Office of the Municipal Manager at Podium Block, Civic Centre, 12 Hertzog Boulevard, Cape Town, 8001.
Arranger	Nedbank Limited ("**Nedbank**").
Dealer(s)	Nedbank and/or such other person(s) appointed by the Issuer from time to time in terms of the Programme Agreement, which appointment may be for a specific issue of Notes or on an ongoing basis, as specified in the Applicable Pricing Supplement.
Settling Bank	Nedbank or, if the Issuer elects to appoint another entity as Settling Bank, as contemplated in Condition 17, that other entity, as the case may be.
Transfer Agent	Nedbank or, if the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 17, that other entity, as the case may be.
Issuer Agent	Nedbank or, if the Issuer elects to appoint another entity as Issuer Agent, as contemplated in Condition 17, that other entity, as the case may be.
Rating Agency	Moody's Investors Service Limited, its successors-in-title and affiliates and/or such other rating agency as may be appointed by the Issuer from time to time.
Debt Officer	The debt officer referred to in the Information Statement or such other person appointed as debt officer by the Issuer from time to time. Any changes to the identity of the debt officer or his/her contact details will be announced to Noteholders through SENS.
Auditor	The Auditor-General.
Debt Sponsor	Nedbank.
Noteholders	The holders of Notes as recorded in the Register.
Central Securities Depository	Strate Proprietary Limited or any additional or alternate depository approved by the Issuer and the JSE.
JSE	JSE Limited or any exchange which operates as a successor exchange to the JSE.
PROGRAMME DESCRIPTION	
Description of the Programme	The City of Cape Town ZAR7,000,000,000 Domestic Medium Term Note Programme.
Size of the Programme	As at the Programme Date, Notes (including Existing Notes) with an aggregate Principal Amount of up to ZAR7,000,000,000 may be Outstanding at any time (the

	"**Programme Limit**"). The Issuer may, without the consent of Noteholders, increase the Programme Limit in accordance with the requirements of the Programme Agreement, the JSE Debt Listings Requirements and/or such other or further Exchange(s) on which any Tranche of Notes may be listed and to any Applicable Law. The Programme Limit at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.
Required disclosure documents	The disclosures required by Applicable Law are provided for as follows: (a) **Placing Document:** The Programme Memorandum, as read with the Information Statement, is a "placing document" as defined in the JSE Debt Listings Requirements. (b) **Information Statement:** All information which is required by the JSE Debt Listings Requirements to be disclosed in the Placing Document will, if not disclosed in the Programme Memorandum, be disclosed in the Information Statement. (c) **Disclosure Statement:** The Programme Memorandum, as read with the Information Statement, is a "disclosure statement" as defined in the Municipal Regulations on Debt Disclosures to the extent that the Programme Memorandum, as read with the Information Statement, discloses the information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures. (d) **Applicable Pricing Supplement:** Any additional information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures will, in relation to a Tranche of Notes, be disclosed in, or attached as an annexure to, the Applicable Pricing Supplement.
Listing	The Programme Memorandum, dated 1 December 2023 (as read with the Information Statement, dated 1 December 2023), has been registered and approved by the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or such other or further Exchange(s) as may be selected by the Issuer. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement in respect of a Tranche of Notes will specify whether or not such Tranche of Notes will be listed and, if so, on which Exchange. The JSE does not regulate unlisted Notes.
Rating of Notes	The Issuer has been rated by the Rating Agency. The Applicable Pricing Supplement will reflect the Rating of the Issuer and the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.
Notes	The description of, and terms and conditions applicable to, Notes other than those specifically described in this Programme Memorandum will, subject to "*Indexed Notes*" below, be set out in the Applicable Pricing Supplement. Notes may comprise - (a) **Fixed Rate Notes**: Fixed Rate Notes will bear interest

at a fixed rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 8.1;

(b) **Floating Rate Notes**: Floating Rate Notes will bear interest at a floating rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 8.2;

(c) **Zero Coupon Notes**: Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment;

(d) **Mixed Rate Notes**: Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, each as specified in the Applicable Pricing Supplement;

(e) **Instalment Notes**: The Applicable Pricing Supplement in respect of each issue of Notes that is redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed;

(f) **Exchangeable Notes**: Notes which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement;

(g) **Extendible Notes**: Notes issued with a maturity of not more than 18 months, which entitle the Issuer to extend the Redemption Date to a predetermined future date, as may be indicated in the Applicable Pricing Supplement;

(h) **Senior Notes**: Notes bearing the characteristics described in the section headed "*Status of Senior Notes*";

(i) **Subordinated Notes**: Notes bearing the characteristics described in the section headed "*Status of Subordinated Notes*"; and/or

(j) **Other Notes**: Subject to "*Indexed Notes*" below, terms applicable to Notes other than those specifically contemplated under this Programme Memorandum will be set out in the Applicable Pricing Supplement.

Indexed Notes:

Debt securities which provide for payment in respect of interest and/or principal to be calculated by reference to an index and/or formula ("**Indexed Notes**") may not be issued under the Programme unless expressly permitted by (and in accordance with the provisions of) the JSE Debt Listings Requirements.

Form of Notes

Notes may be issued in the form of Certificated Notes or Uncertificated Notes, as described in the section of this Programme Memorandum headed "*Form of the Notes*".

The section of this Programme Memorandum headed "*Settlement, Clearing and Transfers of Uncertificated Notes*" describes the rights of holders of Beneficial Interests.

Only Notes which are issued in Uncertificated form may be listed on the Interest Rate Market of the JSE.

Currency

Notes may only be issued in Rand, the lawful currency of South Africa.

Terms and Conditions	The Terms and Conditions are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions (that is, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement).
Issue Price	Notes will be issued on a fully-paid basis and at an issue price which is at their Principal Amount or at a discount to, or premium over, their Principal Amount, as specified in the Applicable Pricing Supplement.
Denomination of Notes	Notes will be issued with a minimum denomination of not less than ZAR1,000,000 (or such higher amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act), as specified in the Applicable Pricing Supplement.
Maturities	The Notes are not subject to any minimum or maximum maturity, except as provided in terms of the MFMA. The maturity of each Tranche of Notes will be specified in the Applicable Pricing Supplement.
Interest Rate and Interest Payment Dates	As specified in the Applicable Pricing Supplement.
Redemption	A Tranche of Notes may be redeemed as follows - (a) Unless previously redeemed, or purchased and cancelled, pursuant to Condition 10, the Issuer will redeem a Tranche of Notes, at maturity, on the basis set out in Condition 10.1.1. The Issuer will be entitled to extend the Redemption Date of all or part of Extendible Notes on the basis set out in Condition 10.1.2. (b) The Issuer may, at its option, redeem Notes prior to their stated maturity for taxation reasons on the basis set out in Condition 10.2. (c) If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem Notes prior to maturity, those Notes may be redeemed by the Issuer on the basis set out in Condition 10.3. (d) If Noteholders of Senior Notes are specified in the Applicable Pricing Supplement as having an option to require the Issuer to redeem any Senior Notes prior to maturity, such Noteholders may require the Issuer to redeem such Notes on the basis set out in Condition 10.4. (e) Upon the happening of an Event of Default, any Noteholder of Senior Notes may declare the Senior Notes held by such Noteholder to be forthwith due and payable on the basis set out in Condition 13.1.3. (f) Instalment Notes will be redeemed at the Instalment Amounts, on the Instalment Dates, on the basis set out in Condition 10.6. In the case of early redemption of Instalment Notes, the Early Redemption Amount will be determined on the basis set out in Condition 10.5.
Status of Subordinated Notes	Subordinated Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and

	subordinated obligations of the Issuer, save for those that have been accorded preferential rights by law. Subject to Applicable Law, in the event of the Dissolution of the Issuer, then in any such event, the claims of the persons entitled to be paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other Indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, no amount due on the Subordinated Notes shall be eligible for set-off or shall be payable to any person entitled to be paid such amount until all other Indebtedness of the Issuer which is admissible in any such Dissolution (other than Subordinated Indebtedness) has been paid or discharged in full.
Status of Senior Notes	Unless otherwise specified in the Applicable Pricing Supplement, Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.
Negative Pledge	So long as Senior Notes remain Outstanding, the Issuer undertakes that it will not create any Encumbrance (other than any Permitted Encumbrance) upon the whole or any part of its present or future assets or revenues to secure any of its present or future Relevant Borrowings without at the same time making effective provision whereby all of the Senior Notes shall be directly secured equally and rateably with such Relevant Borrowings and any such instrument creating such Encumbrance shall expressly provide therefor, unless such other security as may be approved by Extraordinary Resolution (as defined in the Terms and Conditions) of the holders of Senior Notes is provided or the provision of any such security is waived by an Extraordinary Resolution of the holders of those Senior Notes.
Risk Factors	These are certain factors that may affect the Issuer's ability to fulfil its obligations under the Applicable Terms and Conditions of a Tranche of Notes. These are set out in the section of the Information Memorandum headed "*Risk Factors*". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes. These are also set out in the section of the Information Memorandum headed "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of a particular Tranche of Notes and certain market risks.
Tax Status	A summary of applicable current South African tax legislation in respect of the Notes, as at the Programme Date, appears in the section of this Programme Memorandum headed "*South African Taxation*". The summary does not constitute tax advice and potential investors in the Notes should consult their own professional advisors as to the potential tax consequences of an investment in the Notes, prior to making such investment.
Withholding Tax	As at the Programme Date all payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa. In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to certain exceptions as provided in Condition 11, pay such additional amounts as shall be

	necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.
Issue and Transfer Taxes	In terms of prevailing South African legislation, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes. Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.
Distribution	A Tranche of Notes may be distributed by way of public auction, private placement or any other means permitted by law and the JSE Debt Listings Requirements, as may be determined by the Issuer and reflected in the Applicable Pricing Supplement.
Register	The Register will be maintained by the Transfer Agent in terms of the Agency Agreement and Condition 16.
Register Closed	The Register will, in respect of each Tranche of Notes, be closed prior to each Interest Payment Date and the Redemption Date, for the periods described in Condition 16, in order to determine those Noteholders entitled to receive payments.
Selling Restrictions	The distribution of this Programme Memorandum and any offering or sale of a particular Tranche of Notes may be restricted by law in certain jurisdictions, and are restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa. Any relevant selling restrictions and other restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Notes shall be included in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or the Applicable Pricing Supplement must inform themselves about and observe such restrictions (see the section of this Programme Memorandum headed "*Subscription and Sale*").
Exchange Control	This Programme Memorandum does not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Blocked Rand may be used for the subscription for or purchase of Notes, subject to the Exchange Control Regulations (see the section of this Programme Memorandum headed "*Exchange Control*").
Governing Law	This Programme Memorandum, the Notes and the Applicable Terms and Conditions will be governed by, and construed in accordance with, the laws of South Africa.

FORM OF THE NOTES

Notes may be issued as Certificated Notes or Uncertificated Notes.

Subject to the Applicable Procedures and unless the context clearly otherwise indicates, references to "Uncertificated Notes" include Beneficial Interests in Uncertificated Notes, and *vice versa*, and references to "Noteholders of Uncertificated Notes" include the holders of Beneficial Interests in Uncertificated Notes, and *vice versa*.

Certificated Notes

Certificated Notes shall be represented by an Individual Certificate. Certificated Notes will be registered in the Register in the name of the individual Noteholder of such Certificated Notes and title to such Certificated Notes will pass on registration of transfer in the Register. The Issuer shall regard the Register as the conclusive record of title to Certificated Notes. Certificated Notes may only be transferred in accordance with the provisions of Condition 15.1.

Uncertificated Notes

Notes may be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Uncertificated Notes will not be represented by any certificate or written instrument. Beneficial Interests in Uncertificated Notes may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the securities accounts of the Central Securities Depository Participants. A certificate or other document issued by a Central Securities Depository Participant as to the Principal Amount of such Beneficial Interest in Uncertificated Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. Title to Uncertificated Notes will pass in accordance with the provisions of Condition 15.2.

Beneficial Interests in Uncertificated Notes may be exchanged, without charge, for Notes which are represented by Individual Certificates in accordance with the provisions of Condition 14. The Central Securities Depository and the Central Securities Depository Participant will administer and maintain the Issuer's uncertificated securities register, which will form part of the Register.

The Issuer shall regard the Register as conclusive record of title to the Notes.

Transferability of Notes

The Notes in a Tranche of Notes will, upon issue, be fully paid up.

***PRO FORMA* APPLICABLE PRICING SUPPLEMENT**

Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on the JSE.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on any Exchange other than (or in addition to) the JSE will, subject to the Rules of that Exchange and all Applicable Laws, be substantially in the form set out below adapted, as applicable, to comply with the Rules of that Exchange and all Applicable Laws.

The form of Applicable Pricing Supplement which will be completed for each Tranche of unlisted Notes will be substantially in the form set out below adapted, as applicable, in such manner as is appropriate to unlisted Notes, as determined by the Issuer and the Dealer(s).

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

CITY OF CAPE TOWN
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
Under its ZAR7,000,000,000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 1 December 2023, as amended and/or supplemented from time to time ("**Programme Memorandum**") prepared by City of Cape Town ("**Issuer**") in connection with the City of Cape Town ZAR7,000,000,000 Domestic Medium Term Note Programme ("**Programme**").

The Programme Memorandum must be read together with the Information Statement, dated 1 December 2023, as amended and/or supplemented from time to time ("**Information Statement**").

The Information Statement can be found on the Issuer's website at the following link: http://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance.

The Programme Memorandum, dated 1 December 2023 (as read with the Information Statement, dated 1 December 2023), was registered and approved by the JSE on 27 November 2023.

The Programme Memorandum, as read with the Information Statement, is a "disclosure statement" as defined in the Municipal Regulations on Debt Disclosures to the extent that the Programme Memorandum, as read with the Information Statement, discloses the information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures ("**Disclosure Statement**"). Any additional information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures is set out in this Applicable Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts the omission of which would make this Applicable Pricing Supplement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law to appear in this Applicable Pricing Supplement and, where this Tranche of Notes is listed on the Interest Rate Market of the JSE, all information required by the JSE Debt Listings Requirements to appear in this Applicable Pricing Supplement.

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements and annual reports of the Issuer and any amendments or supplements to the aforesaid documents, except as otherwise stated herein.

The JSE takes no responsibility for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or annual reports of the Issuer or any amendments or supplements to the aforesaid documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements or annual reports of the Issuer or any amendments or supplements to the aforesaid documents and the JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforesaid documents. The JSE's approval of the registration of the Programme Memorandum (as read with the Information Statement) and the listing of Notes on the Interest Rate Market of the JSE is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

The Issuer confirms that the issue of Notes described in this Applicable Pricing Supplement will not exceed the Programme Limit.

DESCRIPTION OF THE NOTES

1	Issuer	City of Cape Town
2	Status of the Notes	Unsecured **[**Senior/Subordinated**]**
3	Issue Number	**[●]**
4	Series number	**[●]**
5	Tranche number	**[●]**
6	Aggregate Principal Amount of this Tranche	**[●]**
7	Interest/Payment Basis	**[**Fixed Rate/Floating Rate/Zero Coupon/ Indexed Interest/Mixed Rate/Indexed Redemption Amount/Instalment/ Exchangeable/Extendible**]**
8	Aggregate Interest payable in respect of Tranche until Maturity, as calculated at Issue Date	**[●]**
9	Form of Notes	**[**Certificated Notes/Uncertificated Notes/Listed Notes/Unlisted Notes**]**
10	Automatic/Optional Conversion from one Interest/ Payment Basis to another	**[**insert details including date for conversion**]**
11	Issue Date	**[●]**
12	Business Centre	**[●]**
13	Additional Business Centre	**[●]**
14	Specified Denomination	ZAR1,000,000
15	Issue Price	**[●]**
16	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	**[**Following Business Day/Modified Business Day/Preceding Business Day/other convention – insert details**]**
17	Interest Payment Dates	**[●]**
18	Interest Commencement Date	**[●]**
19	Final Redemption Date	**[●]**
20	Specified Currency	Rand

21	Set out the relevant description of any additional / other Terms and Conditions relating to the Notes	**[●]**

FIXED RATE NOTES

22	Fixed Interest Rate	**[●]**% per annum nacq/nacm/nacs/naca
23	Interest Payment Date(s)	**[●]** and **[●]**, or if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
24	Interest Period(s)	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
25	Initial Broken Amount	**[●]**
26	Final Broken Amount	**[●]**
27	Any other terms relating to the particular method of calculating interest	**[●]**

FLOATING RATE NOTES

28	Interest Payment Date(s)	**[●]** and **[●]**, or if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
29	Interest Period(s)	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
30	Definitions of Business Day (if different from that set out in Condition 1)	**[●]**
31	Interest Rate(s)	Reference Rate plus the Margin
32	Minimum Interest Rate	**[●]** percent
33	Maximum Interest Rate	**[●]** percent
34	Other terms relating to the method of calculating interest (eg Day Count Fraction, rounding up provision, if different from Condition 8.2)	**[●]**
35	Manner in which the Interest Rate is to be determined	**[**ISDA Determination/Screen Rate Determination/other (insert details)**]**
36	Margin/Spread for the Interest Rate	**[**(+/—) O% per annum to be added to/subtracted from the relevant Reference Rate**]**

37	If ISDA Determination		
	(a)	Floating Rate	**[●]**
	(b)	Floating Rate Option	**[●]**
	(c)	Designated Maturity	**[●]**
	(d)	Reset Date(s)	**[●]**
38	If Screen Rate Determination		
	(a)	Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	**[**e.g. 3 month JIBAR / ZAR-JIBAR**]**
	(b)	Rate Determination Date(s)	**[**The first Business Day of each Interest Period**]**
	(c)	Relevant Screen page and Reference Code	**[●]**
39	If Interest Rate to be calculated otherwise than by reference to 37 or 38 above, insert basis for determining Interest Rate/Margin/Fall back provisions		**[●]**
40	Any other terms relating to the particular method of calculating interest		**[●]**
41	If different from the Calculation Agent, agent responsible for calculating amount of principal and interest		**[●]**

INSTALMENT NOTES

42	Instalment Dates	**[●]**
43	Instalment Amount(s) (expressed as a percentage of the aggregate Principal Amount of the Notes)	**[●]**

