

16 November 2018

The Members
Ubuntu Local Municipality
78 Church Street
Victoria West
7070

Dear Sirs,

ADVICE OF FACILITY APPROVAL – FULL MAINTENANCE LEASE

We are pleased to inform you that the application by Ubuntu Local Municipality Registration Number: NC071 ('the Customer') for a facility has been approved by Bidvest Bank Limited ('the Bank') on the following terms and conditions:

Type	: Full Maintenance Lease
Amount	: R5 000 000 (Five Million Rand)
Term	: 36 Months

(hereinafter referred to as 'the Facility').

The Facility is subject to the contents of this letter and the Master Full Maintenance Lease Agreement ('Master FML') to be concluded by the Bank and the Customer. If there is any inconsistency between these documents, the Master FML will prevail.

1. Special Conditions – General

- 1.1 The Customer shall submit signed audited financial statements within six months after its financial year end. If any of the Customer's stock, goods, machinery or equipment forms the subject matter of any reservation of ownership claim against the Customer, such reservation of ownership claim shall be noted by the Customer's auditors.
- 1.2 The Facility will not be made available until all security has been perfected and all documentation required in accordance with the Financial Intelligence Centre Act, 2001 has been provided.
- 1.3 Should the Customer not utilise any portion of the Facility within 3 (three) months of the date of this letter, no drawdown may be permitted without full review of the Customer's financial position.
- 1.4 Communication sent via email shall not be binding unless reduced to writing and signed by the parties.
- 1.5 Change In circumstances - the Bank approved the Facility based on the financial position and present circumstances of the Customer, the applicable guarantors, and the industry and environment in which they operate. If any event occurs which, in the reasonable opinion of the Bank, has or may be expected to have an adverse effect on the ability of the Customer to comply with its obligations under the Facility, or a guarantor to comply with its obligations under the

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Directors NG Payne (Chairman) | JJ van Niekerk (Managing Director) | AD Cunningham | EK Diack | MJ Liebenberg |
NT Madise | RD Mokate (Lead Independent Director) | LP Ralphs
Company Secretary D Crawley

Bidvest Bank Limited [Reg No 2000/006478/06] is a licensed financial services and registered credit provider, NCRCP17.

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guarantee, the Bank shall have the right on twenty one (21) days written notice to the Customer, to change the terms of the Facility.

- 1.6 All assets financed shall be comprehensively insured (Including SASRIA cover) for an amount not less than the replacement value thereof, and the interest of the Bank shall be noted. A copy of the Insurance policy shall be provided to the Bank.
- 1.7 All costs shall be for the Customer's account.

2. Warranties

The Customer warrants and the Facility is granted on the basis that:

- 2.1 The financial information of the Customer and any Guarantor provided to the Bank is an accurate statement of the Customer's and Guarantor's financial position.
- 2.2 Full disclosure of all material facts and circumstances relevant to the Customer's application has been made to the Bank. Any material non-disclosure will be viewed by the Bank as fraudulent.
- 2.3 Any asset offered to the Bank as security is not encumbered in any way, other than as disclosed to the Bank.
- 2.4 The Customer is not aware of any fact or circumstance, which if disclosed to the Bank, might cause the Bank not to grant the Facility, or to grant it on different terms, or to call up any Facility already granted.

Should any of the warranties in 2.1 to 2.4 be breached, the Terms and Conditions shall apply.

3. Rentals

The rentals payable will be linked to the Bank's variable prime lending rate.

4. Review

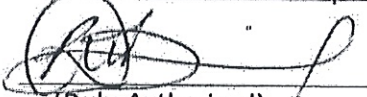
The Facility is subject to review annually in terms of Clause 1.1.

5. Acceptance

The Facility is subject to return of this letter signed and dated by the Customer, and witnessed, as acceptance of the Facility on the terms and conditions set out herein, within two weeks from date hereof, failing which the Bank shall have the discretion to amend or cancel the Facility.

For and on behalf of Bidvest Bank Limited

Signed at CAPE TOWN on 21 NOVEMBER 2018


(Duly Authorised)


(Duly Authorised)

The terms and conditions accepted as stated

For and on behalf of Ubuntu Local Municipality
Registration Number: NC071



Signed at Victoria West on 28 November 2018

Orbene Maposa
(Duly Authorised)

[Signature]
(Duly Authorised)

Witnesses:

1. [Signature]
Full Name: RA JACOBS
Identity No: 8612135077083

2. [Signature]
Full Name: YOLISWA TSHERE
Identity No: 9001080513087

