

by and between

and

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MEDIUM TERM LOAN AGREEMENT

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1 PARTIES

The Parties to this Agreement are:

- 1.1 The Standard Bank of South Africa Limited, acting through its Personal and Business Banking Division; and
- 1.2 Midvaal Local Municipality.

2 DEFINITIONS

2.1 In this Agreement, unless clearly inconsistent with or otherwise indicated by the context:

- 2.1.1 **Agreement** means this agreement, together with all appendices hereto and letters and notices given in terms hereof from time to time, all read together;
- 2.1.2 **Bank** means The Standard Bank of South Africa Limited (Registration Number 1962/000738/06), acting through its Personal and Business Banking Division, a public company duly incorporated with limited liability according to the company laws of South Africa;
- 2.1.3 **Borrower** means Midvaal Local Municipality, a municipality incorporated according to the municipal laws of South Africa;
- 2.1.4 **Borrower's Loan Account** means the loan account in the Borrower's name in the Bank's books in respect of the Loan Facility;
- 2.1.5 **Business Day** means a day other than a Saturday, Sunday or proclaimed public holiday in South Africa;
- 2.1.6 **Calendar Month** means a full calendar month in any year that is, January, February, March, April, May, June, July, August, September, October, November and December;
- 2.1.7 **Early Reduction** means any payment made by the Borrower in advance and in addition to the repayment set out in 8.1 of this Agreement, as part payment of the Loan Facility;
- 2.1.8 **FAIS** means the Financial Advisory and Intermediary Services Act, 37 of 2002;
- 2.1.9 **FICA** means the Financial Intelligence Centre Act, 38 of 2001;
- 2.1.10 **Group** means Standard Bank Group Limited, its subsidiaries and their subsidiaries;
- 2.1.11 **Indebtedness** means the total balance of the capital amount outstanding on the Loan Facility plus any interest, fees and costs in respect of the Loan Facility which are owed by the Borrower to the Bank from time to time;
- 2.1.12 **Limit** shall have the meaning ascribed to it in clause 5;
- 2.1.13 **Loan Facility** means the long term loan facility referred to in this Agreement (which is in the form of a medium term loan, a lending product of the Personal and Business Banking Division of the Bank);
- 2.1.14 **Material Adverse Event** means any event, circumstance or matter or combination of events, circumstances or matters which in the reasonable opinion of the Bank has or may have a material adverse effect on the:
 - 2.1.14.1 business, assets, operations, property or financial condition of the Borrower taken as a whole;
 - 2.1.14.2 ability of the Borrower to perform its obligations in terms of this Agreement; or
 - 2.1.14.3 validity or enforceability of this Agreement or any other documents provided under this Agreement or the rights or remedies of the Bank thereunder;
- 2.1.15 **MFMA** means the Local Government Municipal Finance Management Act, 56 of 2003, read together with its regulations;
- 2.1.16 **Parties** means the Bank and the Borrower and **Party** means any one of them as the context may indicate;
- 2.1.17 **Personal Information** means information about an identifiable, natural person and where applicable, a juristic person, including, but not limited to information about: race; gender; sex; pregnancy; marital status; nationality; ethnic or social origin; colour; sexual orientation; age; physical or mental health; well-being; disability; religion; conscience; belief; culture; language; birth; education; medical, financial, criminal or employment history; any identifying number, symbol, e-mail, postal or physical address, telephone number; location; any online identifier; any other particular assignment of the person; biometric information; personal opinions, views or preferences of the person or the views or opinions of another individual about the person; correspondence sent by the person that is implicitly or explicitly of a private or confidential nature or further correspondence that would reveal the contents of the original correspondence; and the name of the person if it appears with other personal information relating to the person or if the disclosure of the name itself would reveal information about the person.

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- 2.1.18 **Process** means any operation or activity, automated or not, concerning Personal Information, including: alteration, blocking, collation, collection, consultation, degradation, destruction, dissemination by means of transmission, distribution or making available in any other form, erasure, linking, merging, organisation, receipt, recording, retrieval, storage, updating, modification, or the use of information; **Processing** and **Processed** will have a similar meaning;
- 2.1.19 **Sanctioned** means listed on all or any one of the Sanction Lists or subject to any Sanctions;
- 2.1.20 **Sanction List** means the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the Department of Treasury of the United States of America or the United Nations Security Council list of persons or entities suspected to be involved in terrorist related activities or the funding thereof or any other list of Her Majesty's Treasury of the United Kingdom or the European Union's Common Foreign and Security Policy;
- 2.1.21 **Signature Date** means the date of signature of this Agreement by the Party signing last in time;
- 2.1.22 **South Africa** means the Republic of South Africa; and
- 2.1.23 **VAT** means value added tax in terms of the Value Added Tax Act, 89 of 1991.
- 2.2 Any reference in this Agreement to legislation or subordinate legislation is to such legislation or subordinate legislation at the Signature Date and as amended or re-enacted from time to time.
- 2.3 Any reference in this Agreement to a specific requirement under the MFMA shall not derogate from or exclude the application of any provisions not specifically referred to herein.
- 2.4 Words importing the singular shall include the plural, and vice versa, words importing the masculine gender shall include the feminine and neuter genders, and vice versa, and words importing natural persons shall include legal persons, and vice versa.
- 2.5 The head notes to the clauses to this Agreement are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.
- 2.6 If any provision in the definition clause is a substantive provision conferring rights or imposing obligations on a Party, then notwithstanding that such provision is contained in this clause, effect shall be given thereto as if such provision were a substantive provision in the body of the Agreement.
- 2.7 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.
- 2.8 Unless otherwise provided, defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 2.9 The words **include** and **including** mean **include without limitation** and **including without limitation**. The use of the words **include** and **including** followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 2.10 When any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last day.
- 2.11 If the due date for performance of any obligation in terms of this Agreement is a day which is not a Business Day then (unless otherwise stipulated) the due date for performance of the relevant obligation shall be the immediately preceding Business Day.
- 2.12 Any reference in this Agreement which requires that the Bank exercise its discretion in respect of any matter stated herein shall mean that the exercise thereof shall be as determined by the Bank in its reasonable discretion.
- 2.13 When any condition of this Agreement requires fulfilment by the Borrower, or any information, evidence, proof or documentation is required to be furnished by the Borrower, such condition shall be required to be fulfilled and information, evidence, proof or documentation shall be required to be furnished, in a form and substance to the satisfaction of the Bank.
- 2.14 Unless the context indicates a contrary intention, any reference in this Agreement to material or materially shall mean material or materially as determined by the Bank in its reasonable opinion.
- 2.15 No provision of this Agreement shall (unless otherwise stipulated) constitute a stipulation for the benefit of any person (*stipulatio alteri*) who is not a Party to this Agreement.