MIXED RATE NOTES

44	Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for -		**[●]**
	(a)	Fixed Rate Notes	**[●]**
	(b)	Floating Rate Notes	**[●]**
	(c)	Other Notes	**[●]**

ZERO COUPON NOTES

45	(a)	Implied Yield	**[●]** percent per annum/ naca/nacs/nacq/nacm
	(b)	Reference Price	**[●]**
	(c)	Equivalent Discount Rate	**[●]**
	(d)	Redemption Date	**[●]**
	(e)	Day Count	**[●]**
	(f)	Any other formula or basis for determining amount(s) payable	**[●]**

EXCHANGEABLE NOTES

46	Mandatory Exchange applicable?	[Yes/No]
47	Noteholders' Exchange Right applicable?	[Yes/No]
48	Exchange Securities	[●]
49	Manner of determining Exchange Price	[●]
50	Exchange Period	[●]
51	Other	[●]

EXTENDIBLE NOTES

52	Last date to which Redemption Date may be extended	[●]
53	Step-Up Margin	[●]
54	Requisite Notice	[●]
55	Other	[●]

OTHER NOTES

56	If the Notes are not Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes Mixed Rate Notes, Instalment Notes, Exchangeable Notes, Extendible Notes, Senior Notes or Subordinated Notes, or if the Notes are a combination of any of the aforegoing and some other Note, set out the relevant description of any additional Terms and Conditions relating to such Notes	[●]

PROVISIONS REGARDING REDEMPTION/MATURITY

57	Redemption at the option of the Issuer:		[Yes/No]
	if yes -		
	(a)	Optional Redemption Date(s)	[●]
	(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	[●]
	(c)	Minimum period of notice (if different to Condition 10.3)	[●]
	(d)	If redeemable in part -	[●]
		Minimum Redemption Amount(s)	[●]
		Higher Redemption Amount(s)	[●]
	(e)	Other terms applicable on Redemption	[●]
58	Redemption at the option of the Noteholders:		[Yes/No]
	if yes -		
	(a)	Optional Redemption Date(s)	[●]

	(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	**[●]**
	(c)	Minimum period of notice (if different to Condition 10.4)	**[●]**
	(d)	If redeemable in part -	
		Minimum Redemption Amount(s)	**[●]**
		Higher Redemption Amount(s)	**[●]**
	(e)	Other terms applicable on Redemption	**[●]**
	(f)	Attach *pro forma* put notice(s)	
59	Early Redemption Amount(s) payable on redemption for Taxation reasons or on Event of Default:		**[**Yes/No**]**
	if yes -		
	Amount payable		**[**as per Condition 10**]**

GENERAL

60	Additional selling restrictions	**[●]**
61	International Securities Identification Number (ISIN)	**[●]**
62	Stock Code	**[●]**
63	Financial Exchange	JSE Limited (Interest Rate Market of the JSE)
64	Dealer(s)	**[●]**
65	Method of Distribution	**[●]**
66	Rating/s assigned to the Issuer as at the Issue Date and date/s on which such Rating/s is/are expected to be reviewed	**[●]**
67	Rating (if any) assigned to this Tranche of Notes and date/s on which such Rating/s is/are expected to be reviewed	**[●]**
68	Rating Agency	**[**Moody's Investors Service Limited**]**
69	Governing Law	South Africa
70	Use of Proceeds	**[●]**
71	Last Day to Register	By 17h00 on **[●]**, **[●]**, **[●]** and **[●]**, being the calendar day preceding the Book Closed Period or, if such day is not a Business Day, then the immediately preceding day that is a Business Day
72	Books Closed Period	The Register will be closed from (and including) **[●]** to (but excluding) **[●]**, from (and including) **[●]** to (but excluding) **[●]**, from (and including) **[●]** to (but excluding) **[●]** and from (and including) **[●]** to (but excluding) **[●]**
73	Issuer Agent	**[●]**
74	Specified Office of the Issuer Agent	**[●]**
75	Transfer Agent	**[●]**
76	Specified Office of the Transfer Agent	**[●]**

77	Settling Bank	**[●]**
78	Specified Office of the Settling Bank	**[●]**
79	Stabilisation Manager, if any	**[●]**
80	Programme Limit	ZAR7,000,000,000
81	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	R**[●]**, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
82	Material Change Statement	As at the date of this Applicable Pricing Supplement, the Issuer confirms that there has been no material change in the financial or trading condition of the Issuer since **[●]** (being the end of the last financial period for which audited annual financial statements of the Issuer have been prepared). This disclosure has not been reviewed and/or reported on by the Auditor-General.

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

At the date of this Applicable Pricing Supplement -

83 Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

84 Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

85 Paragraph 3(5)(c)

The auditor of the Issuer is the Auditor-General.

86 Paragraph 3(5)(d)

As at the date of issue -

(a) the Issuer has not issued any Notes**]**/**[**issued ZAR**[●]** (inclusive of this issue)**]**; and

(b) it is **[**not**]** anticipated that the Issuer will issue **[**ZAR**[●]]** of additional Notes during its current financial year.

87 Paragraph 3(5)(c)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

88 Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

89 Paragraph 3(5)(g)

The Notes issued will be **[**listed/unlisted**]**.

90 Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for **[●]**.

91 Paragraph 3(5)(i)

The Notes are unsecured.

92 Paragraph 3(5)(j)

The Auditor-General, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes under the Programme, pursuant to the Programme Memorandum (as read with this Applicable Pricing Supplement) will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

ADDITIONAL DISCLOSURE REQUIREMENTS IN TERMS OF PARTS 1 AND 2 OF THE MUNICIPAL REGULATIONS ON DEBT DISCLOSURES

93	Regulation 3(a) – type of debt	**[**short-term debt**]**
94	Regulation 3(a) – purpose of debt	The short-term debt is to bridge - (i) **[**shortfalls within a financial year as contemplated in section 45(1)(a) of the MFMA**]** (ii) **[**capital needs within a financial year as contemplated in section 45(1)(b) of the MFMA**]**
95	Regulation 3(b) – type of debt	**[**long-term debt]
96	Regulation 3(b) – purpose of debt	The long-term debt is for— (i) **[**capital expenditure on property, plant or equipment as contemplated in section 46(1)(a) of the MFMA**]** (ii) **[**re-financing existing long-term debt as contemplated in section 46(1)(b) of the MFMA**].**
97	Other	*[specify]*

Application is hereby made to list this Tranche of Notes, as from **[●]**, pursuant to the City of Cape Town ZAR7,000,000,000 Domestic Medium Term Note Programme.

SIGNED at this day of 20**[●]**.

For and on behalf of **CITY OF CAPE TOWN**

DRAFT - NOT FOR SIGNATURE

____

Name: **[●]**

Capacity: **[●]**

who warrants his/her authority hereto

Date: **[●]**

DRAFT - NOT FOR SIGNATURE

____

Name: **[●]**

Capacity: **[●]**

who warrants his/her authority hereto

Date: **[●]**

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions.

1 **INTERPRETATION**

1.1 Unless separately defined in the Terms and Conditions, or, in relation to a Tranche of Notes, unless separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings –

"**Actual Redemption Date**" in relation to a Tranche of Notes, the date upon which the Notes in that Tranche are redeemed in full by the Issuer;

"**Agency Agreement**" each agency agreement concluded between the Issuer and the Settling Bank and/or the Issuer Agent and/or the Transfer Agent, as amended, novated and/or substituted from time to time in accordance with its terms, unless the Issuer itself acts in any of the abovementioned capacities;

"**Applicable Law**" in relation to a person, all and any -

(a) statutes and subordinate legislation;

(b) regulations, ordinances and directives;

(c) by-laws;

(d) codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and

(e) other similar provisions, from time to time,

compliance with which is mandatory for that person;

"**Applicable Municipal Legislation**" in relation to the Issuer, all and any statutes, subordinate legislation, regulations, ordinances, directives, circulars and guidance notices, and judgments and decisions of any competent authority in South Africa (including without limitation, the Constitution of the Republic of South Africa, 1996, the Municipal Structures Act, the Municipal Systems Act, the MFMA and the Municipal Regulations on Debt Disclosures), compliance with which is mandatory for the Issuer;

"**Applicable Pricing Supplement**" in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the *pro forma* pricing supplement which is set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*";

"**Applicable Procedures**" the rules and operating procedures for the time being of the Central Securities Depository, the JSE and/or any other applicable financial exchange, as the case may be;

"**Applicable Terms and Conditions**" in relation to a Tranche of Notes, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes;

"**Arranger**" Nedbank;

"**Auditor-General**"	the Auditor-General of the Republic of South Africa, who in addition to the powers and functions conferred upon him/her in terms of section 193 of the Constitution of the Republic of South Africa Act, 1996, has the powers and performs the duties specified in the Public Audit Act, 2004;
"**Banks Act**"	the Banks Act, 1990;
"**Beneficial Interest**"	in relation to a Tranche of Uncertificated Notes, an undivided share as co-owner of all of the Uncertificated Notes in that Tranche, as provided in section 37 of the Financial Markets Act;
"**Books Closed Period**"	the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which the Transfer Agent will not record any transfer of Notes in the Register;
"**Business Day**"	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement;
"**Business Day Convention**"	the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement;
"**Central Securities Depository**"	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee or any successor thereto, operating in terms of the Financial Markets Act, or any additional or alternate securities depository approved by the Issuer;
"**Central Securities Depository Participant**"	a person authorised by the Central Securities Depository as a participant in terms of section 31 of the Financial Markets Act;
"**Certificated Note**	a Note issued in definitive registered form represented by an Individual Certificate and a Note in definitive registered form represented by an Individual Certificate for which Beneficial Interest/s has/have been exchanged in terms of Condition 14;
"**Class of Noteholders**"	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
"**Commercial Paper Regulations**"	Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994;
"**Common Monetary Area**"	the Kingdom of Lesotho, the Kingdom of eSwatini, the Republic of Namibia and South Africa;
"**Companies Act**"	the Companies Act, 2008;
"**Condition**"	a numbered term or condition of the Notes forming part of the Terms and Conditions;
"**Council**"	the municipal council of the City of Cape Town, as defined in section 1 of the MFMA;
"**Dealer(s)**"	Nedbank and such other person appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue of Notes or an ongoing basis and "**Dealer**" shall mean any one of them as the context may require;
"**Debt Officer**"	the individual referred to in the Information Statement, or such other individual as the Issuer may appoint to act as debt officer of the Issuer;

"**Debt Sponsor**"	Nedbank;
"**Disclosure Statement**"	the Programme Memorandum, as read with the Information Statement and the section of the Applicable Pricing Supplement (if any) which provides for the additional information required to be disclosed under Parts 1 and 2 of the Municipal Regulations on Debt Disclosures;
"**Dissolution**"	the dissolution of the Issuer in terms of any Applicable Municipal Legislation (including, without limitation, the dissolution of the Issuer following a Financial Distress Event);
"**Early Redemption Amount**"	the amount, as set out in Condition 10.5, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 10.2 and/or Condition 13;
"**Encumbrance**"	any lien, mortgage, charge, encumbrance or other security interest creating, in each instance, real rights of security, provided that Encumbrance shall not include any statutory preferences and any security interest arising by operation of law;
"**Event of Default**"	in relation to Senior Notes, any of the events specified as such in Condition 13.1.1 and, in relation to Subordinated Notes, either of the events described in Condition 13.2;
"**Exchangeable Notes**"	a Tranche of Notes which may be redeemed by the Issuer in the manner specified in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
"**Exchange Period**"	in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as specified in the Applicable Pricing Supplement), the period specified in the Applicable Pricing Supplement during which such right may be exercised;
"**Exchange Price**"	in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as specified in the Applicable Pricing Supplement) the value specified in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
"**Exchange Securities**"	in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as specified in the Applicable Pricing Supplement), the securities specified in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
"**Existing Notes**"	Notes issued under the Programme, pursuant to the Previous Programme Memorandum, which remain in issue under the Programme as at the Programme Date;
"**Extendible Note**"	a Tranche of Notes with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as indicated in the Applicable Pricing Supplement;
"**Extraordinary Resolution**"	a resolution passed at a meeting (duly convened) of the Noteholders or Noteholders of a specific Class of Notes, as the case may be, by a majority consisting of not less than 66.67% of the Noteholders or Noteholders of the relevant Class of Notes, as the case may be,

Outstanding, present in person or by proxy at such a meeting, and voting upon a show of hands or a poll;

"**Extraordinary Written Resolution**" a resolution passed other than at a meeting of all the Noteholders or the Noteholders of a specific Class of Notes, as the case may be, with the written consent of the Noteholders or the Noteholders of a specific Class of Notes, as the case may be, holding not less than 66.67% of the value of all the Notes or Notes of a specific Class of Notes, as the case may be, Outstanding;

"**Final Broken Amount**" in respect of a Tranche of Notes, the Interest Amount for the last Interest Period, as specified in the Applicable Pricing Supplement;

"**Final Redemption Amount**" the amount of principal payable in respect of each Note upon final redemption thereof, as specified in the Applicable Pricing Supplement;

"**Final Redemption Date**" in relation to a Tranche of Notes, the final date upon which the Notes of that Tranche are to be redeemed, as set out in the Applicable Pricing Supplement;

"**Financial Markets Act**" the Financial Markets Act, 2012;

"**Financial Distress Event**"	the occurrence of any of the following events in respect of the Issuer:
	(a) a decision is made to intervene in the Issuer in terms of section 136(2) or section 136(3) or section 136(4) (*Types of provincial interventions*) of the MFMA or section 150(1) (*National interventions*) of the MFMA;
	(b) the provincial executive takes any step contemplated in section 139(1) (*Mandatory provincial interventions arising from financial crises*) of the MFMA;
	(c) the Municipal Financial Recovery Service is requested to prepare, a "financial recovery plan" (as defined in the MFMA) for the Issuer in terms of section 141 (*Preparation of financial recovery plans*) of the MFMA;
	(d) the Issuer applies to the High Court for an order to stay legal proceedings in terms of section 152(1) (*Application for stay of legal proceedings*) of the MFMA;
	(e) the Issuer applies to the High Court for any order listed in section 153(1) (*Application for extraordinary relief*) of the MFMA;
	(f) any event occurs which has an analogous effect to any of the events described in paragraphs (a) to (e) above;

"**Fixed Interest Rate**" the rate or rates of interest applicable to the Fixed Rate Notes, as specified in the Applicable Pricing Supplement;

"**Fixed Rate Notes**" Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 8.1;

"**Floating Rate Notes**" Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 8.2;

"**Implied Yield**" the yield accruing on the Issue Price of a Tranche of Zero Coupon Notes, as specified in the Applicable Pricing

	Supplement;
"**Income Tax Act**"	the Income Tax Act, 1962;
"**Indebtedness**"	any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
"**Individual Certificate**"	the single certificate(s) in in definitive registered form without interest coupons representing (a) a Tranche of Notes which have been issued in certificated form or (b) the Note(s) for which a Beneficial Interest has been exchanged subject to and in accordance with Condition 14, as the case may be;
"**Information Statement**"	the Information Statement, dated 1 December 2023, as amended and/or supplemented from time to time;
"**Initial Broken Amount**"	in respect of a Tranche of Notes, the Interest Amount for the first Interest Period as specified in the Applicable Pricing Supplement;
"**Instalment Amount**"	the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
"**Instalment Notes**"	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement;
"**Interest Amount**"	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes and Floating Rate Notes, as determined in accordance with Conditions 8.1 and;
"**Interest Commencement Date**"	in respect of a Tranche of Notes, the first date from which interest on such Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
"**Interest Payment Date(s)**"	in respect of a Tranche of Notes, the dates specified as such in the Applicable Pricing Supplement, upon which Interest Amounts are due and payable in respect of the Notes;
"**Interest Period**"	in respect of a Tranche of Notes, each period, as specified in the Applicable Pricing Supplement, in respect of which interest accrues on the Notes, commencing on (and including) each Interest Payment Date and ending on (but excluding) the following Interest Payment Date, provided that the first Interest Period in respect of any Tranche of Notes shall be from (and including) the Interest Commencement Date to (but excluding) the next following Interest Payment Date thereafter;
"**Interest Rate**"	in respect of a Tranche of Notes (other than Zero Coupon Notes) the interest rate applicable to that Tranche of Notes, as specified in the Applicable Pricing Supplement;
"**Interest Rate Market of the JSE**"	means the separate platform or sub-market of the JSE designated as the "*Interest Rate Market*" and on which "*debt securities*" (as defined in the JSE Debt Listings Requirements) may be listed, or such other separate platform or sub-market of the JSE as is selected by the Issuer, subject to all Applicable Laws;
"**ISDA**"	International Swaps and Derivatives Association, Inc;

"**ISDA Definitions**"	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
"**Issue Date**"	in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
"**Issue Price**"	In respect of a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
"**Issuer**"	City of Cape Town, a metropolitan municipality established in terms of section 12(1) of the Municipal Structures Act, read with the Province of the Western Cape Gazette (Provincial Notice No. 479/2000) dated 22 September 2000, with its principle place of business at the Office of the Municipal Manager at Podium Block, Civic Centre, 12 Hertzog Boulevard, Cape Town, 8001;
"**Issuer Agent**"	Nedbank or, if the Issuer elects to appoint another entity as Issuer Agent as contemplated in Condition 17, that other entity shall, as the case may be;
"**JSE**"	JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE;
"**JSE Debt Listings Requirements**"	the debt listings requirements of the JSE from time to time, as published by the JSE;
"**Last Day to Register**"	in respect of a Tranche of Notes, the Business Day preceding the first day of a Books Closed Period, as specified in the Applicable Pricing Supplement;
"**Mandatory Exchange**"	if specified in the Applicable Pricing Supplement, the obligation of the Issuer to redeem a Tranche of Exchangeable Notes on the Redemption Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
"**Material Asset**"	any asset of the Issuer with a book value equal to or exceeding 10% of the total assets of the Issuer as set out in the Issuer's most recent published audited financial statements from time to time (or its equivalent in other currencies);
"**Material Indebtedness**"	any Indebtedness amounting in aggregate to an amount which equals or exceeds ZAR100,000,000;
"**MFMA**"	the Local Government: Municipal Finance Management Act, 2003;
"**Mixed Rate Notes**"	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, each as specified in the Applicable Pricing Supplement and as more fully described in Condition 8.3;
"**Moody's**"	Moody's Investors Service South Africa Proprietary Limited;
"**Municipal Regulations on Debt Disclosures**"	Government Notice number R492 published in Government Gazette number 29966, dated 15 June 2007;
"**Municipal Structures Act**"	the Local Government: Municipal Structures Act, 1998;
"**Municipal Systems Act**"	the Local Government: Municipal Systems Act, 2000;
"**Nedbank**"	Nedbank Limited, a public company with limited liability registered and incorporated in accordance with the laws of South Africa under registration number

