
REQUEST FOR WAIVER BY NOTEHOLDERS

1 INTRODUCTION

- 1.1 We refer to the City of Tshwane Metropolitan Municipality ZAR5,500,000,000 Medium Term Note Programme (the **Programme**) established pursuant to a programme memorandum dated 12 December 2012 (the **2012 Programme Memorandum**) as amended and updated pursuant to a programme memorandum dated 22 June 2018 (the **2018 Programme Memorandum** and together with the 2012 Programme Memorandum, the Programme Memoranda).
- 1.2 Words and expressions defined in the Programme Memoranda shall, unless expressly defined in this letter, have the same meaning in this letter.
- 1.3 This notice of request for waiver (this **Waiver Request**) is delivered by the City of Tshwane Metropolitan Municipality (the **Issuer**) pursuant to Conditions 18 (*Notices*) of the section headed "*Terms and Conditions of the Notes*" of the Programme Memoranda (the **Terms and Conditions**) to each holder of the COT1 Notes, the COT2 Notes and the COT3 Notes (the **Noteholders**), each issued and Outstanding under the Programme, for the purposes of obtaining a waiver from the Noteholders on the occurrence of an Event of Default under the Programme, as more fully described below.

2 PROVINCIAL INTERVENTION IN TERMS OF SECTION 139(1)(C) OF THE CONSTITUTION

- 2.1 Noteholders are referred to the notice released on the Stock Exchange News Service on 20 March 2020 (the **SENS Announcement**), in terms of which the Issuer notified Noteholders of the intervention by the Gauteng Provincial Executive Council in terms of section 139(1)(c) of the Constitution of South Africa, 1996 (the **Intervention**). The effect of the Intervention is that the municipal council of the Issuer has been dissolved and an administrator appointed in the place of the municipal council. The administrator comprises of a team of ten, who have assumed the legislative and administrative roles of the municipality, pending the election of a new municipal council. The administrator's appointment comes to an end once a new municipal council is declared elected.
- 2.2 In terms of Conditions 16.3 of the Terms and Conditions, we are obliged to notify Noteholders of any Event of Default upon becoming aware of its occurrence.
- 2.3 As notified in the SENS Announcement, Noteholders were notified that in terms of Condition 16.1.1.6 of the Terms and Conditions of the Programme Memoranda, an event of default shall have occurred and be continuing as a result of the Intervention (**Event of Default (Intervention)**), accordingly, an Event of Default (Intervention) may have occurred in terms of Conditions 16.1.1.6 of the respective Terms and Conditions in respect of the relevant Notes issued under the Programme Memoranda.

3 **WAIVER**

- 3.1 To the extent that the Intervention may amount to an Event of Default (Intervention) under Conditions 16.1.1.6 of the respective Terms and Conditions, the Issuer hereby requests that the Noteholders, by their signature hereto, waive the occurrence of such Event of Default (Intervention), for the duration of the period from (and including) 23 March 2020 until (and including) [30 June 2020]¹ (or such later date agreed by the Noteholders) (the **Waiver Period**).
- 3.2 In addition, and by their signature hereto, each of the Noteholders agree not to exercise any rights or remedies which such Noteholder may have under the Programme as a consequence of the occurrence or continuance of such Event of Default (Intervention) during the Waiver Period, in particular each Noteholder undertakes not to declare the Senior Notes held by such Noteholder due and payable as a consequence of the occurrence or continuance of such Event of Default (Intervention) during the Waiver Period.
- 3.3 Furthermore, the Noteholders undertake not to vote, or allow any proxy appointed by it to vote in favour of the exercise of, nor to direct or encourage any other person to exercise, any rights or remedies which it or that person may have under the Programme as a consequence of the occurrence or continuance of such Event of Default (Intervention) during the Waiver Period.

4 **GENERAL**

- 4.1 The waiver and indulgence given in this letter is without prejudice to any other rights or remedies Noteholders may now or in future have under the Programme or in respect of the relevant Notes, and in each case the waiver is limited to the provisions and specific circumstances to which it refers.
- 4.2 Nothing in this letter shall be, or be deemed to be, a waiver, consent, amendment or agreement in respect of any of the provisions or Conditions of the Terms and Conditions, except the specific waiver in paragraph 3.1 for the Waiver Period, given in this letter.
- 4.3 The Noteholders agree that the Issuer shall be entitled to request an extension of the Waiver Period, no later than 10 days prior to the expiration of the Waiver Period, if the appointment of the administrator will not have been terminated by the end of the Waiver Period as a result of a general municipal by-election for the election of a new municipal council for the Issuer, not being held as a result of possible delays caused by the national lockdown declared by the South African Government pursuant to the Disaster Management Act, 2020, beyond 16 April 2020.
- 4.4 This Waiver Request and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of South Africa.

¹ Drafting note: Issuer to confirm intended time period.

4.5 This Waiver Request may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

Yours faithfully,

For and on behalf of
CITY OF TSHWANE METROPOLITAN MUNICIPALITY

Signatory:
Capacity:
Who warrants his authority hereto

We acknowledge and confirm our agreement to the terms of this Waiver Request.

For and on behalf of
[Insert name of noteholder]

Signatory:
Capacity:
Who warrants his/her authority hereto