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2.16 The terms and conditions of this Agreement having been negotiated by the Parties, no provision herein shall be construed against or interpreted to the disadvantage of any Party by reason of such Party having or being deemed to have structured, drafted or introduced such provision.

2.17 Any reference in this Agreement to a specific requirement under the MFMA shall not derogate from or exclude the application of any provisions not specifically referred to herein.

3 LOAN FACILITY

The Bank has agreed to grant the Borrower the Loan Facility, on and subject to the terms and conditions hereinafter set out.

4 RANKING OF LOAN FACILITY

The Borrower represents, warrants and undertakes that the Loan Facility comprises senior debt and ranks at least equally with all other senior debt in terms of servicing, repayment and collateral rights and the claims of all of the Borrower's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

5 LIMIT

5.1 The aggregate amount to be advanced to the Borrower under the Loan Facility is R21,900,000 (twenty one million nine hundred thousand Rand) (Limit).

5.2 To the extent that a drawdown under the Loan Facility would cause the Limit to be exceeded, the Borrower shall not be entitled to make such a drawdown.

6 AVAILMENT AND PURPOSE

6.1 The Loan Facility may only be utilised on fulfilment to the satisfaction of the Bank or waiver by the Bank of all the conditions precedent referred to in clause 9.1 and provided that drawdown must be made by the Borrower under the Loan Facility within 3 (three) months from the date of such fulfilment or waiver of all of the conditions precedent set out in clause 9.1, following which date, any unutilised portion of the Loan Facility shall be reduced by such unutilised amount. The Borrower shall be obliged to give the Bank prior written notice of a requested drawdown by not later than 11:00 am at least 2 (two) Business Days before the proposed date of drawdown in the form of Annexure A hereto (Drawdown Notice).

6.2 The Loan Facility shall be utilised by the Borrower to fund the Borrower's capital expenditure projects, namely the various infrastructure projects and major equipment refurbishment as contemplated in section 46(1)(a) of the MFMA, for the Borrower's 2018/2019 financial year.

6.3 The Bank shall not, however, be under any obligation to verify or monitor that the Borrower will utilise the Loan Facility for the aforesaid purpose.

7 INTEREST

7.1 The Loan Facility shall bear interest at a fixed rate of 10.51% (ten point five one percent) per annum. This rate is indicative and subject to change on the date of first drawdown of the Loan Facility. Any such change to the interest rate will be advised by the Bank to the Borrower in writing on the date of the date of first drawdown of the Loan Facility.

7.2 The interest payable by the Borrower will be:

7.2.1 charged bi-annually in arrears and repaid by the Borrower over the Term. The amount of each bi-annual payment shall be set out in the amortisation schedule referred to in clause 8.1.2; and

7.2.2 will be debited to the Borrower's Loan Account on a date convenient to the Bank.

7.3 The Bank may immediately amend the pricing structure of the Loan if there is a change in:

7.3.1 law or the issue of a directive with which the Bank must comply; or

7.3.2 market conditions resulting in an increasing cost to the Bank.

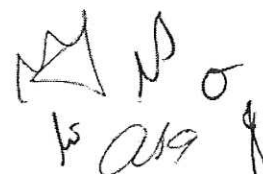
7.4 If the Bank amends the pricing structure of the Loan, it will advise the Borrower accordingly.

8 DURATION AND REPAYMENT

8.1 The capital and interest amount of the Loan Facility is to be repaid by the Borrower to the Bank over a period of:

8.1.1 10 (ten) years from the date of first drawdown under the Loan Facility, in 20 (twenty) bi-annual instalments.

8.1.2 in terms of the amortisation schedule attached hereto as Annexure B, if the Loan Facility is drawn down in full on 30 June 2019 or in the event that drawdown does not take place on 30 June 2019, a Repayment

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schedule to be prepared by the Bank on receipt of the drawdown notice referred to in clause 6.1 and delivered by the Bank to the Borrower at the following address:

Attention: Mr. A S A de Klerk
Municipal Manager
Midvaal Local Municipality
25 Mitchell Street
Meyerton
1961 Telephone number: (016) 360 7400/7411
Telefax Number: 086 502 2834

in permanent reduction of the Loan Facility; and

- 8.1.3 by means of direct electronic fund transfers by the Borrower to the Bank into the Borrower's Loan Account. The Bank reserves the right, in its sole discretion, to accept payment made in any other manner.

8.2 The Bank reserves the right in its sole discretion, to accept payment made other than by electronic funds transfer.

9 EARLY REPAYMENTS

9.1 The Borrower shall be entitled to make an Early Repayment of the Loan Facility. If the Borrower wishes to make an Early Repayment of the Loan Facility which is:

9.1.1 in permanent reduction of the Loan Facility, then:

9.1.1.1 the Early Repayment must be made on not less than 90 (ninety) Business Days' written notice (or such shorter notice period as the Bank may agree to in writing) of the Borrower's intention to make such Early Repayment; and

9.1.1.2 the Repayments over the remainder of the Term will be rescheduled by agreement in writing between the Parties; or

9.1.2 not in permanent reduction of the Loan Facility then:

9.1.2.1 an Early Repayment must be in multiples of R100,000 (one hundred thousand Rand);

9.1.2.2 only 1 (one) Early Repayment may be made in any Calendar Month; and

9.1.2.3 the Borrower may drawdown in part or in full up to the amount of such Early Repayment, provided that:

9.1.2.3.1 the Borrower provides the Bank with a drawdown notice by not later than 11:00 am at least 2 (two) Business Days before the proposed date of drawdown in the form of **Annexure A** hereto;

9.1.2.3.2 such drawdowns are in multiples of R100,000 (one hundred thousand Rand);

9.1.2.3.3 only one such drawdown may be made in any Calendar Month; and

9.1.2.3.4 the Bank may, however, on written notice to the Borrower, refuse a drawdown of an Early Repayment where there has been an event of default set out in clause 12.6 or any change(s) in circumstances set out in clause 16.

9.2 To the extent that an Early Repayment is made, this will not result in any waiver of any rights by the Bank in terms of this Agreement or relieve the Borrower of its obligations to comply with the provisions of this Agreement.