	1951/000009/06 and registered as a bank under the Banks Act;
"**Noteholders**"	the holders of Notes, as recorded in the Register;
"**Noteholders' Exchange Right**"	if specified in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes in that Tranche to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
"**Notes**"	the secured or unsecured, subordinated or unsubordinated, notes of any kind issued or to be issued by the Issuer under the Programme pursuant to the Programme Memorandum; provided that debt securities which provide for payment in respect of interest and/or principal to be calculated by reference to an index and/or formula ("**Indexed Notes**") may not be issued under the Programme unless expressly permitted by (and in accordance with the provisions of) the JSE Debt Listings Requirements;
"**Outstanding**"	in relation to the Notes, all the Notes other than - (a) those which have been redeemed in full; (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and all funds in respect of such Notes (including all interest, if any, accrued thereon to the date of redemption and any interest (if any) payable under the Terms and Conditions after such date) have been received by the Paying Agent as provided herein and remain available for payment against presentation and surrender of such Notes (or any Individual Certificates in respect thereof (if any)); (c) those which have been purchased and cancelled as provided in Condition 10; (d) those which have become prescribed under Condition 12; (e) Notes represented by those worn out, mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 14; (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose), those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 14, provided that for each of the following purposes, namely - (i) the right to attend and vote at any meeting of the relevant Noteholders; and (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Condition 19, those Notes (if any) which are for the time being held by any person (including but not limited to the Issuer or any of its respective subsidiaries) for the benefit of the Issuer or any of its respective subsidiaries shall (unless and until ceasing to be so held), be deemed not to be Outstanding;

"**Outstanding Principal Amount**"	in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of principal redeemed and paid to the Noteholder; provided that, in respect of any Extendible Note, the Principal Amount of such Note less the aggregate of principal payments made in respect of such Note and, in relation to the Programme at any point in time, the aggregate of all of such Principal Amounts of all of the Notes in issue under the Programme at that time;
"**Payment Day**"	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
"**Permitted Encumbrance**"	means - (a) any Encumbrance existing as at the Programme Date; or (b) any Encumbrance created over any asset owned, acquired, developed or constructed by the Issuer, being an Encumbrance created for the sole purpose of financing or refinancing that asset owned, acquired, developed or constructed, provided that the Indebtedness so secured shall not exceed the *bona fide* market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or costs both apply, the higher of the two; or (c) any Encumbrance over deposit accounts securing a loan to the Issuer of funds equal to the amounts standing to the credit of such deposit accounts; or (d) any Encumbrance created in the ordinary course of the Issuer's business over stock-in-trade, inventory, accounts receivable or deposit accounts including any cash management system; or (e) any Encumbrance with respect to receivables of the Issuer which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Relevant Borrowings are limited to the value of such receivables; or (f) any Encumbrance securing in aggregate not more than ZAR100,000,000 at any time;
"**Previous Programme Memorandum**"	the Programme Memorandum, dated 11 July 2017, prepared by the Issuer in respect of the Programme;
"**Principal Amount**"	in relation to each Note in a Tranche of Notes, the nominal amount (that is, the nominal value) of that Note (being the amount equivalent to the Specified Denomination), and in relation to any number of Notes in that Tranche, such number of Notes multiplied by that nominal amount;
"**Programme**"	the City of Cape Town ZAR7,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
"**Programme Agreement**"	the written agreement entitled "*Programme Agreement*" entered into (or to be entered into) between the Issuer, Nedbank (as Arranger and Dealer) and any other Dealer

	named therein, on or before the issue of the 1st Tranche of Notes under the Programme Memorandum, as amended, novated and/or substituted from time to time in accordance with its terms;
"**Programme Limit**"	the maximum aggregate Outstanding Principal Amount of all of the Notes (including Existing Notes) that may be in issue under the Programme at any one point in time (being, as at the Programme Date, ZAR7,000,000,000), or such higher amount as is determined by the Issuer from time to time, as set out in the section of this Programme Memorandum headed "*General Description of the Programme*";
"**Programme Memorandum**"	this document so entitled dated 1 December 2023; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of this document headed "*Documents Incorporated by Reference*"), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented by that supplement to the Programme Memorandum, as the case may be;
"**Rating**"	in relation to the Issuer or a Tranche of Notes, as the case may be, a credit rating granted by the Rating Agency;
"**Rating Agency**"	Moody's, or any other rating agency, if any, appointed by the Issuer to assign a Rating;
"**Redemption Date**"	the date upon which the Notes are to be redeemed, partially or finally, as the case may be, in terms of the Terms and Conditions;
"**Reference Price**"	in relation to a Tranche of Zero Coupon Notes, the reference price specified in the Applicable Pricing Supplement;
"**Register**"	the register of Noteholders maintained by the Transfer Agent in terms of Condition 16;
"**Relevant Borrowings**"	any Indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures or other debt securities which are unlisted or which are quoted or to be quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market (whether or not initially distributed by way of private placement), but excluding any such Indebtedness which upon the issuance thereof had a stated maturity not exceeding one year and any option or warrant in respect of any share or index;
"**Relevant Date**"	the date on which a payment first becomes due and payable in accordance with these Terms and Conditions;
"**Representative**"	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (all acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
"**Senior Notes**"	Notes issued with the status and characteristics set out in Condition 5;
"**Series**" or "**Series of Notes**"	a Tranche of Notes which, together with any other Tranche(s) of Notes, are expressed in the Applicable

	Pricing Supplement(s) to form a single series of Notes, identified in the Applicable Pricing Supplements(s) relating to such Tranche(s) of Notes by way of a unique numeral (such as Series 1);-
"**Settling Bank** "	Nedbank or, if the Issuer elects to appoint another entity as Settling Bank as contemplated in Condition 17, that other entity, as the case may be;
"**South Africa**"	the Republic of South Africa;
"**Specified Denomination**"	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000 or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act;
"**Specified Office**"	in relation to each of the Issuer, the Issuer Agent, the Settling Bank and the Transfer Agent, the address of the office specified in respect of such entity in the Applicable Pricing Supplement or at the end of this Programme Memorandum, or such other address notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
"**Step-Up Margin**"	in respect of a Tranche of Extendible Notes, the margin to be added to the Interest Rate applicable to an Extendible Note, as specified in the Applicable Pricing Supplement;
"**Subordinated Notes**"	Notes issued with the status and characteristics set out in Condition 7;
"**Taxable Gain**"	any "**taxable capital gain**" as defined in paragraph 1 of the Eighth Schedule to the Income Tax Act;
"**Taxable Income**"	any "**taxable income**" as defined in section 1 of the Income Tax Act;
"**Taxes**"	all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa or any other jurisdiction from which any payment is made (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "**Tax**" and "**Taxation**" shall be construed accordingly;
"**Terms and Conditions**"	this section of the Programme Memorandum headed "*Terms and Conditions of the Notes*";
"**Tranche**"	all Notes which are identical in all respects (including as to listing, if any) and are issued in a single issue;
"**Transfer Agent**"	Nedbank or, if the Issuer elects to appoint another entity as Transfer Agent as contemplated in Condition 17, that other entity, as the case may be;
"**Transfer Form**"	in relation to the transfer of a Certificated Note, the written form of transfer approved by the Transfer Agent;
"**Uncertificated Note**"	a Note issued in uncertificated form in accordance with section 33 of the Financial Markets Act, not evidenced by any written document or instrument and held in the Central Securities Depository;
"**ZAR**" or "**Rand**"	the lawful currency of South Africa, being South African Rand, or any successor currency;

"**ZAR-JIBAR**"	the mid-market rate for deposits in Rand for a period of the Designated Maturity which appears on the Reuters Screen SAFEY page as at 11h00, Johannesburg time, on the relevant date, or any successor rate; and
"**Zero Coupon Notes**"	Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.

1.2 In the Terms and Conditions, unless inconsistent with the context, any reference to –

1.2.1 one gender includes a reference to the others;

1.2.2 the singular includes the plural and *vice versa*;

1.2.3 natural persons include juristic persons and *vice versa*;

1.2.4 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and "**amended**" or "**amendment**" will be construed accordingly;

1.2.5 a provision of law or regulation is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;

1.2.6 a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

1.2.7 "**assets**" includes present and future properties, revenues and rights of every description;

1.2.8 the word "**dispose**" shall mean any form of alienation of any property or assets and any agreement for any such form of alienation and shall include a sale, donation, pledge, cession, assignment or licence, and the words "**disposed**", "**disposition**" and "**disposal**" shall be construed in a like manner, provided that the payment of money shall not constitute a disposal;

1.2.9 an "**authorisation**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;

1.2.10 a default being "**continuing**" means that it has not been remedied or waived; and

1.2.11 a time of day is a reference to Johannesburg time.

1.3 Any reference to any statute, regulation, other legislation, directives, codes of practice, circulars, guidance notices or judgments shall be a reference to that statute, regulation, other legislation, directive, code of practice, circular, guidance notice or judgment as at the date of this Programme Memorandum, and as amended or substituted from time to time.

1.4 Any reference to any written agreement shall be a reference to that agreement as amended, novated, supplemented, extended or replaced from time to time in accordance with its terms.

1.5 Where any number of days is to be calculated from a particular day, such number shall be calculated as excluding the first day and including the last day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the immediately preceding day which is a Business Day.

1.6 Any reference to days (other than a reference to Business Days) shall be a reference to calendar days.

1.7 The use of the word "**includes**" or "**including**" followed by a specific example(s) shall mean "**includes without limitation**" or "**including without limitation**" (as applicable) and shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example(s).

1.8 The word "**month**" shall mean a period starting on one day in a calendar month and ending on the day before the numerically corresponding day in the next calendar month, provided that -

1.8.1 if any such period would otherwise end on a day in the later calendar month which is not a Business Day, it shall end on the immediately preceding Business Day in the later calendar month; and

1.8.2 if a period starts on the last Business Day in a calendar month, or if there is no numerically corresponding day in the next calendar month in which that period ends, that period shall end on the last Business Day in that later month.

1.9 If any cost or financial liability of the Issuer which is expressed as an annual cost or financial liability is to be determined for any part of a year, it must be determined by pro rating that cost or financial liability.

2 **ISSUE**

2.1 The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes (denominated in the Specified Currency) under the Programme, pursuant to the Programme Memorandum; provided that the aggregate Outstanding Principal Amount of all of the Notes in issue under the Programme from time to time does not exceed the Programme Limit.

2.2 Notes will be issued in Tranches which, together with a further Tranche or Tranches, will form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche of Notes.

2.3 The Applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement will be attached to such Certificate(s).

2.4 Listed and/or unlisted Notes may be issued under the Programme.

2.5 Noteholders of Notes not listed on the Interest Rate Market will have no recourse against the JSE. Unlisted Notes are not regulated by the JSE.

3 **FORM AND TYPE OF NOTE**

3.1 **General**

3.1.1 All payments in relation to the Notes will be made in Rand.

3.1.2 Each Note shall either be a Senior Note or a Subordinated Note, as specified in the Applicable Pricing Supplement. Any Note may be an Instalment Note, Exchangeable Note or an Extendible Note.

3.1.3 Each Note, whether a Senior Note or a Subordinated Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Note as may be determined by the Issuer, as specified in the Applicable Pricing Supplement.

3.1.4 The Redemption Date of all or part of any Extendible Notes may be extended at the option of the Issuer, after the Issuer has given the relevant Noteholders the Requisite Notice indicated in the Applicable Pricing Supplement in accordance with Condition 18. Such Redemption Date may be extended by the Issuer one or more times by such days or multiple of days specified in the Applicable Pricing Supplement.

3.2 **Uncertificated Notes**

Uncertificated Notes will be issued in uncertificated form in terms of section 33 of the Financial Markets Act and will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held in the Central Securities Depository, and the holder of such Notes, as reflected in the securities accounts of the Central Securities Depository and/or the relevant Central Securities Depository Participant, will be named in the Register as the registered Noteholder of that Tranche of Notes.

3.3 **Certificated Notes**

Certificated Notes will be issued in definitive registered form and will be represented by Individual Certificates. An owner of a Beneficial Interest in Uncertificated Notes held in the Central Securities Depository shall be entitled to exchange such Beneficial Interest for Certificated Note(s) in accordance with Condition 14.

4 **TITLE**

4.1 **Certificated Notes**

Each Noteholder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes. Title to Certificated Notes shall pass upon registration of transfer in the Register in accordance with Condition 15.1.

4.2 **Uncertificated Notes**

4.2.1 The Noteholder(s) of the Uncertificated Note(s) in a Tranche of Uncertificated will be determined in accordance with the CSD Procedures, and such Noteholder(s) will be named in the Register as the holder(s) of such Uncertificated Note(s).

4.2.2 The Central Securities Depository Participants will maintain records of the Beneficial Interests in Notes.

4.2.3 Beneficial Interests which are held by Central Securities Depository Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Central Securities Depository Participants, through the central securities accounts maintained by the Central Securities Depository for such Central Securities Depository Participants.

4.2.4 Beneficial Interests which are held by clients of Central Securities Depository Participants will be held indirectly through such Central Securities Depository Participants, and such Central Securities Depository Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Central Securities Depository Participants for such clients. The clients of Central Securities Depository Participants may include the holders of Beneficial Interests or their custodians. The clients of Central Securities Depository Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Central Securities Depository Participants.

4.2.5 In relation to each person shown in the records of the Central Securities Depository or the relevant Central Securities Depository Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount, a certificate or other document issued by the Central Securities Depository or the relevant Central Securities Depository Participant, as the case may be, as to the aggregate Outstanding Principal Amount standing to the account of such person shall be *prima facie* proof of such Beneficial Interest and such aggregate Outstanding Principal Amount.

4.2.6 Beneficial Interests may be transferred only in accordance with the CSD Procedures. Such transfers will not be recorded in the Register.

4.2.7 Any reference in the Terms and Conditions to the relevant Central Securities Depository Participant shall, in respect of Beneficial Interests, be a reference to the Central Securities Depository Participant appointed to act as such by the holder of such Beneficial Interests.

4.3 **Register**

The Issuer, the Settling Bank and the Transfer Agent shall recognise and treat the registered holder thereof as the absolute owner of the Notes registered in the Noteholder's name (whether or not overdue and notwithstanding any notice of any previous loss or theft thereof) for all purposes and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.

5 **STATUS OF SENIOR NOTES**

Unless otherwise specified in the Applicable Pricing Supplement, Senior Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and, save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing.

6 **NEGATIVE PLEDGE**

6.1 This Condition 6 shall apply only to Senior Notes. As long as any Senior Notes remain Outstanding, the Issuer will not create any Encumbrance (other than any Permitted Encumbrance) upon the whole or any part of its present or future assets or revenues to secure any of its present or future Relevant Borrowings without making effective provision whereby all Senior Notes shall be directly secured equally and rateably with such Relevant Borrowings and any such instrument creating such Encumbrance shall expressly provide therefor, unless such other security as may be approved by Extraordinary Resolution (or Extraordinary Written

Resolution) of the holders of Senior Notes is provided or the provision of any such security is waived by an Extraordinary Resolution (or Extraordinary Written Resolution) of the holders of Senior Notes.

6.2 The Issuer shall be entitled but not obliged, to form, or procure the formation of, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit of such Noteholders.

7 **STATUS OF SUBORDINATED NOTES**

7.1 Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been accorded preferential rights by law.

7.2 Subject to Applicable Law, in the event of the Dissolution of the Issuer, the claims of the persons entitled to be paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other Indebtedness of the Issuer except for other Subordinated Indebtedness (as defined below). Accordingly, Subordinated Noteholders shall not be entitled to receive payment under such Subordinated Notes and no amount due on the Subordinated Notes shall be eligible for set-off until all other Indebtedness of the Issuer which is admissible in any such Dissolution (other than Subordinated Indebtedness) has been paid or discharged in full.

7.3 "**Subordinated Indebtedness**" means for the purposes of this Condition 7, any Indebtedness of the Issuer, including any guarantee given by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the Dissolution of the Issuer.

8 **INTEREST**

8.1 **Interest on Fixed Rate Notes**

8.1.1 Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a six-monthly basis, on the Interest Payment Dates.

8.1.2 Each Fixed Rate Note bears interest on its Principal Amount (or, if an Instalment Note, on the Outstanding Principal Amount) from (and including) the Interest Commencement Date to (but excluding) the Redemption Date at the rate(s) per annum equal to the Fixed Interest Rate(s). Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the Redemption Date if such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date.

8.1.3 Unless otherwise specified, the interest in respect of any six-monthly period shall be calculated by dividing the Fixed Interest Rate by two and multiplying the product by the Principal Amount, provided that –

8.1.3.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and

8.1.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

8.1.4 Save as provided in the preceding paragraphs, if interest is required to be calculated for a period other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall be calculated on the basis of the actual number of days in such period divided by 365.

8.2 **Interest on Floating Rate Notes**

8.2.1 *Interest Rate*

8.2.1.1 The Interest Rate payable from time to time in respect of the Floating Rate Notes will be determined –

8.2.1.1.1 on the basis of ISDA Determination; or

8.2.1.1.2 on the basis of Screen Rate Determination; or

8.2.1.1.3 on such other basis as may be determined by the Issuer,

all as specified in the Applicable Pricing Supplement.

8.2.2 *ISDA Determination*

8.2.2.1 Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any).

8.2.2.2 For the purposes of this Condition 8.2.2 –

8.2.2.2.1 "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Issuer Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which –

8.2.2.2.1.1 the Floating Rate Option is as specified in the Applicable Pricing Supplement;

8.2.2.2.1.2 the Designated Maturity is the period specified in the Applicable Pricing Supplement; and

8.2.2.2.1.3 the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the ZAR-JIBAR on the first day of that Interest Period or (ii) in any other case, as specified in the Applicable Pricing Supplement.

8.2.2.2.2 "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those expressions in the ISDA Definitions.