10 EARLY SETTLEMENT

In the event of an early permanent repayment as contemplated in clause 9.1.1 above, the Borrower will fully compensate the Bank for the costs, expenses, liabilities or losses incurred or suffered in connection with, or following the modification, breaking, or unwinding, or funding from other sources, or any arrangement which the Bank may have made for investing any repayments of the Loan Facility and/or hedging the Loan Facility for the Term.

11 CONDITIONS PRECEDENT

11.1 The Borrower shall only be entitled to drawdown the Limit if all of the following conditions precedent are fulfilled or waived by the Bank, which conditions precedent shall be fulfilled or waived by no later than close of business on the 90th (ninetieth) day after the Signature Date:

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- 11.1.1 that the Borrower has undergone the Bank's Know Your Customer (KYC) process pursuant to the provisions of FICA;
- 11.1.2 that the Bank is provided with a copy of this Agreement signed by the accounting officer of the Borrower, accepting the terms and conditions stipulated herein, in accordance with section 46(2)(b) of the MFMA;
- 11.1.3 that the Bank has been provided with the certified copy of the resolution of the Municipal Council, signed by the Mayor, approving the Loan Facility and the agreement(s) relating thereto, in accordance with section 46(2)(a) of the MFMA
- 11.1.4 that the Borrower has provided the Bank with a written disclosure, in form and substance acceptable to the Bank, that the purpose of the Loan Facility is to fund capital expenditure on property, plant or equipment as contemplated in section 46(1)(a) of the MFMA;
- 11.1.5 that the Borrower has provided the Bank with a certified copy of the information statement, in form and substance acceptable to the Bank, signed by the Mayor, prepared in terms of section 46(3) of the MFMA in respect of the Loan Facility;
- 11.1.6 that the Borrower has provided the Bank with a letter of award, in form and substance acceptable to the Bank, in favour of the Bank, in terms of which the Borrower informs the Bank that it has been successful in bidding to provide the Loan Facility;

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- 11.1.7 that the Borrower has provided the Bank with the:
 - 11.1.7.1 signed audited financial statements for the preceding 3 (three) financial years, together with an indication whether the audit deadline referred to in section 126 of the MFMA has been met;
 - 11.1.7.2 approved annual budget;
 - 11.1.7.3 integrated development plan or multi-year business plan referred to in section 87(5)(d) of the MFMA, if applicable;
 - 11.1.7.4 repayment schedules pertaining to its existing short-term and long-term debt;
 - 11.1.7.5 the audit report prepared by the Auditor General in terms of section 126(3) of the MFMA in respect of the 30 June 2017 financial statements;
- 11.1.8 if applicable, that the Borrower has provided the Bank with a copy of the adjustments budget tabled in terms of the MFMA and that the Bank is satisfied as to the manner in which the Loan Facility has been dealt with in such adjustment budget;
- 11.1.9 that the Borrower has provided the Bank with written confirmation (in a form and substance acceptable to the Bank) from the Accounting Officer or any other duly authorised representative of the Borrower confirming:
 - 11.1.9.1 that the Borrower is not in breach of any material contracts to which the Borrower is a party; and
 - 11.1.9.2 the absence of any material pending (which has a reasonable prospect of occurring) industrial action; litigation, investigation or proceeding against the Borrower; and
 - 11.1.9.3 that there has been no material deterioration in the financial position of the Borrower between the date of acceptance of the loan agreement and the date of the first drawdown under the Facility;
- 11.1.10 that, in the Bank's opinion, there has been no material deterioration in the financial position of the Borrower between the Signature Date and the date of first drawdown of the Loan Facility by the Borrower.
- 11.2 The above conditions precedent are inserted for the benefit of the Bank, which may in writing on or before the dates for fulfilment of the conditions set out in clause 11.1, extend the period for fulfilment or waive any of the said conditions precedent in its sole discretion. Unless and until the above conditions precedent are either waived or fulfilled, the Borrower shall not be entitled to drawdown the Limit.
- 11.3 Notwithstanding any provision to the contrary, if the Bank, in the erroneous belief that all the conditions precedent have been fulfilled or waived (as the case may be), makes any advances or any portion of the Limit (**Advanced Amount**) available to the Borrower and if it subsequently transpires that any one (or more) of the conditions precedent has in fact not been fulfilled or waived (as the case may be):
 - 11.3.1 the terms and conditions of this Agreement shall apply in respect of the amount of the Advanced Amount (subject to clauses 11.3.2 and 11.3.3);
 - 11.3.2 the Bank shall be entitled to declare the amount of the Advanced Amount to be immediately due and payable by the Borrower to the Bank; and

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11.3.3 the Bank shall not be obliged to make any further advances to the Borrower.

12 ONGOING CONDITIONS AND FINANCIAL COVENANTS

12.1 Financial Covenants

The Borrower undertakes that during the currency of the Loan Facility it shall maintain the following financial covenants, which covenants are to be measured annually against audited financial statements or draft financial statements:

- 12.1.1 **Debt to Revenue ratio** to be maintained at a level that is less than or equal to 50% (fifty percent). For purposes of this clause "Revenue" includes billings and all other income and grants received by or accruing to the Borrower and "Debt" shall mean the aggregate of moneys borrowed (both long and short term);
- 12.1.2 **Billings to collection rate** to be maintained at a level greater than or equal to 85% (eight five percent). For purposes of this clause, "Collections" shall mean the amount received by the Borrower from its debtors and "Billings" shall mean the aggregate amount in respect of accounts rendered by the Borrower for **assessment** rates, services and consumption charges and other regulated municipal imposts and levies; and
- 12.1.3 **Interest paid to total costs** to be maintained at a level that is less than or equal to 7.5% (seven point five percent) of total expenditure.

12.2 Reporting Requirements

12.2.1 While the Loan Facility remains available or any amount or commitment remains outstanding to the Bank the following conditions shall apply:

12.2.1.1 the Borrower shall:

- 12.2.1.1.1 comply with the MFMA, in relation to the Loan Facility to the satisfaction of the Bank;
- 12.2.1.1.2 provide the Bank with information relating to its draft budgets, approved budgets, adjustment budgets as well as a copy of the monthly and quarterly reports required in terms of the MFMA within 5 (five) days of such information being due in terms of the MFMA for a particular period;
- 12.2.1.1.3 inform the Bank, as soon as possible after identification of any financial problems facing the Borrower, including any emerging or impending financial problems in terms of the provisions of Section 54 of the MFMA that could reasonably be expected to affect the Borrower's ability to repay any amounts outstanding under the Loan Facility.

12.3 The Bank reserves the right to reassess and to renegotiate the Loan Facility in the event of there being:

12.3.1 any change in the:

- 12.3.1.1 management and/or legislated governance of the local authority;
- 12.3.1.2 overall structure of the local authority;
- 12.3.1.3 structure of revenue streams; or
- 12.3.1.4 any deterioration in the Borrower's financial position; or

12.3.2 an existing or pending material (which has a reasonable prospect of occurring) industrial action, litigation, investigation or proceeding against the Borrower.

12.4 Notification of event of default

The Borrower hereby undertakes to the Bank that it will advise the Bank immediately upon becoming aware of the occurrence of an event of default or of any circumstances that could potentially result in an event of default as contemplated in clause 12.6 below.

12.5 Financial Statements

12.5.1 The Borrower undertakes that during the currency of the Loan Facility, it shall provide the Bank with:

- 12.5.1.1 signed copies of its audited financial statements annually within a period of 180 (one hundred and eighty) days from the date that they are due in terms of the MFMA and any other information as the Bank may reasonably require;
- 12.5.1.2 a written confirmation from the Borrower that the draft audited financial statements as submitted to the Bank do not differ materially from the signed, audited financial statements of the Borrower for the particular year.

12.6 Annual Review

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- 12.6.1 The Loan Facility is subject to annual review by the Bank, with the first annual review falling due by 30 August 2019 and annually thereafter in light of the following information:
- 12.6.1.1 audited annual financial statements;
 - 12.6.1.2 approved annual budget;
 - 12.6.1.3 annual revised integrated development plan; and
 - 12.6.1.4 repayment schedules pertaining to the Borrower's existing short-term and long-term debt.
- 12.6.2 The above information must be given to the Bank before the review date. In the event of a delay in receipt of this information, the Bank may reduce or restructure the Loan Facility until such time as such required information has been received and the review undertaken.
- 12.6.3 Without limitation to the Bank's other rights under this Agreement, the Bank reserves the right to reassess and to renegotiate the Loan Facility in the event of there being any change in the:
- 12.6.3.1 management and/or legislated governance of the local authority;
 - 12.6.3.2 overall structure of the local authority;
 - 12.6.3.3 structure of revenue streams; or
 - 12.6.3.4 any deterioration in the Borrower's financial position; or
 - 12.6.3.5 an existing or pending material (which has a reasonable prospect of occurring) industrial action, litigation, investigation or proceeding against the Borrower.

13 EVENTS OF DEFAULT

13.1 An event of default will occur if:

- 13.1.1 the Borrower fails to pay any sum due and payable by it to the Bank in terms of this Agreement;
- 13.1.2 the Borrower commits a breach of any of the other terms and conditions of this Agreement, and such breach is not remedied within a period of 14 (fourteen) days of written notice having been given to the Borrower to do so;
- 13.1.3 the Borrower or any Collateral Provider commits a breach of any of the terms and conditions of any Collateral and such breach is not remedied within a period of 14 (fourteen) days' of written notice having been given to the Borrower to do so;
- 13.1.4 the Borrower ceases to carry on its business in a normal and regular manner;
- 13.1.5 the Borrower defaults in the due payment of any amount falling due for payment under any suretyship or guarantee to which it is a party;
- 13.1.6 the Borrower suffers any default judgment against it which remains unsatisfied for 21 (twenty one) days, or is refused a rescission of any default judgment;
- 13.1.7 the Borrower defaults in the due and punctual performance under any other agreement including but not limited to any other agreement concluded between the Borrower and a third party or any other loan/credit facility between the Borrower and the Bank and (if such default is capable of being remedied) same has not been remedied to the satisfaction of the Bank within 14 (fourteen) days' from the date of any written notice given by the Bank to the Borrower to remedy the default;
- 13.1.8 the Borrower meets the conditions of a mandatory provincial intervention (as contemplated in section 139 and 140 of the MFMA);
- 13.1.9 any representation, or warranty or undertaking made either in respect of the Borrower or in connection with this Agreement or in any documents delivered under this Agreement, is not complied with or is materially incorrect in any respect;
- 13.1.10 the Borrower's auditors in any financial statements of the Borrower published after the date of the last set of financial statements furnished to the Bank or if none have been so furnished, after the Signature Date, materially qualifies that annual statement in any respect, or inserts a note in the supporting documents to that financial statement relating to any material irregularity;
- 13.1.11 there is a material deterioration in the Borrower's financial position;
- 13.1.12 the whole or any part of the Collateral furnished is judicially attached, or becomes subject to any lien, hypothec or other encumbrance without the Bank's prior written consent;

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- 13.1.13 the Borrower is unable to pay its debts, suspends or threatens to suspend payment of all or a material part of (or of a particular type of) its indebtedness to any other creditors, commences negotiations or takes any other step with the view to the deferral, rescheduling or other re-adjustment of all of (or all of a particular type of) its indebtedness to creditors (or of any part of such indebtedness which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a part of the indebtedness of the Borrower;
- 13.1.14 if an attachment, execution or other legal process is levied, enforced, issued or sued out on or against any assets of the Borrower or any unsatisfied judgement or order, including failure to pay a final judgement or court order, except insofar as reasonable court process is underway for the Borrower's indebtedness to the Bank, and is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process;
- 13.1.15 should a writ of execution issued by any competent court attaching any assets belonging to the Borrower remain unsatisfied for more than 7 (seven) days after the date on which it is issued;
- 13.1.16 if the Loan Facility and/or charges related to or associated with the Loan Facility is not budgeted for in the Borrower's budget in any particular year;
- 13.1.17 if the Borrower becomes aware of any cash over expenditure or potential cash over expenditure in respect of its budget or adjustments budget;
- 13.1.18 if the payment of all amounts under the Loan Facility and/or charges is not retrospectively approved by means of an adjustments budget within the prescribed time period in terms of the MFMA; or
- 13.1.19 if there is at any time a change in the demarcation of the area falling within the jurisdiction of the Borrower as at the Signature Date and which change, in the Bank's opinion, results in or has the potential to result in a material deterioration of the Borrower's ability to fulfil its obligations in terms of this Agreement;
- 13.1.20 if at any time after the Signature Date there is any change in (including but not limited to repeal of legislation) or addition to, the legislation to which the Borrower is subject and which in the reasonable opinion of the Bank could be expected to adversely affect the ability of the Borrower to comply with any of its obligations hereunder;
- 13.1.21 if the Borrower defaults in the due payment or due performance of any amount payable or obligation to be performed under any agreement, which amount or which obligation the Bank considers to be material in its reasonable opinion;
- 13.1.22 if any material indebtedness or obligation for monies borrowed constituting indebtedness of the Borrower shall become due and payable prior to its specified maturity by reason of default, or shall not be paid when due;
- 13.1.23 any Collateral Provider who may have provided additional Collateral for, the whole or part of the Indebtedness commits any act, or omits to do anything, referred to in this clause 12.1 or if any of the events referred to in this clause 12.1 occurs in respect of any such person, or in relation to that person's own affairs;
- 13.1.24 a Material Adverse Event occurs;
- 13.1.25 the Borrower generally does or omits to do anything which may cause the Bank to suffer any loss or damage;
- 13.1.26 the Borrower or any Collateral Provider becomes or is, in the opinion of the Bank, likely to become Sanctioned, or the Bank in any way knows or suspects that the Borrower's Loan Account is being used fraudulently, negligently, for illegal or terrorist activities, or for any purpose that does not comply with the law or the Borrower is involved in any illegal or terrorist activities.
- 13.2 The Bank, may without prejudice to any other rights hereunder or at law, at any time after the happening of an event of default, by written notice to the Borrower:
- 13.2.1 decline any request by the Borrower to drawdown any further monies under the Limit and cancel the Limit forthwith;
- 13.2.2 require immediate repayment all the Indebtedness, which Indebtedness shall become immediately become due, owing and payable;
- 13.2.3 require immediate payment of all "breakage costs" being all costs, charges, expenses, losses or reduced receipts which the Bank may have sustained or incurred in relation to the termination or modification of any arrangements the Bank may have made on account of or in respect of funds borrowed, contracted for or utilized to fund any amount payable or advanced under the Loan Facility; or
- 13.2.4 increase the rate of interest charged.