8.2.2.3 When this Condition 8.2.2 applies, in respect of each Interest Period such Issuer Agent as is specified in the Applicable Pricing Supplement shall have discharged its obligations under Condition 8.2.6 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 8.2.2.

8.2.3 *Screen Rate Determination*

8.2.3.1 Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either –

8.2.3.1.1 the offered quotation (if there is only one quotation on the Relevant Screen Page); or

8.2.3.1.2 the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

for the Reference Rate(s) which appears or appear as the case may be, on the Relevant Screen Page as at 11h00 (Johannesburg time) on the Interest Determination Date in question, plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Issuer Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

8.2.3.2 If the Relevant Screen Page is not available or if, in the case of 8.2.3.1.1 above, no such offered quotation appears or, in the case of 8.2.3.1.2 above, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Issuer Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Issuer Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuer Agent.

8.2.3.3 If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 8.2.3, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Issuer Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Tranche, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Issuer Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Issuer Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Tranche, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by four leading banks in Johannesburg (selected by the Issuer Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

8.2.3.4 If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than the ZAR-JIBAR rate, the Interest Rate in respect of such Notes will be determined, in the manner provided above, or as may be specified in the Applicable Pricing Supplement.

8.2.3.5 "**Reference Banks**" means for the purposes of this Condition 8.2.3, the four leading banks in the South African inter-bank market selected by the Issuer Agent and approved by the Issuer.

8.2.4 *Minimum and/or Maximum Interest Rate*

If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate and/or if it specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate.

8.2.5 *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount (or, if an Instalment Note, on the Outstanding Principal Amount) from (and including) the Interest Commencement Date up to (but excluding) the Redemption Date at the floating rate per annum equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition 10 or the Redemption Date, as the case may be, if either such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date immediately following the Interest Commencement Date.

8.2.6 *Determination of Interest Rate and calculation of Interest Amount*

8.2.6.1 The Issuer Agent will, in the case of Floating Rate Notes, at or as soon as practical after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless specified otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest Rand denomination, half of any such denomination being rounded upwards.

8.2.6.2 "**Day Count Fraction**" means, in respect of the calculation of the Interest Amount for any Interest Period –

8.2.6.2.1 if "**Actual/365**", "**Act/365**", "**Actual/Actual**" or "**Act/Act**" is specified in the

Applicable Pricing Supplement, the actual number of elapsed days (including the first day and excluding the last day of such Interest Period) in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of - (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 365 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year, divided by 365); or

8.2.6.2.2 if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the Applicable Pricing Supplement, the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 365; or

8.2.6.2.3 such other calculation method as is specified in the Applicable Pricing Supplement.

8.2.7 *Notification of Interest Rate and Interest Amount*

The Issuer Agent will cause the Interest Rate (other than in respect of Fixed Rate Notes) and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Settling Bank, the Transfer Agent, the Noteholders, the JSE (if the relevant Floating Rate Notes are listed on the Interest Rate Market of the JSE) and the Central Securities Depository, as soon as possible after their determination but in any event not later than the third Business Day after such determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Settling Bank, the Transfer Agent, the Noteholders, the JSE (if the relevant Floating Rate Notes are listed on the Interest Rate Market of the JSE) and the Central Securities Depository.

8.2.8 *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8.2 by the Issuer Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Settling Bank, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Issuer Agent or the Settling Bank, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. Where the Issuer acts as the Issuer Agent and should Noteholders holding not less than 25% of the aggregate Principal Amount of the Notes for the time being Outstanding, deliver to the Issuer a written notice of objection to any determination made by the Issuer within five Business Days of notification of the Interest Rate and Interest Amount in accordance with Condition 8.2.7, such determination shall not be regarded as final and upon such notification, the Issuer shall request the chief executive officer for the time being of the Interest Rate Market of the JSE to appoint an independent third party to make such determination. Such independent third party shall make such determination promptly, acting as an expert and not as an arbitrator and its determination, in the absence of wilful deceit, bad faith or manifest error, shall be binding on the Issuer and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to such third party in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. The costs of procuring and effecting such determination shall be borne by the Issuer should the determination of such third party differ from that of the Issuer Agent and shall be borne by the Noteholders disputing such determination by the Issuer should the determination of such third party confirm that of the Calculation Agent.

8.3 **Interest on Mixed Rate Notes**

The interest rate payable from time to time on Mixed Rate Notes shall be the interest rate payable on any combination of Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes for respective periods, each as specified in the Applicable Pricing Supplement. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that and to the extent that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

8.4 **Interest on Instalment Notes**

In the case of Instalment Notes, interest will accrue on the Outstanding Principal Amount of the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.

8.5 **Interest on Extendible Notes**

If the Redemption Date of Extendible Notes is extended by the Issuer, the Interest Rate in respect of the Outstanding Principal Amount will be increased by the Step-up Margin, from and including the Redemption Date to but excluding the Actual Redemption Date.

8.6 **Accrual of Interest**

8.6.1 Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEY page as at 11h00 (Johannesburg time) on the presentation date, or any successor rate) until the earlier of –

8.6.1.1 the date on which all amounts due in respect of such Note have been paid; or

8.6.1.2 the date on which the full amount of the moneys payable has been received by the Settling Bank and notice to that effect has been given to Noteholders in accordance with Condition 18.

8.6.2 In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Issuer Agent shall follow the procedure contemplated in Condition 8.2.3 to ascertain a rate.

8.7 **Business Day Convention**

If any Interest Payment Date (or other date), which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention, falls on a day which is not a Business Day, then, if the Business Day Convention specified is –

8.7.1 the "**Floating Rate Business Day Convention**", such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 8.2.5, be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event –

8.7.1.1 such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and

8.7.1.2 each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or

8.7.2 the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

8.7.3 the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; or

8.7.4 the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

8.8 **Notification of Interest Amount**

The Issuer Agent will (if the relevant Tranche is listed on the Interest Rate Market of the JSE) cause each Interest Amount for each Interest Period to be announced on SENS at least three Business Days prior to the relevant Interest Payment Date.

8.9 **Debt Instrument System and Issuer Agent**

8.9.1 The CSD Procedures provide for the establishment and implementation of the Central Securities Depository's "Debt Instrument Solution ('DIS')". These amendments also provide, among other things, for the appointment of an 'Issuer Agent' who will be responsible, among other things, for the confirmation of interest/coupon and partial redemption amounts to be disbursed under debt instruments and the confirmation, on a daily basis of the outstanding principal amount of debt instruments in issue. An 'Issuer Agent' may be electronically connected to the Debt Instrument System by a system (the Central Messaging Front-End System ('CMFE')) that caters for an 'Issuer Agent' interface to the Debt Instrument System. The Central Messaging Front-End System will enable an

'Issuer Agent' to interact directly with the Central Securities Depository.

8.9.2 As at the Programme Date, Nedbank is the 'Issuer Agent' contemplated in the CSD Procedures. In addition to the duties and obligations of the Issuer Agent contemplated in this Condition 8 and the Agency Agreement, the Issuer Agent will perform all such additional duties and comply with all such additional obligations as are required to be performed and/or complied with under the applicable provisions of the CSD Procedures.

9 PAYMENTS

9.1 General

9.1.1 All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Settling Bank, on behalf of the Issuer, on the terms and conditions of the applicable Agency Agreement and this Condition 9.

9.1.2 Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 11.

9.2 Method of Payment

9.2.1 *General*

9.2.1.1 Only Noteholders of Notes named in the Register at 17h00 (South African time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Notes.

9.2.1.2 Payments of all amounts due and payable in respect of Uncertificated Notes shall be made in accordance with the CSD Procedures and Condition 9.2.2.

9.2.1.3 Payments of all amounts due and payable in respect of Certificated Notes shall be made, in accordance with Condition 9.2.3, to the person named as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the relevant Last Day to Register.

9.2.2 *Uncertificated Notes*

9.2.2.1 The Issuer has opened the Designated Bank Account with the Settling Bank. The Designated Bank Account will be used solely for purposes of depositing (and funding) the aggregate amount (whether in respect of principal, interest or otherwise) which is due and payable, on the relevant Payment Date, in respect of a Tranche of Notes. The Issuer will, in accordance with the CSD Procedures, furnish the Central Securities Depository Participant with full details of the Settling Bank and the Designated Bank Account.

9.2.2.2 The Settling Bank will, in accordance with the CSD Procedures and by no later than the time and day stipulated in the CSD Procedures, make an irrevocable deposit, into the Designated Bank Account, of the full aggregate amount which is due and payable, on the relevant Payment Date, in respect of a Tranche of Notes. Such amount will be deposited into the Designated Bank Account, in immediately available and freely transferable funds, in ZAR.

9.2.2.3 The funds in the Designated Bank Account will be transferred to the relevant Central Securities Depository Participants, by means of the South African Multiple Option Settlement ('SAMOS') system operated by the South African Reserve Bank. The Central Securities Depository Participants will then make payment of the relevant amounts to the registered Noteholders of Notes, in accordance with the CSD Procedures.

9.2.2.4 Once the funds deposited into the Designated Bank Account have been cleared and credited to the Designated Bank Account, and transferred from the Designated Bank Account to the relevant Central Securities Depository Participants, neither the Settling Bank nor the Issuer shall be responsible for the loss in transmission of any such funds. Accordingly, the irrevocable deposit of any amount into (and the clearance and crediting of such amount to) the Designated Bank Account, and the transfer of such amount from the Designated Bank Account to the relevant Central Securities Depository Participants, all in accordance with the CSD Procedures and this Condition 9.2.2, will be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the relevant Noteholders under the relevant Notes, the Applicable Terms and Conditions and the applicable Agency Agreement.

9.2.2.5 Each of the persons shown in the records of the Central Securities Depository or the Central Securities Depository Participant, as the case may be, as the holder of Beneficial Interests, shall look solely to the relevant Central Securities Depository Participant for his/her share of the funds deposited into the Designated Bank Account.

9.2.2.6 Payments of amounts due and payable in respect of Notes will be recorded by the relevant Central Securities Depository Participant, distinguishing between interest and principal, and such record of payments by the relevant Central Securities Depository Participant will be *prima facie* proof of such payments.

9.2.3 *Certificated Notes*

9.2.3.1 The Settling Bank will, in the case of Note(s) which is/are represented by an Individual Certificate, pay all amounts which are due and payable, on a Payment Date, to the registered holder(s) of such Note(s), in immediately available and freely transferable funds, in ZAR, by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes.

9.2.3.2 If several persons are entered into the Register as joint registered Noteholders of Note(s) which are represented by an Individual Certificate then, without affecting the previous provisions of this Condition 9.2.3, payment to any one of them shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer and/or the Settling Bank may have of the right, title, interest or claim of any other person to or in any such Notes.

9.2.3.3 Neither the Settling Bank nor the Issuer shall be responsible for the loss in transmission of any funds referred to in Condition 9.2.3.1, and payment of any amount into the bank account referred to in Condition 9.2.3.1 in accordance with Condition 9.2.3.1, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the relevant registered Noteholders under the relevant Notes, the Applicable Terms and Conditions and the applicable Agency Agreement.

9.3 **Surrender of Certificates**

9.3.1 Payments of principal in respect of any Note(s) which is/are represented by Individual Certificate(s) shall be made to the Noteholder(s) of such Note(s) only if, prior to the Redemption Date, such Individual Certificate(s) shall have been surrendered to the Transfer Agent (at its Specified Office).

9.3.2 If the relevant Individual Certificate is not surrendered to the Transfer Agent (at its Specified Office) in accordance with Condition 9.3.1, the amount of principal payable to the Noteholder of the Notes represented by that Individual Certificate shall be retained by the Settling Bank for such Noteholder, at the latter's risk, until that Individual Certificate shall have been surrendered to the Transfer Agent (at its Specified Office), and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.

9.4 **Payment Day**

If the date for payment of any amount due and payable in respect of any Note is not a Business Day, then:

9.4.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;

9.4.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention,

and the holders of such Notes will not be entitled to further interest or other payments in respect of any such delay.

9.5 **Interpretation of principal and interest**

9.5.1 Any reference in the Terms and Conditions to principal in respect of the Notes shall include, as applicable –

9.5.1.1 any additional amounts which may be payable with respect to principal under Condition 11;

9.5.1.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the

Notes, as the case may be;

9.5.1.3 the Optional Redemption Amount(s) (if any) of the Notes;

9.5.1.4 in relation to Instalment Notes, the Instalment Amounts;

9.5.1.5 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 10.5.1.3); and

9.5.1.6 any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

9.5.2 Any reference in the Terms and Conditions to interest in respect of the Notes shall include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11.

10 REDEMPTION AND PURCHASE

10.1 At maturity

10.1.1 Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed in Rand by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Redemption Date.

10.1.2 The Issuer shall be entitled to extend the Redemption Date of all or part of the Outstanding Principal Amount of Extendible Notes. If such option is exercised by the Issuer in respect of part of the Outstanding Principal Amount of such Extendible Notes, then the Issuer shall redeem such portion of the Notes not so extended at the Partial Redemption Amount and subject to any further extension, the redemption of the balance, being the Outstanding Principal Amount, will be extended to a date specified in the Applicable Pricing Supplement or otherwise notified to Noteholders. For the avoidance of doubt, the Issuer is not obliged to treat all Noteholders of Extendible Notes in the same manner.

10.2 Redemption for tax reasons

10.2.1 Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Mixed Rate Notes having an interest rate then determined on a floating basis) or on any Interest Payment Date (in the case of Floating Rate Notes or Mixed Rate Notes having an interest rate then determined on a floating basis), by giving not less than 30 and not more than 60 days' notice to the Noteholders in accordance with Condition 18 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that -

10.2.1.1 on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 11 as a result of any change in or amendment to, the laws or regulations of South Africa or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

10.2.1.2 such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. On the date of publication of any notice of redemption pursuant to this Condition 10.2, the Issuer shall deliver to the Transfer Agent and the Paying Agent at their Specified Offices, for inspection by any holder of Notes to be redeemed, a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, together with an opinion issued by independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

10.2.2 Notes redeemed for tax reasons pursuant to this Condition 10.2 will be redeemed at their Early Redemption Amount referred to in Condition 10.5, together (if appropriate) with interest accrued up to (but excluding) the date of redemption.

10.3 **Redemption at the option of the Issuer**

10.3.1 If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled having given –

10.3.1.1 not less than 15 and not more than 30 days' notice to the Noteholders in accordance with Condition 18; and

10.3.1.2 not less than seven days before giving the notice referred to in 10.3.1.1 above, notice to the Transfer Agent,

(both of which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued up to (but excluding) the Optional Redemption Date(s).

10.3.2 Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement.

10.3.3 In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemable Notes**") will be selected –

10.3.3.1 in the case of Certificated Redeemable Notes, individually by lot; and

10.3.3.2 in the case of Uncertificated Redeemable Notes, in accordance with the Applicable Procedures,

and in each such case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

10.3.4 A list of the serial numbers of the Individual Certificates representing Certificated Notes will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption.

10.3.5 No exchange of Beneficial Interests in Notes issued in the form of Uncertificated Notes for Notes represented by Individual Certificates will be permitted during the period from and including the Selection Date up to and including the date fixed for redemption pursuant to this Condition 0 and notice to that effect shall be given by the Issuer to the Noteholders in the notice to Noteholders contemplated in the first paragraph of this Condition 0.

10.3.6 Holders of Redeemable Notes shall surrender the Individual Certificates (if any) representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates are redeemed, the Transfer Agent shall deliver new Individual Certificates to such Noteholders in respect of the balance of the Notes.

10.4 **Redemption at the option of Noteholders of Senior Notes**

10.4.1 If Noteholders of Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem any Senior Notes, such Noteholders may redeem the Senior Notes, by delivering to the Issuer and the Transfer Agent in accordance with Condition 18, a duly executed notice ("**Put Notice**"), at least 15 days but not more than 30 days, prior to the applicable Optional Redemption Date. The redemption amount specified in such Put Notice in respect of such Senior Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as specified in the Applicable Pricing Supplement.

10.4.2 The redemption of Uncertificated Senior Notes shall take place in accordance with the Applicable Procedures.

10.4.3 Where a Noteholder redeems Senior Certificated Notes, such Noteholder shall deliver the relevant Individual Certificate to the Transfer Agent for cancellation by attaching it to the Put Notice. A Noteholder of Certificated Notes shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.

10.4.4 The Issuer shall proceed to redeem such Senior Notes (in whole but not in part) in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued up to (but excluding) the Optional Redemption Date(s).

10.4.5 The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. *Pro forma* Put Notices shall be available from the Specified Office of the Issuer.

10.4.6 Any Put Notice given by a holder of any Senior Note pursuant to this Condition 10.4 shall be irrevocable except where after giving the notice, but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer and the Transfer Agent to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 13.

10.5 **Early Redemption Amounts**

10.5.1 For the purpose of Condition 10.2 and Condition 13 (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows –

10.5.1.1 in the case of Notes with a Final Redemption Amount equal to the Principal Amount, at the Final Redemption Amount thereof; or

10.5.1.2 in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price (to be determined in the manner specified in the Applicable Pricing Supplement), at that Final Redemption Amount or, if no such amount or manner is so specified in the Pricing Supplement, at their Principal Amount; or

10.5.1.3 in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of - (i) the Reference Price; and (ii) the product of the Implied Yield being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable, or such other amount as is specified in the Applicable Pricing Supplement.

10.5.2 Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

10.6 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates in amounts rounded to the nearest Rand value (with 0,5 being rounded upwards). In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 10.5.

10.7 **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner specified in the Applicable Pricing Supplement. Exchangeable Notes, in respect of which Mandatory Exchange is specified in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner specified in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Notes.

10.8 **Purchases**

10.8.1 The Issuer may, provided that it is not in a prohibited period, purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

10.8.2 The Issuer shall publish an announcement on SENS of its intention to purchase Notes, which notice and offer shall be subject to compliance, by the Issuer, with the JSE Debt Listings Requirements.

10.9 **Cancellation**

10.9.1 All Notes which are redeemed will forthwith be cancelled. The Transfer Agent shall, in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE, notify the Central Securities Depository and the JSE of any cancellation, partial redemption or redemption of Notes in that Tranche so that such entities can record the reduction in the aggregate Outstanding Principal Amount of the Notes in issue.