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13.3 The Bank's rights under this clause shall not be exhaustive but shall be in addition to and without prejudice to any other rights which it may have under this Agreement or the law.

13.4 Penalty Interest

At any time after the occurrence of an event of default in terms of this Agreement, the Bank shall be entitled, but not be obliged, to increase the interest rate set out in clause 7.1 by a rate of 2.5% (two point five percent) per annum, without prejudice to any rights which the Bank may otherwise have as a result of that event of default.

14 REPRESENTATIONS AND WARRANTIES

14.1 The Borrower represents and warrants to the Bank that as at the Signature Date and for the Term, that:

- 14.1.1 it is a Municipality duly constituted and existing under the laws of South Africa;
- 14.1.2 it has full power to enter into and perform in terms of this Agreement and has taken all necessary corporate and other actions to authorise the borrowings hereunder;
- 14.1.3 the execution, delivery and performance of any agreements applicable to the Loan Facility do not violate any law, including the MFMA;
- 14.1.4 it has complied with all the provisions of the MFMA in relation to the Loan Facility and undertakes that it will continue to do so for the currency of the Loan Facility;
- 14.1.5 it has disclosed all guarantees, suretyships and other off-balance sheet items to the Bank;
- 14.1.6 its annual budget as well as its approved annual budget contains all of the information referred to in section 17 of the MFMA;
- 14.1.7 there are no circumstances resulting in a Material Adverse Event, and in the reasonably exercised opinion of the Borrower no such circumstances are likely to arise;
- 14.1.8 it is not in breach of any law applicable to it, nor in breach of any material contract by which it is bound, or to which it is a party, and in its reasonably exercised opinion, no such breach is likely to occur or arise;
- 14.1.9 the terms of this Agreement do not conflict with and do not constitute a breach of the terms of any other agreement or undertaking or act that is binding on the Borrower;
- 14.1.10 there is no material industrial action or litigation or similar proceedings, to the knowledge of the Borrower, presently pending or threatened which would result in a Material Adverse Event;
- 14.1.11 no event of default specified in clause 13.1 has occurred and is continuing;
- 14.1.12 the Loan Facility and the charges associated with the Loan Facility have been provided for in an approved budget, which has been properly approved in terms of the MFMA and that payment of the amount of the Loan Facility and any charges associated with the Loan Facility will not result in the total amount of the budget being exceeded. These requirements will be met in future as well;
- 14.1.13 it will not utilise savings with regards to an unrelated expenditure in a budget to defray any excess expenditure that may be required for satisfying a claim under a loan agreement;
- 14.1.14 its acceptance in terms of the Loan Facility has been duly authorised and to the best of its knowledge and belief does not contravene any law or any contractual obligation binding upon it;
- 14.1.15 the Loan Facility is not a form of debt renewal or refinancing and the Borrower will ensure that the Loan Facility is not used for this purpose;
- 14.1.16 the terms and conditions applicable to any loans provided by any other long term funders, are not, and shall not, be more favourable than the terms and conditions applicable to the Loan Facility;
- 14.1.17 the Loan Facility shall be used solely for the purposes set out in clause 6;
- 14.1.18 all information supplied or to be supplied to the Bank by the Borrower concerning the Borrower's business as contained in the Borrower's balance sheets, trading and profit and loss accounts, cash flows and other financial statements or accounts, is true and correct in all material respects and will in future be true and correct in all material respects;
- 14.1.19 the Borrower has, in relation to the conduct of its business, obtained and complied with all the necessary consents, registrations, filings, certificates, licences, approvals, permits and insurances;
- 14.1.20 there has been no material deterioration in the financial position of the Borrower;
- 14.1.21 this Agreement constitutes legal, valid, binding and enforceable obligations of the Borrower;

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- 14.1.22 the Borrower's acceptance of the terms of this Agreement has been duly authorised and does not contravene any law or any contractual obligation binding on it;
- 14.1.23 it is in full compliance with all applicable laws, regulations and practices relating to the protection of the environment applicable to it in each jurisdiction in which the Borrower conducts business (its "**Environmental Responsibility**") and hereby undertakes to continue to do so for so long as the Borrower is indebted to or owes any obligations to the Bank under or in terms of this Agreement;
- 14.1.24 that it is not aware of any circumstances which may prevent full compliance with its Environmental Responsibility in future;
- 14.1.25 it will ensure that the Collateral Providers, at all times comply with all legislation and other laws, including anti-money laundering and combating the financing of terrorism regulations;
- 14.1.26 neither the Borrower nor any of the Collateral Providers are subject to any law prohibiting the borrowing of funds or ownership of the property by non-resident individuals or limiting the borrowing of funds by companies and other entities in which non-residents have a 75% (seventy five percent) or greater interest or, if such law does apply, that the Borrower shall deliver to the Bank before the first advance written evidence to the Bank's satisfaction of the written permission of the exchange control authorities entitling the Borrower to obtain the Loan Facility;
- 14.1.27 it will not use (or otherwise make available) the proceeds of the Limit for the purposes of financing, directly or indirectly, the activities of any person or entity which is Sanctioned or in a country which is subject to any Sanctions;
- 14.1.28 it will not contribute or otherwise make available, directly or indirectly, the proceeds of the Limit to any other person or entity if such party uses or intends to use such proceeds for the purpose of financing the activities of any person or entity which is subject to any Sanctions;
- 14.1.29 it is not involved in any illegal or terrorist activities; and
- 14.1.30 none of the bank accounts held by the Borrower with the Bank are being used fraudulently, negligently, for illegal or terrorist activities, or for any purpose that does not comply with any law.