10.9.2 Where only a portion of Certificated Notes is redeemed, the Transfer Agent shall deliver a new Individual Certificate to the Noteholder of such Certificated Notes reflecting of the balance of the Subordinated Notes held by that Noteholder.

10.10 **Redemption of Uncertificated Notes**

The redemption of Uncertificated Notes will take place in accordance with the Financial Markets Act and the Applicable Procedures.

10.11 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 10 or upon its becoming due and repayable as provided in Condition 13, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.5.1.3, as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of - (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, five days after the date on which the full amount of the moneys payable has been received by the Central Securities Depository, and notice to that effect has been given to the Noteholders in accordance with Condition 18.

11 **TAXATION**

11.1 As at the Programme Date, all payments of principal and/or interest in respect of the Notes will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by law.

11.2 The payment of any Taxes by the Issuer as an agent or representative tax payer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 11.

11.3 In the event of any such withholding or deduction in respect of Taxes being levied or imposed on interest or principal payments in respect of the Notes, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note –

11.3.1 held by or on behalf of a Noteholder, who is liable for such Taxes in respect of such Note by reason of it having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

11.3.2 held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

11.3.3 where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the Taxable Income or Taxable Gains (each as defined below) of any Noteholder; or

11.3.4 where (in the case of any payment of principal or interest which is conditional on surrender of the Individual Certificate representing the relevant Note in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered for payment more than 30 days after the Payment Date except to the extent that the relevant Noteholder would have been entitled to an additional amount if it had surrendered the relevant Individual Certificate on such thirtieth day; or

11.3.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or

11.3.6 where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty.

12 **PRESCRIPTION**

Any claim for payment of any amount (whether in respect of principal, interest or otherwise) in respect of any Notes will prescribe three years after the date on which such amount first becomes due and payable under the Applicable Terms and Conditions.

13 EVENTS OF DEFAULT

13.1 Senior Notes

13.1.1 An Event of Default in relation to each Tranche of Senior Notes shall arise if any one or more of the following events shall have occurred and be continuing –

13.1.1.1 the failure by the Issuer to pay within 5 Business Days from the due date any amount due in respect of any Tranche of Notes; or

13.1.1.2 the failure by the Issuer to perform or observe any of its other obligations under the Applicable Terms and Conditions of any Tranche of Notes and such failure continues for a period of 30 calendar days after receipt by the Issuer of a notice from any Noteholders in respect of such failure (and for these purposes, a failure to perform or observe any such obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

13.1.1.3 the occurrence of a Financial Distress Event; or

13.1.1.4 any action, condition or thing (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer to comply with its obligations under the Applicable Terms and Conditions of any Tranche of Notes is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect; or

13.1.1.5 the Issuer fails to pay any amount due and payable under any Material Indebtedness (taking into account any applicable grace period for such payment) and such failure to pay continues for more than 30 (thirty) consecutive days; or

13.1.1.6 an attachment, execution or other legal process is levied, enforced, issued or sued out on or against any Material Assets of the Issuer and is not discharged or stayed within 30 days after the attachment, execution or other legal process is served on the Issuer; or

13.1.1.7 the seizure, compulsory acquisition or expropriation of Material Assets of the Issuer or any of the securities of or issued by the Issuer.

13.1.2 If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith, but in any event within one Business Day of the occurrence thereof, notify all Noteholders and, in respect of Notes which are listed on the Interest Rate Market of the JSE, the JSE and shall publish the details of the occurrence of the Event of Default on SENS.

13.1.3 Upon the happening of an Event of Default, any Noteholder of Senior Notes may, by written notice to the Issuer at its Specified Office, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by such Noteholder to be forthwith due and payable. Upon receipt of that notice, such Senior Notes shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment.

13.2 Subordinated Notes

13.2.1 Subject to and without derogating from the provisions of Condition 7, if the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable under the Applicable Terms and Conditions of any Tranche of Subordinated Notes on the due date for payment of such amount, any Noteholder of Note/s in that Tranche of Subordinated Notes ("**relevant Noteholder**") may, at its discretion and without further notice (but subject to Applicable Municipal Legislation), institute proceedings for the Dissolution of the Issuer and/or prove in any Dissolution of the Issuer, but take no other action in respect of that failure to pay. In such Dissolution proceedings, subject to Applicable Municipal Legislation, the claim of the relevant Noteholder shall be for the Early Redemption Amount of such Note/s, together with accrued interest (if any) to the date of payment.

13.2.2 If the Issuer fails to perform or observe any of its other obligations under the Applicable Terms and Conditions of any Tranche of Subordinated Notes, then any Noteholder of Note/s in that Tranche of Subordinated Notes may, at its discretion and without further notice, bring such proceedings as it may think fit (subject to Applicable Municipal

Legislation) to enforce the obligation in question; provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on any Note/s in that Tranche of Subordinated Notes sooner than the same would otherwise have been payable by it.

14 INDIVIDUAL CERTIFICATES AND EXCHANGE OF BENEFICIAL INTERESTS

14.1 Upon the issue of a Tranche of Uncertificated Notes the Transfer Agent shall deliver the relevant Individual Certificate(s) to the Noteholder(s) of such Notes in accordance with the applicable Agency Agreement and/or the provisions of the Applicable Pricing Supplement.

14.2 A holder of a Beneficial Interest in Note(s) may, in terms of the Applicable Procedures and subject to section 42 as read with section 35(2)(i) of the Financial Markets Act (or such other relevant section of any successive legislation), by written notice to the holder's nominated Central Securities Depository Participant (or, if such holder is a Central Securities Depository Participant, the Central Securities Depository Participant), request that such Beneficial Interest be exchanged for Notes in definitive registered form which are represented by an Individual Certificate ("**Exchange Notice**"). The Exchange Notice shall specify (i) the name, physical address, postal address, e-mail address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for Notes which are represented by an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given.

14.3 The holder's nominated Central Securities Depository Participant will, within 7 (seven) days of receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes which are represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period ("**Exchange Date**"), to the holder's nominated Central Securities Depository Participant (acting on behalf of the holder of the Beneficial Interest) at the Specified Office of the Transfer Agent; provided that, joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding and delivery to one of those joint holders shall be delivery to all of them.

14.4 In order to effect the exchange of a Beneficial Interest in any Notes (a) such Notes will, prior to the Exchange Date, be surrendered (through the Central Securities Depository) to the Transfer Agent at its Specified Office and (b) the Transfer Agent will obtain the release of such Notes from the Central Securities Depository in accordance with the CSD Procedures.

14.5 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Outstanding Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Outstanding Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Outstanding Principal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

14.6 Individual Certificates shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in the Terms and Conditions. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Central Securities Depository Participant under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, Taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery, shall be borne by the relevant Noteholder.

14.7 Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the relevant holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 14.7 or of his title to the relevant Notes as the Issuer and the Transfer Agent may require, be registered himself as the holder of such Notes or, subject to the requirements of the Applicable Procedures and Condition 15, may transfer such Notes. The Issuer and (as applicable) the Central Securities Depository Participant or the Central Securities Depository or the Settling Bank shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

14.8 If an Individual Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the provision of such terms as to evidence of title and the provision of such indemnity or security as the Issuer and/or the Transfer Agent may reasonably require. Mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

15 TRANSFER OF NOTES

15.1 Certificated Notes

15.1.1 In order for any transfer of Certificated Notes to be recorded in the Register and for the transfer to be recognised by the Issuer –

15.1.1.1 the transfer of a Certificated Note must be embodied in a Transfer Form;

15.1.1.2 the Transfer Form must be signed by the relevant Noteholder and the transferee, or any authorised representative of that Noteholder and/or transferee;

15.1.1.3 the transfer of a Certificated Note shall only be in amounts of not less than the Specified Denomination or a multiple thereof and consequently the Issuer will not recognise any amount which is a fraction of the Specified Denomination; and

15.1.1.4 the Transfer Form must be delivered to the Transfer Agent, at its Specified Office, together with the Individual Certificate representing such Certificated Note.

15.1.2 The transferor of any Certificated Notes shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

15.1.3 Before any transfer of any Certificated Notes is registered in the Register, all relevant transfer Taxes (if any) must have been paid and such evidence must be furnished as the Issuer and/or the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.

15.1.4 Subject to the provisions of this Condition 15.1, the Transfer Agent will, within three Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws or Applicable Procedures), record the transfer of any Certificated Notes (or the relevant portion of such Certificated Notes) in the Register, and authenticate and deliver to the transferee at the Specified Office of the Transfer Agent or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Individual Certificate reflecting the Outstanding Principal Amount of the Certificated Notes transferred.

15.1.5 Where a Noteholder has transferred part only of his holding of Certificated Notes, the Transfer Agent will authenticate and deliver to such Noteholder at the Specified Office of the Transfer Agent or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Certificated Notes held by such Noteholder.

15.1.6 No transfer of any Certificated Notes will be registered during the Books Closed Period.

15.2 Uncertificated Notes

15.2.1 Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the Central Securities Depository.

15.2.2 Transfers of Beneficial Interests to and from clients of Central Securities Depository Participants occur by way of electronic book entry in the securities accounts maintained by the Central Securities Depository Participants for their clients, in accordance with the Applicable Procedures.

15.2.3 Transfers of Beneficial Interests among Central Securities Depository Participants occurs through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Central Securities Depository Participants, in accordance with the Applicable Procedures.

15.2.4 Transfers of Beneficial Interests will not be recorded in the Register.

16 REGISTER

16.1 The Register shall be kept at the Specified Office of the Transfer Agent. The Register shall reflect the number of Notes issued and Outstanding and whether they are Certificated Notes or Uncertificated Notes. The Noteholders of Uncertificated Notes will be determined in accordance with the Applicable Procedures, and such registered Noteholders will be named in the Register as the registered Noteholders of such Uncertificated Notes. The Register shall contain the name, address, e-mail address and bank account details of each registered Noteholder. The Register shall set out the Principal Amount of the Notes issued to the Noteholders or the aggregate Outstanding Principal Amount of Notes transferred to a Noteholder, as the case may be, the Issue Date of such Notes or the date of transfer of such Notes, as the case may be, and the date upon which the Noteholder became registered as such. The Register shall show the serial number of Individual Certificates issued in respect of Notes. The Register shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any person authorised in writing by any Noteholder. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall, in relation to a Tranche of Notes, be closed during the Books Closed Period.

16.2 The Transfer Agent shall amend the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified; provided that the Register will only be amended to reflect a transfer of Certificated Notes if such transfer is carried out in accordance with Condition 15.1.

17 TRANSFER AGENT, ISSUER AGENT AND SETTLING BANK

17.1 The Issuer is entitled to vary or terminate the appointment of the Transfer Agent, the Issuer Agent and/or the Settling Bank (either in respect of the Programme as a whole or in respect of Tranche(s) of Notes) in accordance with the terms and conditions of the applicable Agency Agreement governing that appointment and/or to appoint additional or other agents, provided that there will at all times be a Transfer Agent, Calculation Agent and Paying Agent with an office in such place as may be required by the Applicable Procedures. The Transfer Agent, Settling Bank and Issuer Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

17.2 To the extent that the Issuer acts as the Transfer Agent or Issuer Agent, all references in the Terms and Conditions to –

17.2.1 any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and

17.2.2 requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent or Issuer Agent, as the case may be, shall be disregarded to the extent that the Issuer performs such role.

18 NOTICES

18.1 Notice to Noteholders

18.1.1 All notices to Noteholders of Certificated Notes shall be sent by registered mail to the respective postal addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register or sent by e-mail to the respective e-mail address appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail) or (if such notice is transmitted by e-mail) on the Business Day that the e-mail is transmitted (provided that a confirmation of error free transmittal is received from the transmitting terminal), except that any e-mail transmitted after 16h30 (local time in the place of receipt) shall be deemed to have been received on the following Business Day (if such notice is transmitted by e-mail).

18.1.2 For so long as any Certificated Notes are listed on the Interest Rate Market of the JSE, there may be substituted for the notice contemplated in Condition 18.1.1, the publication of the relevant notice on SENS or on any other electronic news service of general distribution.

18.1.3 All notices to the Noteholders of Uncertificated Notes (or Beneficial Interests) shall be in writing and shall be delivered by hand or transmitted by e-mail to the JSE (in the case of Uncertificated Notes which are listed on the Interest Rate Market of the JSE), the Central Securities Depository and the Central Securities Depository Participants, for communication by the Central Securities Depository and the Central Securities Depository Participants to the Noteholders of Uncertificated Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Uncertificated Notes on the date of delivery (if such notice is delivered by hand) or the date on which such notice is transmitted by e-mail (if such notice is sent by e-mail).

18.2 **Notice by Noteholders**

18.2.1 All notices to be given by any holder of Certificated Notes shall be in writing and given by delivering the notice, by hand or by registered mail or by email, together with a certified copy of the relevant Individual Certificate, to the Specified Office or postal address or e-mail address, as applicable, of the Issuer or the Specified Office or postal address or e-mail address, as applicable, of the Transfer Agent, as the case may be. Each such notice shall be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail) or (if such notice is delivered by e-mail hand), the Business Day that the e-mail is transmitted (provided that a confirmation of error free transmittal is received from the transmitting terminal), except that any e-mail transmitted after 16h30 (local time in the place of receipt) shall be deemed to have been received on the following Business Day.

18.2.2 All notices to be given by any holder of Uncertificated Notes (or a Beneficial Interest) to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by such holder through such holder's Central Securities Depository Participant in accordance with the Applicable Procedures, and in such manner as the Issuer and the relevant Central Securities Depository Participant may approve for this purpose. Such notices shall be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, if delivered by hand, on the second Business Day after being hand delivered or, if sent by registered mail, seven days after posting or, if sent by e-mail, the Business Day that the e-mail is transmitted (provided that a confirmation of error free transmittal is received from the transmitting terminal), except that any e-mail transmitted after 16h30 (local time in the place of receipt) shall be deemed to have been received on the following Business Day.

19 MEETINGS OF NOTEHOLDERS

19.1 **Directions of Noteholders**

19.1.1 The provisions with regard to meetings of all of the Noteholders or the relevant Class/es of Noteholders (as applicable) are set out in this Condition 19. The provisions of this Condition 19 will apply, *mutatis mutandis,* to each separate meeting of all of the Noteholders or the relevant Class/es of Noteholders (as applicable) (each a "**meeting**").

19.1.2 Subject to the Applicable Procedures in the case of the Noteholders of Uncertificated Notes, only Noteholders or the relevant Class/es of Noteholders (as applicable) named in the Register at 17h00 (South African time) on the Record Date will be entitled to receive notice of a meeting and to participate in and vote at a meeting.

19.1.3 "**Record Date**" means, in relation to a meeting, the date being 10 (ten) Business Days before the date scheduled for the holding of that meeting.

19.1.4 Every director or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer may attend and speak at a meeting, but will not be entitled to vote, other than (subject to Condition 19.6.2) as a Noteholder or proxy or duly authorised representative of a Noteholder.

19.2 **Extraordinary Resolutions**

A meeting shall have the following powers exercisable by Extraordinary Resolution only (subject to the provisions relating to quorum contained in Condition 19.7), namely -

19.2.1 power to give instructions to the Issuer in respect of any matter not covered by the Applicable Terms and Conditions (including any of the Terms and Conditions) (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Applicable Terms and Conditions (including any of the Terms and Conditions) or imposing obligations on the Issuer not imposed or contemplated by the Applicable Terms and Conditions (including any of the Terms and Conditions) or otherwise conflicting with or inconsistent with the provisions of the Applicable Terms and Conditions (including any of the Terms and Conditions));

19.2.2 power to sanction any compromise or arrangement proposed to be made between the

Issuer and all of the Noteholders or the relevant Class/es of Noteholders (as applicable)the Class of Noteholders or any of them;

19.2.3 power to approve the substitution of any entity for the Issuer which shall be proposed by the Issuer;

19.2.4 power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of all of the Noteholders or the relevant Class/es of Noteholders (as applicable)the Class of Noteholders against the Issuer or against any of its property whether such rights shall arise under the Notes or otherwise;

19.2.5 power to assent to any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), subject to and in accordance with the applicable provisions of Condition 20;

19.2.6 power to give any authority or sanction which under the Terms and Conditions is required to be given by Extraordinary Resolution;

19.2.7 power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of all of the Noteholders or the relevant Class/es of Noteholders (as applicable) and to confer upon such committee or committees any powers or discretions which all of the Noteholders all of the Noteholders or the relevant Class/es of Noteholders (as applicable) could themselves exercise by Extraordinary Resolution; and

19.2.8 power to sanction any scheme or proposal for the exchange or sale of the Notes held by all of the Noteholders or the relevant Class/es of Noteholders (as applicable) for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, notes, bonds, debentures and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, notes, bonds, debentures and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash.

19.3 **Convening of meetings**

19.3.1 The Issuer may at any time convene a meeting.

19.3.2 In the event that the Issuer and/or the board of directors of the Issuer receives a demand to call a meeting from (as applicable):

19.3.2.1 Noteholders holding not less than 10% of the Outstanding Principal Amount of all of the Notes; or

19.3.2.2 the relevant Class/es of Noteholders holding not less than 10% of the Outstanding Principal Amount of all of the Notes in in such Class/es

the Issuer must immediately:

19.3.2.3 inform the JSE in writing, which notice must describe the purpose of the meeting; and

19.3.2.4 release an announcement through SENS that the Issuer has received a demand to call a meeting from the Noteholders contemplated in Condition 19.3.2 ("**relevant Noteholders**") pursuant to the JSE Debt Listings Requirements, which announcement must specify the date and time of the meeting.

19.3.3 The Issuer must:

19.3.3.1 issue a notice of meeting (meeting in person or via conference call facilities) within five business days from the date of receipt of the request to call a meeting from the relevant Noteholders;

19.3.3.2 the date of the meeting should be specified as a date not exceeding seven business days from when the notice of meeting is issued;

19.3.3.3 the notice of meeting must allow for a pre-meeting of the relevant Noteholders (without the presence of the Issuer) on the same day/venue and at least two hours before the scheduled time of the meeting ; and

19.3.3.4 the Issuer must release an announcement on SENS within two business days after the meeting regarding the outcomes of the meeting.

19.3.4 If a Financial Distress Event occurs, the reference to five business days in Condition 19.3.3.2 shall be reduced to two business days and the reference to seven business days in Condition 19.3.3.2 shall be reduced to five business days.