15 INDEMNITIES

- 15.1 The Borrower hereby indemnifies the Bank against any loss, damage, claims, costs, charges, expenses or any other liability, which may arise (because of this or any other banking facility or the Bank having an interest in the Borrower's assets) in respect of a breach of, or a failure, by the Borrower to meet its Environmental Responsibility.
- 15.2 The Borrower hereby indemnifies and holds the Bank harmless against any actions, proceedings, claims or demands that may be brought against the Bank and all losses, damages, costs, charges and expenses which the Bank may incur or sustain, in connection with or arising out of:
 - 15.2.1 the seizure, blocking or withholding of any funds by any Sanctioning Body; and
 - 15.2.2 the breach of any warranties as set out in clause 14.
- 15.3 The Borrower shall be bound by all instructions transmitted by it to the Bank by facsimile transceiver or by means of an e-mail message, and hereby waives any rights it may have or obtain against the Bank arising directly or indirectly from any losses or damages which the Borrower may suffer as a result of the Bank acting on any purported faxed or e-mailed instruction. The Borrower further indemnifies the Bank in respect of any claims, demands or actions made against the Bank or losses or damages suffered by the Bank as a result of the Bank acting on the said faxed or e-mailed instruction.

16 CHANGE(S) IN CIRCUMSTANCES

- 16.1 If at any time or times during the Term there is:

- 16.1.1 any change in or introduction of any law, regulation, ruling, directive, policy, requirement, request or guidelines (whether or not having the force of law) or any other similar event with which the Bank or any of its divisions is obliged to comply or which is in accordance with the practice of a responsible banker, or any interpretation or administration thereof,

without derogating from the generality of the foregoing:

- 16.1.2 any change in banking practice, as it affects or is applied generally by any financial institution in South Africa;
- 16.1.3 a requirement or a request by any authority, to pay taxes or other amounts whatsoever or to maintain special deposits or reserve assets;

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- 16.1.4 any compliance by the Bank with any reserve, cash ratio, special deposit or liquidity requirements (or any other similar requirements) in respect of the Loan Facility;
- 16.1.5 any compliance with or application of (whether mandatory or not) any capital adequacy or similar requirements, including but not limited to the provisions of the International Convergence of Capital Measurement and Capital Standards (a revised framework) (i.e. BASEL II) or any other standards or guidelines published by the Basel Committee on Banking Supervision (including BASEL III) by the Bank or any of its divisions, or any interpretation or administration thereof, results in any increase in the Bank's costs in providing the Loan Facility to the Borrower;
- 16.1.6 any change to any present or future law, ruling or regulation;
- 16.1.7 any change in the interpretation or administration of any law, ruling or regulation by any relevant monetary or fiscal authority;
- 16.1.8 any amendment to the Banks Act, 94 of 1990; or
- 16.1.9 any compliance by the Bank with any directive or request, whether or not having the force of law, from any monetary or fiscal authority;

which would or does:

- 16.1.10 subject the Bank to any taxes, duties, or other charges in respect of the Loan Facility or change the basis of taxation of the Bank in respect of payments of principal or interest/fees payable to the Bank (except for changes in the rate of taxation on the overall net income of the Bank);
- 16.1.11 impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank; or
- 16.1.12 impose on the Bank any other obligation or condition affecting the Loan Facility or its commitment in terms of this Agreement,

and the result of any of the above is to increase the cost to the Bank of making any advance or maintaining the Loan Facility or to reduce any amount or amounts received or receivable or loanable by the Bank hereunder by a material sum, then the Borrower shall pay to the Bank on demand and while such circumstances continue, such fee as the Bank may impose or such additional amount or amounts which will compensate the Bank for such additional cost or reduced receipts.

- 16.2 The Bank shall give the Borrower 30 (thirty) days' written notice of all amounts payable in terms of clause 16.1. A certificate signed by any manager or divisional head of the Bank (whose appointment it shall not be necessary to prove) as to such additional amount/s shall be prima facie proof for all purposes in the absence of manifest error.
- 16.3 If the Borrower is required to pay additional amount/s to the Bank pursuant to clause 16.1, it shall be entitled to prepay any amounts owed in terms hereof without penalty, or to forthwith cancel any unutilised portion of the Loan Facility by giving the Bank 30 (thirty) days' written notice thereof.
- 16.4 Without detracting from any other rights that the Bank may have, the Borrower furthermore acknowledges that the Bank has approved and is providing the Loan Facility based on the present circumstances of the Borrower and the industry and environment within which it operates. The Borrower understands and agrees that certain circumstances, including but not limited to those circumstances set out in clause 16.1.1, may rise that would have the effect of materially altering the basis on which said Loan Facility was/is given. Should any event or series of events accordingly occur which, in the reasonable opinion of the Bank have or may be expected to have an adverse effect on the ability of the Borrower to comply with its obligations hereunder the Bank shall, by giving reasonable written notice, have the right to change the terms of the Loan Facility with the Borrower. Should the new terms on which the Bank is prepared to continue to make the Loan Facility available not be acceptable to the Borrower, all outstanding amounts will, without further notice, immediately become due and payable and the Borrower, or any other entities indebted in terms of the Loan Facility will immediately effect payment of such outstanding amounts.

17 CERTIFICATE OF INDEBTEDNESS

A certificate signed by any manager or business unit head of the Bank (whose authority, qualification or appointment need not be proved) setting out the amount of any Indebtedness of the Borrower to the Bank in terms hereof, the rates of interest and any other fact, shall, on its mere presentation, be sufficient proof, unless the contrary is proved, of the Indebtedness and of such other facts contained therein.

18 GENERAL TERMS

18.1 Matters requiring the Bank's consent

The Borrower may not without the Bank's prior written consent, which shall not be unreasonably withheld:

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- 18.1.1 become surety, guarantor for or give any indemnity on behalf of any third party whomsoever or render itself liable in any way whatsoever for the debts or engagements of any other party, other than encumbrances as agreed to by the Bank;
- 18.1.2 pledge, cede, mortgage, hypothecate or otherwise encumber or further encumber any of its movable or immovable assets to secure any liability of any nature;
- 18.1.3 sell or otherwise dispose of or attempt to sell or dispose of any of its assets except in the ordinary course of its business;
- 18.1.4 advance credit to third parties other than in the ordinary course of business; and/or
- 18.1.5 utilise its savings with regards to unrelated expenditure in a budget to defray any excess expenditure that may be required to satisfy a claim under a loan agreement.

18.2 Legal Charges

- 18.2.1 Each Party shall bear its own costs and expenses of and incidental to the negotiation, preparation and completion of this Agreement.
- 18.2.2 All legal costs (on the attorney and own client scale), commissions or fees and other charges and expenses in connection with this Agreement including but not limited to all costs incurred by the Bank in the enforcement of any of its rights hereunder, the preparation of any documentation relating hereto, will be for the account of the Borrower and payable on demand.

18.3 Fees and Charges

- 18.3.1 The Bank may charge and recover fees and charges in respect of this Agreement.
- 18.3.2 All fees and charges will be debited to the Borrower's Current Account.
- 18.3.3 Where there is a change in the frequency or time for payment of a fee or charge, the Bank will give the Borrower written notice setting out the particulars of the change.
- 18.3.4 The Borrower must pay to the Bank all applicable fees and charges set out in this Agreement.
- 18.3.5 The Bank may charge and recover from the Borrower interest on and in respect of any unpaid fees and charges referred to in this Agreement.
- 18.3.6 The fees and charges applicable will be set out in the Bank's annual pricing schedule (amended from time to time) which will be issued to the Borrower or available on the Bank's website www.standardbank.co.za.
- 18.3.7 The Bank reserves the right to charge separate fees for any indulgences granted, or additional services provided by the Bank in connection with this Agreement. The Bank shall advise the Borrower in writing of these fees, as well as the payment terms associated therewith.

18.4 Free of Deduction

All amounts paid to the Bank under this Agreement shall be made free of deduction or set-off. Should the Borrower be compelled by law to withhold or deduct any taxes or other charges from any amounts payable to the Bank, the amounts payable to the Bank shall be increased to the extent necessary to ensure that the Bank receives the amounts payable, free of such withholding or deduction.

18.5 Allocation of Payments

The Bank will be entitled to allocate any payments received under this Agreement to any indebtedness of the Borrower to the Bank and the Borrower waives any rights it may have to name the debt in respect of which payment is made.

18.6 Set-off and Realisation

Should the Borrower commit an event of default as set out in clause 13.1 or elsewhere in this Agreement and the Bank exercise its rights in terms of the provisions of clause 13.2, the Bank may in addition to any rights the Bank has:

- 18.6.1 set-off any credit balances held in any other account which the Borrower has with the Bank that are due and payable, against the Indebtedness; or
- 18.6.2 realise any collateral held by the Bank and use the proceeds in payment of the Indebtedness, on written notice to the Borrower.

18.7 Renunciation of benefits

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The Borrower hereby renounces the benefits of the following legal defences to any claim brought by the Bank:

- 18.7.1 the Borrower has received no value for its obligations to the Bank;
- 18.7.2 no money has been paid to the Borrower;
- 18.7.3 there is no underlying cause for the Borrower's obligation to the Bank; and
- 18.7.4 the Bank made an error in calculating the Indebtedness. The Bank will revise its accounts in respect of the Indebtedness if they are incorrect.

18.8 Whole Agreement, Variation of Terms

- 18.8.1 This Agreement by the Borrower and the Bank shall constitute the whole agreement between the Bank and the Borrower relating to the subject matter hereof.
- 18.8.2 No addition to, variation, or amendment, or consensual cancellation of any of the terms contained in this Agreement, shall be of any force or effect unless it is recorded in writing and is signed on behalf of the Bank by one of its authorised officials and accepted by the Borrower together with a resolution of the Municipal Council. This requirement will only be satisfied if such amendment or variation is made in a written, paper based form. The provisions of the Electronic Communications and Transactions Act, 25 of 2002 do not apply to this clause.

18.9 Illegality:

If at any time after the Signature Date it is or becomes unlawful in any jurisdiction, or contrary to any lawful and binding request from or requirement of the South African Reserve Bank or other South African governmental department or authority, for the Bank to perform any of its obligations under this Agreement, then the Bank shall promptly after becoming aware of the same notify the Borrower by way of a certificate signed by any manager or divisional head of the Bank (whose authority, qualification or appointment need not be proved) and the Borrower shall repay any and all amounts due under this Agreement as required by law.

18.10 No Indulgence

- 18.10.1 No indulgence shown or extension of time given by the Bank shall operate as an estoppel against the Bank or waiver of any of the Bank's rights unless recorded in writing and signed by the Bank.
- 18.10.2 The Bank shall not be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the conclusion of any agreement created by acceptance of the Loan Facility or whether it was negligent or not.

18.11 Severability

Each provision of this Agreement is severable, the one from the other and, if at any time any provision is or becomes or is found to be illegal, invalid, defective or unenforceable for any reason by any competent court, the remaining provisions shall be of full force and effect and shall continue to be of full force and effect.

18.12 Governing Law

The terms of this Agreement shall be governed by and interpreted in accordance with the laws of South Africa.

18.13 Domicilium and Notices

- 18.13.1 The Parties choose as their *domicilium citandi et executandi* (address for the purpose of legal proceedings) their respective addresses set out below, at which addresses all processes and legal notices arising out of or in connection with this Agreement, its breach or termination may validly be served on or delivered to the Parties:

- 18.13.1.1 as regards the Bank:

Attention: Group Governance / Legal
Standard Bank Centre,
9th Floor, Reception 1, 5 Simmonds Street, Johannesburg, 2001

With a copy to be sent to:

Attention: Head Public Sector
6th floor West wing, 30 Baker Street, Rosebank, 2196
Telephone Number: +27 11 721 8210; and

- 18.13.1.2 as regards the Borrower:

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Telephone Number: 016 360 7411.