19.3.5 At the meeting, the relevant Noteholders must exercise their voting through polling and not by a show of hands. The meeting will elect a chair as voted by the relevant Noteholders.

19.3.6 The relevant Noteholders who demanded the meeting may, may prior to the meeting, withdraw the demand by notice in writing to the Issuer, A copy of such notice must be submitted to the JSE.

19.3.7 The Issuer may cancel the meeting if, as a result of one or more of the demands being withdrawn, the voting rights of the remaining relevant Noteholders continuing to demand the meeting, in aggregate, fall below the minimum percentage of voting rights required to call the meeting, as contemplated in Condition 19.7.

19.4 **Notice of meeting**

19.4.1 Whenever the Issuer wishes (or is required) to convene a meeting, it shall deliver a notice of that meeting, in the manner set out in Condition 18 and in the prescribed form set out in Condition 19.4.3, to all of the Noteholders or the relevant Class/es of Noteholders (as applicable) who are Noteholders as of the Record Date for that meeting, at least 15 (fifteen) Business Days before the date on which the meeting is to be held.

19.4.2 The Issuer may call a meeting with less notice than that required by Condition 19.4.1, but such meeting may proceed only if every person who is entitled to exercise voting rights in respect of any item on the meeting agenda:

19.4.2.1 is present at the meeting; and

19.4.2.2 votes to waive the required minimum notice of the meeting.

19.4.3 A notice of a meeting must be in writing, and must include:

19.4.3.1 the date, time and place for the meeting;

19.4.3.2 the Record Date for the meeting;

19.4.3.3 the general purpose of the meeting, and any specific purpose for which the meeting is proposed, as contemplated in Condition 19.4.2.1, if applicable;

19.4.3.4 a copy of any proposed resolution of which the Issuer has received notice, and which is to be considered at the meeting, and a notice of the percentage of voting rights that will be required for that resolution to be adopted;

19.4.3.5 a reasonably prominent statement that:

19.4.3.5.1 a Noteholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the Noteholder;

19.4.3.5.2 a proxy need not also be a Noteholder; and

19.4.3.5.3 a person participating in the meeting (including a proxy) must present reasonably satisfactory identification, as contemplated in Condition 20.4.1.1.

19.4.4 If there was a material defect in the giving of the notice of a meeting, the meeting may proceed, subject to Condition 19.4.5, only if every person who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes to approve the ratification of the defective notice.

19.4.5 If a material defect in the form or manner of giving notice of a meeting relates only to one or more particular matters on the agenda for the meeting:

19.4.5.1 any such matter may be severed from the agenda, and the notice remains valid with respect to any remaining matters on the agenda; and

19.4.5.2 the meeting may proceed to consider a severed matter, if the defective notice in respect of that matter has been ratified in terms of Condition 19.4.4.

19.4.6 An immaterial defect in the form or manner of giving notice of a meeting, or an accidental or inadvertent failure in the delivery of the notice to any particular Noteholder to whom it was addressed, does not invalidate any action taken at the meeting.

19.4.7 A Noteholder who is present at a meeting, either in person or by proxy:

19.4.7.1 is regarded as having received or waived notice of the meeting, if at least the required minimum notice was given; and

19.4.7.2 has a right to:

19.4.7.2.1 allege a material defect in the form of notice for a particular item on the agenda for the meeting; and

19.4.7.2.2 participate in the determination whether to waive the requirements for notice if less than the required minimum notice was given, or to ratify a defective notice; and

19.4.7.2.3 except to the extent set out in Condition 19.4.7.2, is regarded as having waived any right based on an actual or alleged defect in the notice of the meeting.

19.4.8 In addition to the applicable notice requirements set out in Condition 19.4, a meeting must be announced on SENS. The announcement must state the Record Date (that is, the date the Issuer has selected to determine which Noteholders recorded in the Register will receive notice of the meeting) and the last date by which proxy forms must be submitted.

19.5 **Conduct of meetings**

19.5.1 Before any person may attend or participate in a meeting:

19.5.1.1 that person must present reasonably satisfactory identification; and

19.5.1.2 the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Noteholder, or as a proxy for a Noteholder, has been reasonably verified.

19.5.2 The Issuer may provide for:

19.5.2.1 a meeting to be conducted entirely by electronic communication; or

19.5.2.2 one or more Noteholders, or proxies for Noteholders, to participate by electronic communication in all or part of a meeting that is being held in person,

as long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting.

19.5.3 If the Issuer provides for participation in a meeting by electronic communication, as contemplated in Condition 19.5.2:

19.5.3.1 the notice of that meeting must inform all of the Noteholders or the relevant Class/es of Noteholders (as applicable) of that form of participation, and provide any necessary information to enable all of the Noteholders or the relevant Class/es of Noteholders (as applicable) or their proxies to access the available medium or means of electronic communication; and

19.5.3.2 access to the medium or means of electronic communication is at the expense of the relevant Noteholder or proxy, except to the extent that the Issuer determines otherwise.

19.6 **Voting**

19.6.1 Noteholders of Uncertificated Notes must vote in accordance with the Applicable Procedures. Subject to the Applicable Procedures, the Noteholders of Uncertificated Notes must exercise their respective rights to vote through their respective Central Securities Depository Participant Participants. Subject to the Applicable Procedures, the respective Central Securities Depository Participants will vote in accordance with the respective instructions conveyed to them by the respective Noteholders of Uncertificated Notes.

19.6.2 The Issuer will not have any voting rights in respect of any Notes held by it.

19.6.3 At a meeting, voting may either be by show of hands, or by polling.

19.6.4 If voting is by show of hands, any person who is present at the meeting, whether as a Noteholder or as proxy for a Noteholder and entitled to exercise voting rights has 1 (one) vote, irrespective of the number of voting rights that person would otherwise be entitled to exercise.

19.6.5 If voting on a particular matter is by polling, any person who is present at the meeting, whether as a Noteholder or as proxy for a Noteholder, has 1 (one) vote for each ZAR1,000,000 (one million rand) in Principal Amount of the aggregate Outstanding Principal Amount of all of the Notes held by such Noteholder or all of the Notes in the relevant Tranche(s) of Notes held by such Noteholder (as applicable).

19.6.6 A polled vote must be held on any particular matter to be voted on at a meeting if a demand for such a vote is made by:

19.6.6.1 at least 5 (five) persons having the right to vote on that matter, either as a Noteholder or a proxy representing a Noteholder; or

19.6.6.2 a person who is, or persons who together are, entitled, as a Noteholder or proxy representing a Noteholder, to exercise at least 10% (ten percent) of the voting rights entitled to be voted on that matter.

19.7 **Meeting quorum and adjournment**

19.7.1 Subject to Conditions 19.7.2 to 19.7.6 inclusive below:

19.7.1.1 a meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

19.7.1.2 a matter to be decided at the meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda.

19.7.2 Despite the percentage figures set out in Condition 19.7.1, if all of the Noteholders or the relevant Class/es of Noteholders (as applicable) comprise more than 2 (two) Noteholders, a meeting may not begin, or a matter begin to be debated, unless:

19.7.2.1 at least 3 (three) Noteholders are present at the meeting; and

19.7.2.2 the requirements of Condition 19.7.1 are satisfied.

19.7.3 If, within one hour after the appointed time for a meeting to begin, the requirements of Condition 19.7.1, or Condition 19.7.2 if applicable,

19.7.3.1 for that meeting to begin have not been satisfied, the meeting is postponed without motion, vote or further notice, for one week;

19.7.3.2 for consideration of a particular matter to begin have not been satisfied:

19.7.3.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or

19.7.3.2.2 if there is no other business on the agenda of the meeting, the meeting is adjourned for 1 (one) week, without motion or vote.

19.7.4 The person intended to preside at a meeting that cannot begin due to the operation of Condition 19.7.1.1, or Condition 19.7.2 if applicable, may extend the one-hour limit allowed in Condition 19.7.3 for a reasonable period on the grounds that:

19.7.4.1 exceptional circumstances affecting weather, transportation or electronic communication have generally impeded or are generally impeding the ability of Noteholders to be present at the meeting; or

19.7.4.2 one or more particular Noteholders, having been delayed, have communicated an intention to attend the meeting, and those Noteholders, together with others in attendance, would satisfy the requirements of Condition 19.7.1, or Condition 19.7.2 if applicable.

19.7.5 The Issuer is not required to give further notice of a meeting that is postponed or adjourned in terms of Condition 19.7.3, unless the location for the meeting is different from:

19.7.5.1 the location of the postponed or adjourned meeting; or

19.7.5.2 a location announced at the time of adjournment, in the case of an adjourned meeting.

19.7.6 If, at the time appointed in terms of this Condition 19.7 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of Condition 19.7.1, or Condition 19.7.2 if applicable, have not been satisfied, the Noteholders present in person or by proxy will be deemed to constitute a quorum.

19.7.7 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least 1 (one) Noteholder with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting.

19.7.8 A meeting, or the consideration of any matter being debated at the meeting, may be adjourned from time to time without further notice, subject to Condition 19.7.9, on a motion supported by persons entitled to exercise, in aggregate, a majority of the voting rights:

19.7.8.1 held by all of the persons who are present at the meeting at the time; and

19.7.8.2 that are entitled to be exercised on at least 1 (one) matter remaining on the agenda of the meeting, or on the matter under debate, as the case may be.

19.7.9 An adjournment of a meeting, or of consideration of a matter being debated at the meeting, in terms of Condition 19.7.8:

19.7.9.1 may be either:

19.7.9.1.1 to a fixed time and place; or

19.7.9.1.2 until further notice,

as agreed at the meeting; and

19.7.9.2 requires that a further notice be given to all of the Noteholders or the relevant Class/es of Noteholders (as applicable) only if the meeting determined that the adjournment was "until further notice", as contemplated in Condition 19.7.9.1.2.

19.7.10 A meeting may not be adjourned beyond the earlier of:

19.7.10.1 the date that is 120 (one hundred and twenty) Business Days after the Record Date; or

19.7.10.2 the date that is 60 (sixty) Business Days after the date on which the adjournment occurred.

19.8 **Chairman**

The Issuer or its representative will preside as chairman at a meeting. If the aforesaid person is not present within 15 minutes of the time appointed for the holding of the meeting, all of the Noteholders or the relevant Class/es of Noteholders (as applicable) then present shall one of their own number to preside as the chairman of the meeting.

19.9 **Noteholder right to be represented by proxy**

19.9.1 At any time, a Noteholder may appoint any individual, including an individual who is not a Noteholder, as a proxy to:

19.9.1.1 participate in, and speak and vote at, a meeting on behalf of the Noteholder; or

19.9.1.2 give or withhold written consent on behalf of the Noteholder to a decision contemplated in Condition 19.11.

19.9.2 A proxy appointment:

19.9.2.1 must be in writing, dated and signed by the Noteholder; and

19.9.2.2 remains valid for:

19.9.2.2.1 1 (one) year after the date on which it was signed; or

19.9.2.2.2 any longer or shorter period expressly set out in the appointment,

unless it is revoked in a manner contemplated in Condition 19.9.6.3, or expires earlier as contemplated in Condition 19.9.10.4.

19.9.3 A Noteholder may appoint 2 (two) or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to Notes in different Tranche(s) and/or Series of Notes held by the Noteholder.

19.9.4 A proxy may delegate the proxy's authority to act on behalf of the Noteholder to another person, subject to any restriction set out in the instrument appointing the proxy.

19.9.5 A copy of the instrument appointing a proxy must be delivered to the Issuer, or to any other person on behalf of the Issuer, before the proxy exercises any rights of the Noteholder at a meeting.

19.9.6 Irrespective of the form of instrument used to appoint a proxy:

19.9.6.1 the appointment is suspended at any time and to the extent that the Noteholder chooses to act directly and in person in the exercise of any rights as a Noteholder;

19.9.6.2 the appointment is revocable unless the proxy appointment expressly states otherwise; and

19.9.6.3 if the appointment is revocable, a Noteholder may revoke the proxy appointment by:

19.9.6.3.1 cancelling it in writing, or making a later inconsistent appointment of a proxy; and

19.9.6.3.2 delivering a copy of the revocation instrument to the proxy, and to the company.

19.9.7 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Noteholder as of the later of:

19.9.7.1 the date stated in the revocation instrument, if any; or

19.9.7.2 the date on which the revocation instrument was delivered as required in Condition 19.9.6.3.2.

19.9.8 If the instrument appointing a proxy or proxies has been delivered to the Issuer, as long as that appointment remains in effect, any notice that is required by the Terms and Conditions to be delivered by the Issuer to the Noteholder must be delivered by the Issuer to:

19.9.8.1 the Noteholder; or

19.9.8.2 the proxy or proxies, if the Noteholder has:

19.9.8.2.1 directed the Issuer to do so, in writing; and

19.9.8.2.2 paid any reasonable fee charged by the Issuer for doing so.

19.9.9 A proxy is entitled to exercise, or abstain from exercising, any voting right of the Noteholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.

19.9.10 If the Issuer issues an invitation to Noteholders to appoint one or more persons named by the Issuer as a proxy, or supplies a form of instrument for appointing a proxy:

19.9.10.1 the invitation must be sent to every Noteholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;

19.9.10.2 the invitation, or form of instrument supplied by the Issuer for the purpose of appointing a proxy, must:

19.9.10.2.1 bear a reasonably prominent summary of the rights established by this Condition 19.9;

19.9.10.2.2 contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a Noteholder to write in the name and, if so desired, an alternative name of a proxy chosen by the Noteholder; and

19.9.10.2.3 provide adequate space for the Noteholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;

19.9.10.3 the Issuer must not require that the proxy appointment be made irrevocable; and

19.9.10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to Condition 19.9.7.

19.9.11 Conditions 19.9.10.2 and 19.9.10.4 do not apply if the Issuer merely supplies a generally available standard form of proxy appointment on request by a Noteholder.

19.10 **Binding effect of resolutions**

19.10.1 A resolution passed at a meeting of all of the Notes holders or the relevant Class/es of Noteholders (as applicable), duly convened and held in accordance with the provisions of this Condition 19 shall be binding on all of the Noteholders or the relevant Class/es of Noteholders (as applicable), whether present or not present at any such meeting, and each of such Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence (unless the contrary is proved) that the circumstances justify the passing of it.

19.10.2 Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 18 by the Issuer within 14 days of such result being known or within such shorter period as is required by the JSE Debt Listings Requirements (where the resolution was passed by all of the Noteholders and any of the

Notes held by those Noteholders are listed on the Interest Rate Market of the JSE or the resolution was passed by the relevant Class/es of Noteholders and any of the Notes held by such Class/es of Noteholders are listed on the Interest Rate Market of the JSE, as applicable); provided that the non-publication of such notice shall not invalidate such resolution.

19.11 **Extraordinary Written Resolution**

19.11.1 An Extraordinary Resolution that could be voted on at a meeting may instead be:

19.11.1.1 submitted for consideration as an Extraordinary Written Resolution to the Noteholders entitled to exercise voting rights in relation thereto; and

19.11.1.2 voted on in writing by Noteholders entitled to exercise voting rights in relation thereto within 20 (twenty) Business Days after the proposed Extraordinary Written Resolution was submitted to them.

19.11.2 An Extraordinary Written Resolution shall be as valid and effectual as an Extraordinary Resolution passed at a meeting duly convened and held in accordance with the provisions of this Condition 19.

19.11.3 An Extraordinary Written Resolution must state the date that the issuer has selected to determine which of all of the Noteholders or the relevant Class/es of Noteholders (as applicable) recorded in the Register will receive notice of the Extraordinary Written Resolution.

19.12 **Minutes**

The Issuer will cause minutes of all resolutions and proceedings at meetings to be duly taken Any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and, until the contrary is proven, a meeting in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

19.13 **Companies Act**

19.13.1 Section 6.57 of the JSE Debt Listings Requirements ("**Section 6.57**") prescribes the requirements for, among other things, meetings of Noteholders and purports to apply certain provisions of the Companies Act to the Issuer. The Issuer is a municipality. The Companies Act does not apply to the Issuer and cannot be rendered applicable to the Issuer by the JSE Debt Listings Requirements.

19.13.2 Accordingly, without directly applying any of the provisions of the Companies Act to the Issuer, and subject to any contrary provisions in any Applicable Municipal Legislation, the provisions of this Condition 19 provide, in relation to a meeting, (i) for a replication of the sections in the Companies Act that relate to "*notice of meetings*", "*conduct of meetings*" and "*meeting quorums and adjournment*" as if the references in such sections to "*shareholders*" and "*company*", respectively, were references to "*Noteholders*" and "*Issuer*" respectively, (ii) for such meeting to be announced on SENS and for the announcement to state the date that the Issuer has selected to determine which Noteholders recorded in the Register will receive the notice of meeting and the last date by which proxy forms must be submitted, (iii) for voting by proxy and (iv) for a replication of the sections in the Companies Act that provide for the form of proxy form; except to the extent (if any) that any of such provisions conflict with any of the provisions of Applicable Law that applies to the Issuer as a municipality.

19.13.3 If any of the provisions of Section 6.57 are amended and/or supplemented and/or replaced, this Condition 19 shall be amended and/or supplemented and/or replaced accordingly (subject to any contrary provisions in any Applicable Municipal Legislation), and subject *mutatis mutandis* to the provisions of Condition 19.13.2.

20 **AMENDMENT**

20.1 The Issuer may effect, without the consent of any Noteholder or the JSE, any amendment to the Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of any Applicable Law. Any such modification shall be binding on all of the Noteholders. Such amendments shall be provided for in a new Programme Memorandum or a supplement to the Programme Memorandum ("**Supplement**"), as the case may be. The Issuer shall, immediately after such amendments have been made and provided for in a new Programme Memorandum or a Supplement, as the case may be, provide such new Programme Memorandum or Supplement, as the case may be, to the JSE. The Issuer shall procure that a SENS is released which provides a summary of such amendments and sets out where such new Programme Memorandum or Supplement, as the case may be, will be available for inspection.

20.2 If any amendments to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) do not fall within the provisions of Condition 20.1 (such amendments being "**substantive amendments**") the following provisions of Conditions 20.2.1 to 20.2.14 inclusive below shall (but subject to Condition 20.2.16) apply –

20.2.1 Where the proposed substantive amendments are amendments to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of a Tranche of Notes that has been Rated by a Rating Agency, the Issuer shall notify the Rating Agency of the proposed substantive amendments.