- 18.13.1.3 or at such other physical address, not being a post office box or *poste restante*, of which the Party concerned may notify the other Party in writing.
- 18.13.2 Any other written notices in connection with this Agreement shall be addressed as follows:
- 18.13.2.1 as regards the Bank:
at the address set out in clause 18.13.1.1
Email address: Natalie.Neves-Oakes@standardbank.co.za; and
- 18.13.2.2 as regards the Borrower:
at the address set out in clause 18.13.1.2
Email address: mm@midvaal.gov.za
or at such other address of which the Party concerned may notify the other in writing.
- 18.13.3 Any notice given in terms of this Agreement shall be in writing and shall:
- 18.13.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;
- 18.13.3.2 if delivered by a recognised international courier service, be deemed to have been received by the addressee on the first business day following the date of such delivery by the courier service concerned;
- 18.13.3.3 if posted by prepaid registered post will be deemed to have been received by the addressee on the 8th (eighth) Business Day following the date of such posting; and
- 18.13.3.4 if sent electronically, shall be deemed to have been received on the first Business Day following the successful transmission thereof as evidenced by the electronic confirmation of receipt (unless the contrary is proven). It is recorded, for the avoidance of doubt, that a legal notice sent by a Party shall not be regarded as valid legal notice, if sent electronically in terms of this clause 18.13.
- 18.13.4 Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by a Party at its chosen address set out above, shall be an adequate written notice of communication to such Party.
- 18.13.5 Where the post office does not effect street deliveries at the Borrower's Notice Address, the Bank may send any notices in terms of this Agreement to the Borrower's post office box number.

This Agreement may be signed by the signatories hereto in counterparts and each signed copy shall together constitute one document.

18.15.1 The Borrower shall not be entitled to cede or assign its rights or obligations in terms of this Agreement to any party.

18.15.2 The Bank shall, on written notification to the Borrower, be entitled at any time to cede any or all of its rights or delegate any or all of its obligations under or in terms of this Agreement to any party.

18.15.3 To the extent that any cession, assignment or transfer by the Bank of its rights or obligations under or in terms of this Agreement to any party results (whether directly or indirectly) in a splitting of claims against the Borrower, the Borrower hereby irrevocably and unconditionally consents to such splitting of claims.

18.15.4 On cession, assignment or transfer in accordance with the provisions of clause 18.15.3, and without limitation to clause 18.16, the Bank shall be entitled to divulge and disclose such information or documents relating to the Borrower or any of its subsidiaries, which would otherwise be deemed to be confidential, to the cessionary, assignee or transferee as the Bank may deem necessary.

18.16.1 The Borrower consents to the Bank collecting its Personal Information from the Borrower and where lawful and reasonable, from public sources for credit, fraud and compliance purposes as well as and the purposes set out below.

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- 18.16.2 If the Borrower gives the Bank Personal Information about or on behalf of another person (including, but not limited to, account signatories, shareholders, principal executive officers, trustees and beneficiaries), the Borrower confirms that it is authorised to: (a) give the Bank the Personal Information; (b) consent on their behalf to the Processing of their Personal Information, specifically any cross-border transfer of Personal Information into and outside the country where the products or services are provided; and (c) receive any privacy notices on their behalf.
- 18.16.3 The Borrower consents to the Bank Processing its Personal Information:
- 18.16.3.1 to provide products and services to the Borrower in terms of this Agreement and any other products and services for which the Borrower may apply;
- 18.16.3.2 to carry out statistical and other analyses to identify potential markets and trends, evaluate and improve our business (this includes improving existing and developing new products and services);
- 18.16.3.3 in countries outside the country where the products or services are provided. These countries may not have the same data protection laws as the country where the products or services are provided. Where the Bank can, the Bank will ask the receiving party to agree to the Bank's privacy policies;
- 18.16.3.4 by sharing the Borrower's Personal Information with the Bank's third-party service providers, locally and outside the country where the products or services are provided. The Bank asks people who provide services to the Bank to agree to the Bank's privacy policies if they need access to any Personal Information to carry out their services;
- 18.16.3.5 within the Group.
- 18.16.4 The Borrower will find the Bank's Processing practices in the Group and the Bank's privacy statements. These statements are available on the Group's websites or on request.
- 18.16.5 If the Borrower is unsure about its tax or legal position because the Borrower's Personal Information is Processed in countries other than where the Borrower lives or conducts business, the Borrower should get independent advice.

18.17 Recordal of Conversations

The Borrower agrees that the Bank may record telephone conversations with the Borrower's representative for the purpose of creating a record of the Borrower's instructions or requests given telephonically by the Borrower to the Bank.

18.18 Independent Advice

- 18.18.1 The Borrower acknowledges and agrees that it has not relied in any way on any information or advice given by the Bank in preparation, negotiation or implementation of this Agreement and that it has taken all reasonable actions to satisfy itself as to the consequences of entering into this Agreement.
- 18.18.2 The Borrower further acknowledges that:
- 18.18.2.1 the Bank does not provide any tax advice. The Borrower is responsible for any tax consequences associated with any account the Borrower has with the Bank;
- 18.18.2.2 it has been free to secure independent legal and other advice as to the nature and effect of all the provisions of this Agreement, and that it has taken such independent legal and other advice or dispensed with the necessity of doing so; and
- 18.18.2.3 all of the provisions of this Agreement, and the restrictions herein contained, are fair and reasonable in all the circumstances and are part of the overall intention of the Parties in connection with this Agreement.

18.19 Availability of Funds

The Bank shall not be liable for any failure to perform its obligations hereunder resulting directly or indirectly from the action or inaction of any government or local authority or any strike, boycott, blockade act of god, civil disturbance or for any other act which is beyond the control of the Bank.

SIGNED AT Bedfordview ON THE 4 DAY OF December 2018

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Signature

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Ofentse Kunene
Full Names

Account executive
Designation

For and on behalf of:
**THE STANDARD BANK OF SOUTH AFRICA LIMITED,
ACTING THROUGH ITS PERSONAL AND BUSINESS
BANKING DIVISION**
Who warrants his/her authority hereto

As witnesses:

1 [Signature] Full names: Darwin Nhlema
ID number: 690323 6185 087

2 [Signature] Full names: Jani Strydom
ID number: 811003 0018 088

SIGNED AT Meyerton ON THE 3rd DAY OF DECEMBER 2018

[Signature]
Signature
ASA DE KLERK
Full Names

Municipal Manager
Designation

For and on behalf of:
MIDVAAL LOCAL MUNICIPALITY
Who warrants his/her authority hereto

As witnesses:

1 [Signature] Full names: WILLIAM THOMAS FIGGINS
ID number: 5611185054086

2 [Signature] Full names: Antoinette L Vor Schalkwyk
ID number: 7201160117088