20.2.2 The substantive amendments shall be provided for in a draft new Programme Memorandum or a draft supplement to the Programme Memorandum ("**draft Supplement**"), as the case may be, and the Issuer shall first use its best endeavours to obtain the conditional formal approval of the JSE to such draft new Programme Memorandum or draft Supplement, as the case may be, in accordance with the applicable provisions of the JSE Debt Listings Requirements.

20.2.3 After having obtained the conditional formal approval from the JSE pursuant to Condition 20.2.2, the Issuer shall send a notice (in accordance with Condition 18) to (i) all of the Noteholders (where the proposed substantive amendments are amendments to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable to all of the Notes) or (ii) the relevant Group(s) of Noteholders (where the proposed substantive amendments are amendments to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable only to *certain* Tranche(s) of Notes), as applicable ("**relevant Noteholders**", the Notes held by the relevant Noteholders being the "**relevant Notes**") together with the draft new Programme Memorandum or draft Supplement, as the case may be, providing for the substantive amendments, requesting the approval of the substantive amendments from the relevant Noteholders by way of an Extraordinary Resolution or an Extraordinary Written Resolution.

20.2.4 If approval of the proposed substantive amendments is requested to be given by way of an Extraordinary Resolution, a proxy form shall be sent, together with the notice convening the meeting at which the Extraordinary Resolution is proposed to be passed, to each person who is entitled to vote at such meeting and who has elected to receive such proxy form and notice of meetings.

20.2.5 If approval of the proposed substantive amendments is requested to be given by way of an Extraordinary Written Resolution, the notice to the relevant Noteholders must include the proposed Extraordinary Written Resolution, any restrictions on voting under the Terms and Conditions, the last date on which a relevant Noteholder may submit its vote (in writing) on the proposed Extraordinary Written Resolution (provided that such date shall be no later than the 20th (twentieth) Business Day after the date on which the notice was sent to the relevant Noteholders) and the address to which the vote must be submitted

20.2.6 For the purpose of the Extraordinary Resolution or the Extraordinary Written Resolution, as the case may be, where any votes are to be excluded from the passing of that Extraordinary Resolution or Extraordinary Written Resolution, as the case may be, any proxy appointed by a relevant Noteholder in respect of such an excluded vote shall be excluded from voting for the purposes of that Extraordinary Resolution or Extraordinary Written Resolution, as the case may be.

20.2.7 If approval of the proposed substantive amendments is requested to be given by way of an Extraordinary Resolution, the Issuer shall, subject to Condition 20.2.9, procure that an announcement on SENS is released containing details of the date, time and venue of the meeting of the relevant Noteholders, within 24 hours after the notice of such meeting has been given to the relevant Noteholders.

20.2.8 If approval of the proposed substantive amendments is requested to be given by way of an Extraordinary Written Resolution, the Issuer shall, subject to Condition 20.2.9, procure that an announcement on SENS is released containing details of the proposed Extraordinary Written Resolution within 24 hours after notice of the proposed Extraordinary

Written Resolution has been given to the relevant Noteholders.

20.2.9 If the required notice to the relevant Noteholders was given via a SENS announcement, the separate SENS announcement contemplated in Condition 20.2.7 or Condition 20.2.8, as applicable, shall not be required.

20.2.10 If approval of the proposed substantive amendments has been obtained from the relevant Noteholders, the Issuer shall procure that confirmation of such approval, as well as the executed final new Programme Memorandum or final Supplement, as the case may be, providing for the substantive amendments, is sent to the JSE.

20.2.11 The Issuer shall also provide a letter to the JSE which confirms that the executed final new Programme Memorandum or final Supplement, as the case may be, providing for the substantive amendments is identical, other than in minor respects, to the draft new Programme Memorandum or draft Supplement, as the case may be, conditionally formally approved by the JSE in terms of Condition 20.2.2.

20.2.12 Within two business days after the meeting to consider the proposed Extraordinary Resolution has been held or after the responses on the proposed Extraordinary Written Resolution have been obtained from the relevant Noteholders, as the case may be, the Issuer shall procure that a SENS announcement is released containing details of the voting results in respect of the proposed Extraordinary Resolution or the proposed Extraordinary Written Resolution, as applicable. The announcement shall include the following:

20.2.12.1 the proposed Extraordinary Resolution or the proposed Extraordinary Written Resolution, as applicable;

20.2.12.2 the total number of votes exercised, in person or by proxy, by the relevant Noteholders who have elected to vote in respect of the proposed Extraordinary Resolution or the proposed Extraordinary Written Resolution, as applicable, and the proportion (expressed as a percentage) which the aggregate Outstanding Principal Amount of the Notes held by such relevant Noteholders bears to the aggregate Outstanding Principal Amount of all of the relevant Notes;

20.2.12.3 where any of the relevant Noteholders have elected not to vote in respect of the proposed Extraordinary Resolution or the proposed Extraordinary Written Resolution, as applicable, the total number of abstained votes, and the proportion (expressed as a percentage) which the aggregate Outstanding Principal Amount of the Notes held by such relevant Noteholders bears to the aggregate Outstanding Principal Amount of all of the relevant Notes;

20.2.12.4 where any of the relevant Noteholders have elected to vote in favour of the proposed Extraordinary Resolution or the proposed Extraordinary Written Resolution, as applicable, the total number of such votes, and the proportion (expressed as a percentage) which the aggregate Outstanding Principal Amount of the Notes held by such relevant Noteholders bears to the aggregate Outstanding Principal Amount of all of the relevant Notes;

20.2.12.5 where any of the relevant Noteholders have elected to vote against the proposed Extraordinary Resolution or the proposed Extraordinary Written Resolution, as applicable, the total number of such votes, and the proportion (expressed as a percentage) which the aggregate Outstanding Principal Amount of the Notes held by such relevant Noteholders bears to the aggregate Outstanding Principal Amount of all of the relevant Notes.

20.2.13 The Issuer shall procure that the final new Programme Memorandum or final Supplement, as the case may be, providing for the substantive amendments is available for inspection for at least 2 (two) Business Day before the next listing of any Tranche of Notes on the Interest Rate Market of the JSE.

20.2.14 All substantive amendments to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Condition 20.2 will be binding on all of the relevant Noteholders.

20.2.15 For the avoidance of doubt, the exercise by the Issuer of its rights under Condition 17 or the increase of the Programme Limit as set out in the section of the Programme Memorandum headed "*General Description of the Programme*" shall not constitute a modification of the Terms and Conditions.

20.2.16 If and for so long as any Tranche of Notes then in issue has been Rated by the Rating

Agency, no amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) of that Tranche of Notes may be made unless the Rating Agency confirms in writing that such amendment will not adversely affect its current Rating of that Tranche of Notes.

21 TAP ISSUES

The Issuer shall be at liberty from time to time without the consent of any Noteholder to create and issue a Tranche of Notes ("**Additional Tap Issue Notes**") having terms and conditions which are identical to those applicable to any other Tranche of Notes ("**Existing Tap Issue Notes**") (save for their respective Issue Dates, First Interest Payment Dates, Issue Prices and aggregate Principal Amounts), so that the Additional Tap Issue Notes (i) are consolidated with the Existing Tap Issue Notes and form part of the same Tranche of Existing Tap Issue Notes and (ii) rank *pari passu* in all respects with the Existing Tap Issue Notes.

22 GOVERNING LAW

The Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for the purposes described in the Applicable Pricing Supplement, subject to and in accordance with the provisions of sections 45 (*Short-term debt*) and 46 (*Long-term debt*) of the MFMA.

POLICIES AND REGISTERS

A description of the policies and registers referred to the relevant provisions of Section 7 of the JSE Debt Listings Requirements as well as the Issuer's website link on which such policies and registers can be found is set out below:

- a policy on the evaluation of the performance of the Mayor as well as the Mayoral Committee members, executive management as well as any other committee(s) and/or committee members and the chair of such committee(s) pursuant to the provisions of King IV - Evaluation of Directors: available at the following website link: https://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance;

- a current policy dealing with conflicts of interest between the Mayor, any Mayoral Committee member(s) and any Executive Management Team member(s), and how such conflict will be identified, managed or avoided: available on the following website links: (1) Declaration of financial interests for Councillors Policy: https://www.capetown.gov.za/Family and home/Meet-the-city/City-Council/Policies-by-laws-and-publications and (2) Declaration of Interest: https://www.capetown.gov.za/_layouts/15/CouncillorsOnlineDeclarations.UI/declarations.aspx. A negative statement will be made if there are no recorded conflicts of interest;

- a register of any conflicts of interest and/or personal financial interests must be maintained if there are any conflicts of interest and/or personal financial interests. Any such register will be available on the following website link: https://www.capetown.gov.za/_layouts/15/CouncillorsOnlineDeclarations.UI/declarations.aspx;

- a policy dealing with the process for the nomination or appointment of members to the Mayoral Committee and/or the Executive Management Team: available on the following website link: Nomination of Directors: https://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance;

- a separate policy dealing with the disclosure and treatment of domestic prominent influential persons at board level as well as for prescribed offices of the Issuer in respect of any transaction/dealings by the Issuer with a domestic prominent influential person is not required as in, terms of the City's Supply Chain Management (SCM) Policy, persons in service of the state cannot do business with the City. The SCM policy is available at the following website link: https://www.capetown.gov.za/Family%20and%20home/Meet-the-city/City-Council/Policies-by-laws-and-publications;

- a register of any domestic prominent influential persons and the relationship which the Issuer has with them must be maintained and is available at the following website link as and when the Issuer publishes its annual financial statements: Register of Domestic Prominent Influential Persons: https://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance;

- a policy dealing with the procurement of services and/or products: available on the following website link: Supply Chain Management Policy: https://www.capetown.gov.za/Family%20and%20home/Meet-the-city/City-Council/Policies-by-laws-and-publications;

- a register of procurement of services and/or products representing 10% or more of the annual procurement spend of the Issuer must be maintained if such 10% or more threshold exists and is available on the following website link as and when the Issuer publishes its annual financial statements: Register of Procurement: https://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance;

- a separate policy dealing with the disclosure and treatment of loans and procurement as a minimum with (i) any related party, (ii) domestic prominent influential persons and (iii) prescribed officers is not required as, in terms of the City's Supply Chain Management (SCM) Policy, persons in service of the state cannot do business with the City. The SCM policy is available on the following website link: https://www.capetown.gov.za/Family%20and%20home/Meet-the-city/City-Council/Policies-by-laws-and-publications;

- no register of loans and procurements is required as, in terms of the City's Supply Chain Management (SCM) Policy, persons in service of the state cannot do business with the City. The SCM policy is available at the following link: https://www.capetown.gov.za/Family%20and%20home/Meet-the-city/City-Council/Policies-by-laws-and-publications

INFORMATION STATEMENT

The Programme Memorandum must be read together with the Information Statement, dated 1 December 2023, as amended and/or supplemented from time to time ("**Information Statement**").

The Programme Memorandum, as read with the Information Statement, is a "placing document" as defined in the JSE Debt Listings Requirements ("**Placing Document**").

All information which is required by the JSE Debt Listings Requirements to be disclosed in the Placing Document will, if not disclosed in the Programme Memorandum, be disclosed in the Information Statement.

The Information Statement can be found on the Issuer's website at the following website link: http://www.capetown.gov.za/Work%20and%20business/Invest-in-cape-town/The-citys-investor-relations/External-finance.

The Information Statement contains (or incorporates by reference), among other things:

- information regarding the Issuer and its business;
- information relating to the principal risk factors associated with an investment in the Notes, and risk factors specific to the Issuer;
- financial information relating to the Issuer;
- a description of the corporate governance structures of the Issuer
- a summary of the Issuer's compliance with the King Code on Corporate Governance for South Africa, as amended from time to time.

Any statement contained in the Information Statement and/or the Programme Memorandum or in any document which is incorporated by reference into the Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*") will be deemed to be modified or superseded for the purposes of the Information Statement and/or the Programme Memorandum to the extent that a statement contained in any subsequent document which is incorporated by reference into the Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

SETTLEMENT, CLEARING AND TRANSFERS OF UNCERTIFICATED NOTES

Uncertificated Notes will be held in the Central Securities Depository. Uncertificated Notes may be held in the Central Securities Depository.

Subject to the Applicable Procedures and unless the context clearly otherwise indicates, references to "Uncertificated Notes" include Beneficial Interests in Uncertificated Notes, and *vice versa*, and references to "Noteholders of Uncertificated Notes" include the holders of Beneficial Interests in Uncertificated Notes, and *vice versa*.

CLEARING SYSTEMS

The Central Securities Depository is the operator of an electronic clearing system which matches, clears and facilitates the settlement of all transactions carried out in respect of Uncertificated Notes.

The Central Securities Depository holds Uncertificated Notes subject to the Financial Markets Act and the Rules of the Central Securities Depository.

Each Tranche of Uncertificated Notes will be issued, cleared and transferred in accordance with the Applicable Procedures through the electronic settlement system of the Central Securities Depository, and the settlement of trades in Uncertificated Notes will take place in accordance with the electronic settlement procedures of the Central Securities Depository.

Tranches of Uncertificated Notes will be settled through Central Securities Depository Participants who will comply with the electronic settlement procedures prescribed by the Central Securities Depository.

The Issuer will adhere to the recognised and standardised electronic clearing and settlement procedures of the Central Securities Depository.

CSD PARTICIPANTS

Central Securities Depository Participants are responsible for the settlement of scrip and payment transfers through the Central Securities Depository and the South African Reserve Bank.

The Central Securities Depository maintains accounts only for the Central Securities Depository Participants.

As at the Programme Date, the Central Securities Depository Participants are the South African Reserve Bank, Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, Citibank N.A., South Africa branch, Standard Chartered Bank, Johannesburg branch and The Standard Bank of South Africa Limited.

Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme (Clearstream, Luxembourg) will settle offshore transfers through their South African Central Securities Depository Participant.

The Central Securities Depository Participants are in turn required to maintain securities accounts for their clients. The clients of Central Securities Depository Participants may include the holders of Beneficial Interests or their custodians. The clients of Central Securities Depository Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Uncertificated Notes held by them only through the Central Securities Depository Participants.

TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS

Transfers of Beneficial Interests to and from clients of Central Securities Depository Participants occur by electronic book entry in the securities accounts maintained by the Central Securities Depository Participants for their clients.

Transfers of Beneficial Interests among Central Securities Depository Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Central Securities Depository Participant's.

Beneficial Interests in Uncertificated Notes may be exchanged for Certificates Notes represented by Individual Certificates in accordance with Condition 14.

Transfers of Beneficial Interests will not be recorded in the Register.

PAYMENTS

The Noteholder(s) of the Uncertificated Note(s) in a Tranche of Uncertificated will be determined in accordance with the Applicable Procedures, and such Noteholder(s) will be named in the Register as the holder(s) of such Uncertificated Note(s).

Payments of all amounts due and payable in respect of Uncertificated Notes will be made in accordance with the Applicable Procedures and Condition 9.2.2.

The Issuer will, in accordance with the Applicable Procedures, make an irrevocable deposit, into the Designated Bank Account, of the full aggregate amount which is due and payable, on the relevant Payment Date, in respect of a Tranche of Uncertificated Notes.

The funds in the Designated Bank Account will be transferred to the relevant Central Securities Depository Participants, by means of the South African Multiple Option Settlement ('SAMOS') system operated by the South African Reserve Bank. The Central Securities Depository Participants will then make payment of the relevant amounts to the Noteholders of Uncertificated Notes, in accordance with the Applicable Procedures, as contemplated in Condition 9.2.2.

Once the funds deposited into the Designated Bank Account have been cleared and credited to the Designated Bank Account, and transferred from the Designated Bank Account to the relevant Central Securities Depository Participants, neither the Settling Bank nor the Issuer will be responsible for the loss in transmission of any such funds.

Each of the persons reflected in the records of the relevant Central Securities Depository Participant as the Noteholders of Uncertificated Notes shall look solely to the relevant Central Securities Depository Participant for such person’s share of the funds deposited into the Designated Bank Account.

SOUTH AFRICAN TAXATION

The comments below are intended as a general guide in respect of the more important fiscal provisions that could be relevant to the treatment of the Notes from a general South African fiscal perspective as at the Programme Date. The contents of this section entitled "South African Taxation" are not intended to and do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or holder of or purchaser of any Notes. These comments do not relate to any foreign Holder of the Notes and the potential tax treatment of the Notes in the Holder's country of residence. Prospective investors in the Notes should consult their own professional advisers.

SECURITIES TRANSFER TAX

No securities transfer tax will be payable, in terms of the Securities Transfer Tax Act, 2007, in respect of the issue, redemption or transfer of the Notes on the basis that the Notes do not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act, 2007.

INCOME TAX

The taxation of "interest" is regulated by section 24J of the Income Tax Act, 1962 ("**Income Tax Act**") on the basis that interest must be accounted for in the hands of a Noteholder on a yield-to-maturity basis. For tax purposes "interest" as defined in section 24J of the Income Tax Act ("**Interest**") has a wide meaning and includes, among other things, not just interest and similar finance charges, but also any discount or premium payable or receivable in terms of or in respect of a financial arrangement.

The references to Interest mean "interest" as understood in South African tax law. These references do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

However, to the extent that a Noteholder is a "covered person" (for example a bank) as defined in section 24JB of the Income Tax Act and it recognises the Notes as financial assets in profit or loss in the statement of comprehensive income in respect of financial assets and financial liabilities of that covered person that are measured at fair value in profit or loss in terms of accounting principles, the Noteholder should consider the application of section 24JB of the Income Tax Act instead.

Original issue discount or premium

Any discount that arises pursuant to the original issue of the Notes will be treated as Interest for tax purposes, and the amount of the discount will be deemed to accrue to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until the Maturity Date.

Any original issue premium over the Principal Amount of the Notes will also be treated as Interest for tax purposes and will be taken into account in calculating the return to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until the Maturity Date.

Appropriate adjustments are made to the extent that the Notes are disposed of by the Noteholder prior to the Maturity Date.

Interest on the Notes

A "resident" of South Africa (as defined in section 1 of the Income Tax Act) ("**Resident**") will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Resident Noteholder will be liable for income tax, subject to available exemptions, on any income or interest received or accrued in respect of the Notes held by that Resident Noteholder in the relevant year of assessment of that Resident Noteholder.

A person who or which is not a Resident ("**Non-Resident**") is taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be sourced within South Africa.

The Issuer is exempt from the payment of income tax in South Afrcia and is thus not entitiled to deduct any interest that is incurred in respect of the Notes.

Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder is regarded as being from a South African source as the Issuer is a South African tax resident.

However, Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder will (subject to "*Withholding Tax*" below) be exempt from income tax under section 10(1)(h) of the Income Tax Act, unless that Non-Resident Noteholder:

a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the Interest is received by or accrues to that Non-Resident Noteholder; or

b) the debt from which the Interest arises is effectively connected to a permanent establishment of that Non-Resident Noteholder in South Africa.

If a Non-Resident Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, an exemption from or reduction of tax liability under the Income Tax Act may nevertheless be available under an applicable convention concluded between the Government and the relevant other contracting state for the avoidance of double taxation ("**DTA**") of which the Noteholder is a tax resident. In addition, some entities may be exempt from income tax, which would include an exemption from Interest.

Prospective Non-Resident Noteholders must consult their own professional advisers as to whether the interest income earned on Notes to be held by them will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable DTA.

As regard the Withholding Tax on Interest paid to Non-Resident Noteholders, see "*Withholding Tax*" below.

Re-characterisation of Interest

Certain anti-avoidance provisions have been inserted into the Income Tax Act which have the result that interest is re-characterised as dividends. This will for instance be the case if the interest is not determined with reference to a specified interest rate or the time value of money. A so-called profit participating loan would also be affected. In such event, that portion of the interest that is affected is deemed to be a dividend *in specie* declared and paid by the Issuer to the holder on the last day of the year of assessment of the Issuer and is not deductible in terms of the Income Tax Act. The legislation has recently been amended to make it clear that the interest is also re-characterised in the hands of the Noteholder and is deemed to have accrued to the Noteholder in the form of a dividend *in specie* that is declared and paid to the Noteholder on the last of the year of assessment of the Issuer *in addition to the interest being* subject to dividend withholding tax unless the exemptions relating to dividends tax are applicable.

Withholding Tax

A withholding tax on Interest paid to Non-Residents (at the rate of 15% of the amount of the Interest) ("**Withholding Tax**") applies in terms of Part IVB of the Income Tax Act.

The Issuer is entitled to request a Noteholder to confirm its tax residency and whether any withholding or reduction of the Withholding Tax rate is in fact required in terms of any applicable DTA.

Subject to any Withholding Tax relief provided for in the Income Tax Act (see the paragraph below) or an applicable DTA, the Withholding Tax will be imposed in respect of all payments of Interest from a South African source to Non-Residents unless a Non-Resident is liable to the payment of South African income tax on such Interest.

However, payments of Interest under Notes held by Non-Resident Noteholders will be exempt from Withholding Tax if (among other exemptions) such Notes are listed on a "*recognised exchange*". The JSE (as an "*exchange*" as defined in the Financial Markets Act) is a "*recognised exchange*".

Accordingly, payments of Interest under Notes held by Non-Resident Noteholders will be exempt from Withholding Tax.

Payments of Interest under Notes held by a Non-Resident will also be exempt from the Withholding Tax if:

a) that Non-Resident is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the Interest is paid; or

b) the debt claim in respect of which that Interest is paid is effectively connected with a permanent establishment of that Non-Resident in South Africa, if that Non-Resident is registered as a taxpayer in South Africa.

Disposal of the Notes

If a Noteholder sells or otherwise disposes of a Note, Taxes (whether income tax or capital gains tax) may be levied on such sale or disposal.

Taxes (whether income tax or capital gains tax) may be levied on the disposal or deemed disposal of any Notes held by a Resident Noteholder. In general, income tax will be leviable to the extent that a Resident Noteholder is a trader or has acquired the Notes for speculative purposes or has acquired the Notes as part of a business in carrying out a profit-making scheme. In general, capital gains tax will be leviable to the extent that the Notes have been acquired by a Resident Noteholder for investment purposes and the disposal is not part of a business in carrying out a profit-making scheme.

Any discount or premium on acquisition which has already been treated as Interest for income tax purposes under section 24J of the Income Tax Act (see "*Original issue discount or premium*" above) will not again be taken into account when determining any capital gain or loss.

Taxes (whether income tax or capital gains tax) will not be levied on the disposal or deemed disposal of Notes held by a Non-Resident Noteholder unless the profits made on the disposal or deemed disposal of such Notes are from a South African source or are attributable to a permanent establishment of that Non-Resident Noteholder in South Africa during the relevant year of assessment of that Non-Resident Noteholder. An applicable DTA may provide such Non-Resident Noteholder with relief from such Taxes.

VALUE-ADDED TAX

In terms of the Value-Added Tax Act, 1991 ("**Value-Added Tax Act**"), no value-added tax ("**VAT**") is payable on the issue or transfer of the Notes. The issue, allotment or transfer of ownership of the Notes constitutes a "financial service", the supply of which is exempt from VAT in terms of section 12(a) of the Value-Added Tax Act.

However, commissions, fees or other that are payable on the facilitation of this "financial service" are, in principle, subject to VAT at the current standard rate of 15%, depending on the circumstances and the identity of the relevant service provider.

US TAXATION – FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 introduced a new reporting regime, being the Foreign Account Tax Compliance Act ("**FACTA**"). FACTA imposes withholding tax of 30% on any US sourced income or US sourced gross proceeds paid to a foreign financial institution ("**FFI**") or to a "*direct reporting non-financial foreign entity*" ("**NFFE**") unless the FFI or direct reporting NFFE meets certain requirements. To meet these requirements, the FFI or direct reporting NFFE must enter into an agreement with the US Internal Revenue Service ("**IRS**") either via their respective country's government, being an Intergovernmental Agreement or independently via the IRS directly.

The South African Government and the U.S. Government signed an IGA ("**South African IGA**") in respect of FATCA on 9 June 2014. Under the South African IGA, South African FFIs will generally be able to be treated as "deemed compliant" with FATCA perspective.

FATCA is a particularly complex piece of legislation. The above description is based in part on U.S. Treasury regulations official guidance and the South African IGA, all of which are subject to change or may be implemented in materially different form.

Potential investors in the Notes should consult their own tax advisers to determine how these rules may apply to payments they will receive under the Notes and the potential impact of the implementation of the South African IGA and implementing legislation on them.

SUBSCRIPTION AND SALE

ARRANGER, DEBT SPONSOR, DEALER AND PLACING ARRANGEMENTS

Arranger

Nedbank Limited, acting through its Corporate and Investment Banking division, is the Arranger of the Programme.

Debt Sponsor

Nedbank Limited, acting through its Corporate and Investment Banking division, is the ongoing Debt Sponsor of the Programme, and is the Debt Sponsor for purposes of procuring the approval of the Programme Memorandum by the JSE and the listing of Tranche(s) on Notes on the Interest Rate Market of the JSE, subject to the applicable provisions of Section 2 of the JSE Debt Listings Requirements.

Section 2 of the JSE Debt Listings Requirements sets out certain requirements in relation to the appointment, and termination of appointment, of a Debt Sponsor. Among other things, if the appointment of the Debt Sponsor is terminated by the Issuer for whatever reason, such termination must be approved by the board of directors of the Issuer. Once the termination of the Debt Sponsor has been approved by the board of directors of the Issuer, the Issuer and the Debt Sponsor must submit a report to the JSE stipulating the reasons for the termination, within 48 hours of such termination.

Dealer and placing arrangements

A Tranche of Notes may be distributed by way of private placement, auction, bookbuild or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.

The Notes will be distributed by the relevant Dealer(s) in accordance with the Programme Agreement.

SELLING RESTRICTIONS

Republic of South Africa

Each Dealer will be required to represent and agree that it will not solicit any offers for subscription for or sale of any Notes and will not itself sell any Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Laws or regulations of South Africa in force from time to time.

In particular, the Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and each Dealer will be required to represent and agree that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of any Notes (whether for subscription, purchase or sale).

Notes will not be offered for subscription or sale to any single addressee for an amount of less than ZAR1,000,000 (or such higher amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act).

United States of America

Regulation S Category 2

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities.

Each Dealer will be required to represent and agree that the Notes in the relevant Tranche of Notes will not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except with Regulation S under the U.S. Securities Act .

Each Dealer will be required to represent and agree that it has not offered, sold, resold or delivered any Notes in the relevant Tranche and will not offer, sell, resell or deliver, any such Notes:

a) as part of their distribution at any time; and

b) otherwise until 40 days after completion of the distribution, as determined and certified by the

Dealer, of all such Notes or, in the case of an issue of the relevant Tranche on a syndicated basis, the relevant Lead Manager(s), of all Notes of the Series of which the relevant Tranche is a part,

within the United States of America or to, or for the account or benefit of, U.S. persons and it will send to each distributor to which it sells any such Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons.

An offer or sale of the relevant Notes within the United States of America by any dealer (whether or not participating in the offering of such Notes during the distribution compliance period described in the preceding paragraph) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Regulation S under the U.S. Securities Act.

Each Dealer (and in the case of the issue of the relevant Tranche of Notes on a syndicated basis, the relevant Lead Manager(s)) shall determine and certify to the Issuer when it has completed the distribution of the Notes in the relevant Tranche.

Each Dealer will be required to further represent and agree that neither it, its affiliates nor any person acting on its or any of its affiliates behalf have engaged or will engage in any "*directed selling efforts*" (as that term is defined in Regulation S under the U.S. Securities Act) with respect to any Notes and it, its affiliates and any person acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

United Kingdom

Each Dealer will be required to represent and agree that –

a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the relevant Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the "**FSMA**") by the Issuer;

b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any of the relevant Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the relevant Notes in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of any Notes to the public in that Relevant Member State –

a) if the Applicable Pricing Supplement relating to the relevant Tranche of Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of the Programme Memorandum which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that the Programme Memorandum has subsequently been completed by the Applicable Pricing Supplement terms contemplating such **Non-exempt** Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in the Programme Memorandum or such Applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealer(s) nominated by the Issuer for any such offer; or

d) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto to the extent implemented in that Relevant Member State) and including any relevant implementing measure in that Relevant Member State.

Changes to the above selling restrictions

The selling restrictions set out above may in relation to any Tranche of Notes, be changed by the Issuer and the relevant Dealer(s), including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any such change will be set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Other selling restrictions

Each Dealer will be required to represent and agree that-

a) it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells the relevant Notes or has in its possession or distributes the Programme Memorandum and/or the Applicable Pricing Supplement and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of the relevant Notes under the laws and regulations in force in each jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales; and

b) it will comply with such other or additional restrictions as the Issuer and the Dealer agree and as are set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Neither the Issuer nor the Debt Sponsor nor the Arranger nor the Dealer(s) represent that this Programme Memorandum (as read with the Information Statement) and/or any Applicable Pricing Supplement may be lawfully distributed, or that any Notes may at any time lawfully be offered, subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder or assumes any responsibility for facilitating any such distribution, offering, subscription or sale.

EXCHANGE CONTROL

The comments below are intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date (subject to "AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS" below). The contents of this section headed "Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

EXCHANGE CONTROL REGULATIONS - GENERAL

The Exchange Control Regulations, 1961 promulgated under the Currency and Exchanges Act, 1933 ("**Exchange Control Regulations**") provide for exchange controls which, among other things, restrict the export of capital from the Republics of South Africa and Namibia, and the Kingdoms of eSwatini and Lesotho (collectively the "**Common Monetary Area**").

Transactions between residents of the countries comprising the Common Monetary Area and foreigners are subject to the Exchange Control Regulations, which are administered by the Financial Surveillance Department of the South African Reserve Bank ("**Exchange Control Authorities**").

The application of the Exchange Control Regulations is set out in the "Currency and Exchanges Manual for Authorised Dealers" published by the Exchange Control Authorities ("**Manual**"), as read with the circulars published by the Exchange Control Authorities.

Applications for approval under the Exchange Control Regulations are effected through "authorised dealers" which are approved by the South African Reserve Bank ("**SARB**") as "authorised dealers" in foreign currency ("**Authorised Dealers**"). Authorised Dealers assist the Exchange Control Authorities with the monitoring and enforcement of the Exchange Control Regulations. Authorised Dealers include the major South African banks and certain local branches of foreign banks.

Noteholders who are uncertain as to whether they are residents or non-residents for purposes of the Exchange Control Regulations, as read with the Manual, are advised to approach their Authorised Dealer to request confirmation.

The onus for obtaining all exchange control approvals lies with the relevant South African resident.

Up to 28 February 2021 (see under "*AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS*" below) the following definitions applied for the purposes of the Exchange Control Regulations, (a) a "resident" is any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa; (b) a "non-resident" is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and (c) an "emigrant" is a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area.

AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS

It was announced in the South African 2020 Budget that the Exchange Control Regulations would be replaced with a new capital flow management framework and regulations, which would be implemented within a period of 12 months from the announcement. It was subsequently announced that National Treasury and the SARB will continue to develop the legislative framework for the new capital flow management system that was announced.

This framework is being developed with the Financial Intelligence Centre and the South African Revenue Services. However, insofar as the various transactions are concluded before the Exchange Control Regulations are replaced, the current Exchange Control Regulations will still apply.

It was further stated that that the concept of "emigration", as recognised by the SARB, would be phased out with effect from 1 March 2021 and be replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 ("**Excon Circular**") sets out the changes in relation to emigrants and changes to the Manual with effect from 1 March 2021.

Up until 28 February 2021, the Exchange Control Regulations read with the Manual distinguished between "residents", "non-residents" and "emigrants". As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who duly applied to be emigrants under the old framework before 28 February 2021, will be dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021, provided their emigration applications were approved before 28 February 2022.

Considering that the changes announced in the Excon Circular only recently came into effect, Noteholders who became emigrants pursuant to the emigration process under the previous framework, are advised to approach their Authorised Dealer to determine how they will be treated under the new framework and how the Excon Circular will be applied.

In the context of the exchange control rules regarding securities control, the SARB has indicated in the Excon Circular that the rules applicable to natural person emigrants will temporarily apply until discussions with the relevant stakeholders have been finalized. As such, a distinction must still be drawn between residents and emigrants for the time being.

PROGRAMME MEMORANDUM

The Programme Memorandum does not require the prior approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

ISSUE OF NOTES

In general, the issue of a Tranche of Notes will not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

However, under certain circumstances, including in the case of asset backed securities, and if so indicated in the Applicable Pricing Supplement, the issue of a particular Tranche of Notes will require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions will be subject to the Exchange Control Regulations. It is recommended that confirmation from an Authorised Dealer be sought in this regard.

EMIGRANTS FROM THE COMMON MONETARY AREA

Any Individual Certificates issued to a Noteholder who is an emigrant from the Common Monetary Area ("**Emigrant Noteholder**") will, in the absence of any indication to the contrary by the nominated Authorised Dealer be restrictively endorsed "emigrant" and must be deposited with the Emigrant Noteholder's nominated Authorised Dealer.

Where a Note is held by an Emigrant Noteholder through the CSD, the securities account maintained for such Emigrant Noteholder by the relevant CSD Participant will be designated as an "emigrant" account unless otherwise indicated by the nominated Authorised Dealer.

It will be incumbent on an Emigrant Noteholder to instruct its nominated Authorised Dealer how payments of amounts (whether in respect of principal, interest or otherwise) payable in respect of the Notes held by such Emigrant Noteholder are to be dealt with.

NON-RESIDENTS OF THE COMMON MONETARY AREA

Any Individual Certificates issued to a Noteholder who is a non-resident ("**Non-Resident Noteholder**") will be restrictively endorsed "non-resident".

Where a Note is held by a Non-Resident Noteholder through the CSD, the securities account maintained for such Non-Resident Noteholder by the relevant CSD Participant will be designated as a "non-resident" account.

It will be incumbent on a Non-Resident Noteholder to instruct its nominated Authorised Dealer how payments of amounts (whether in respect of principal, interest or otherwise) payable in respect of the Notes held by such Non-Resident Noteholder are to be dealt with. Such amounts may, in terms of the Exchange Control Regulations, be remitted abroad only if such Notes were acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been restrictively endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" securities account, as the case may be.

GENERAL INFORMATION

AUTHORISATIONS

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the execution of the Programme Memorandum (as read with the Information Statement), and for the Issuer to enter into and perform its obligations under, among other things, each applicable Agency Agreement.

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer will be given, prior to the Issue Date of a Tranche of Notes, for (among other things) the Issuer to issue that Tranche of Notes, to execute the Applicable Pricing Supplement relating to that Tranche of Notes, to enter into and perform its obligations under the applicable Terms and Conditions of that Tranche of Notes, and to enter into and perform its obligations under the placing/subscription agreement (if any) relating to the issue and placing of that Tranche of Notes.

LISTING

The Programme Memorandum, dated 1 December 2023 (as read with the Information Statement dated 1 December 2023), was registered and approved by the JSE on 27 November 2023.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE and/or any such other or further Exchange(s) as may be determined by the Issuer and the relevant Dealer(s), subject to all Applicable Laws.

Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

MATERIAL CHANGE

The Issuer confirms that, as at the Programme Date, no material change in the financial or trading condition of the Issuer or any "*subsidiary*" (as defined in the Companies Act) of the Issuer has occurred since 30 June 2022 (being the end of the last financial period for which audited annual financial statements of the Issuer have been published). This statement has not been confirmed or verified or reviewed and reported on by the Auditor-General (the current auditors of the Issuer).

AUDITORS

The Auditor-General is the current auditor of the Issuer.

LITIGATION

The Issuer is not aware of any legal or arbitration proceedings in which the Issuer is involved, including any proceedings that are pending or threatened, that may have or have had in the 12 months preceding the Programme Date, a material effect on the Issuer’s financial position.

Signed at Cape Town on behalf of City of Cape Town

Digitally signed by Kevin Jacoby
Date: 2023.12.01 12:12:08 +02'00'

Chief Financial Officer

Name: Kevin Jacoby

Date: 1 December 2023

Signed at Cape Town on behalf of City of Cape Town

David Valentine

Digitally signed by David Valentine
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Director: Treasury

Name: David Valentine

Date: 1 December 2023

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