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## APPLICABLE PRICING SUPPLEMENT

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### EKURHULENI METROPOLITAN MUNICIPALITY

***(Established in the Republic of South Africa in terms of section 12(1) of the Local Government: Municipal Structures Act No 117 of 1998, read together with Notice No 6768 of 2000 published in Provincial Gazette Extraordinary No 141, dated 1 October 2000)***

**Issue of ZAR220,000,000 Senior Unsecured Amortising Fixed Rate Notes  
(EMM05) due 17 April May 2029  
under its ZAR8,000,000,000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated on or about 23 July 2010. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and such Programme Memorandum, the provisions of this Applicable Pricing Supplement will prevail. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted from this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement, the Programme Memorandum and the annual financial report, and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

#### DESCRIPTION OF THE NOTES

1.	Issuer	Ekurhuleni Metropolitan Municipality
2.	Status of Notes	Senior Unsecured
3.	(a) Tranche Number	2
	(b) Series Number	5

4.	Aggregate Principal Amount	ZAR220,000,000
5.	Interest/Payment Basis	Fixed Rate
6.	Form of Notes	Uncertificated Notes
7.	Automatic/Optional Conversion from one Interest/Payment Basis to another	N/A
8.	Issue Date	14 May 2014
9.	Business Centre	Johannesburg
10.	Additional Business Centre	N/A
11.	Repayment of the Principal Amount	The Principal Amount in respect of the Notes will be repaid on each Interest Payment Date in the amounts specified in Annexure A with the final instalment to be repaid on the Maturity Date
12.	Principal Amount per Note	N/A
13.	Specified Denomination	ZAR1,000,000
14.	Issue Price	102.64266 percent
15.	Interest Commencement Date	17 April 2014
16.	Commencement of Principal Payments	17 October 2014
17.	Maturity Date	17 April 2029
18.	Specified Currency	ZAR
19.	Applicable Business Day Convention	Following Business Day
20.	Calculation Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
21.	Paying Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
22.	Specified office of the Paying Agent	1 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton, 2196
23.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited

#### **FIXED RATE NOTES**

24.	(a)	Fixed Interest Rate/s	10.67 percent per annum payable semi-annually in arrears
	(b)	Interest Payment Date/s	17 April and 17 October of each year until the Maturity Date
	(c)	Initial Broken Amount	N/A
	(d)	Final Broken Amount	N/A
	(e)	Any other terms relating to the particular method of calculating interest	N/A

**FLOATING RATE NOTES**

N/A

25. (a) Interest Payment Date/s
- (b) Interest Period/s
- (c) Definitions of Business Day (if different from that set out in Condition 1)
- (d) Interest Rate/s
- (e) Minimum Interest Rate
- (f) Maximum Interest Rate
- (g) Other terms relating to the method of calculating interest (eg, Day Count Fraction, rounding up provision, if different from Condition 7.2)
26. Manner in which the Interest Rate is to be determined
27. Margin
28. If ISDA Determination
  - (a) Floating Rate
  - (b) Floating Rate Option
  - (b) Designated Maturity
  - (c) Reset Date/s
29. If Screen Determination
  - (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)
  - (b) Interest Determination Date/s
  - (c) Relevant Screen Page and Reference Code
30. If Interest Rate to be calculated otherwise than by reference to 28 or 29, insert basis for determining Interest Rate/Margin/Fall back provisions
31. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest

**PARTLY PAID NOTES**

N/A

32. Amount of each payment comprising the Issue Price
33. Date upon which each payment is to be made by Noteholder

34. Consequences (if any) of failure to make any such payment by Noteholder
35. Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments

**INSTALMENT NOTES** N/A

36. Instalment Dates
37. Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes)

**MIXED RATE NOTES** N/A

38. 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) Indexed Notes
  - (d) Other Notes

**ZERO COUPON NOTES** N/A

39. (a) Implied Yield
- (b) Reference Price
- (c) Any other formula or basis for determining amount/s payable

**INDEXED NOTES** N/A

40. (a) Type of Indexed Notes
- (b) Index/Formula by reference to which Interest Rate/Interest Amount (delete as applicable) is to be determined
- (c) Manner in which the Interest Rate/Interest Amount (delete as applicable) is to be determined
- (d) Interest Payment Date/s
- (e) Calculation Agent (if different from 20)
- (f) Provisions where calculation by reference to Index and/or Formula is impossible or impractical

**EXCHANGEABLE NOTES** N/A

41. Mandatory Exchange applicable?
42. Noteholders' Exchange Right applicable?

43. Exchange Securities
44. Manner of determining Exchange Price
45. Exchange Period
46. Other
- EXTENDIBLE NOTES** N/A
47. Last date to which Maturity Date may be extended
48. Step-up Margin
49. Requisite Notice
50. Other
51. **OTHER NOTES** N/A
- If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Extendible Notes or Exchangeable Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes
- PROVISIONS REGARDING REDEMPTION/ MATURITY**
52. Issuer's Optional Redemption: 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 9.3)
- (d) If redeemable in part:  
Minimum Redemption Amount/s  
Higher Redemption Amount/s
- (e) Other terms applicable on Redemption
53. Redemption at the option of the Noteholders: 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 9.4)	
(d)	If redeemable in part: Minimum Redemption Amount/s Higher Redemption Amount/s	
(e)	Other terms applicable on Redemption	
(f)	Attach <i>pro forma</i> put notice/s	
54.	Early Redemption Amount/s payable on redemption for taxation reasons or on Event of Default	Yes
<b>GENERAL</b>		
55.	Additional selling restrictions	N/A
56.	(a) International Securities Numbering (ISIN)	ZAG000115148
	(b) Stock Code	EMM05
57.	Financial Exchange	Interest Rate Market of the JSE Limited
58.	Method of distribution	Private placement
59.	If syndicated, names of managers	FirstRand Bank Limited, acting through its Rand Merchant Bank division; and Basis Points Capital Proprietary Limited
60.	Credit Rating assigned to Notes, the Programme and/or the Issuer as at the Issue Date (if any)	The Issuer has been assigned a credit rating of Aa3.za by Moody's Investors Service South Africa Proprietary Limited (" <b>Moody's</b> "). The Programme has been assigned a credit rating of Aa3.za by Moody's. The Notes have been assigned a credit rating of Aa3.za by Moody's, all of which may be reviewed from time to time
61.	Governing law (if the laws of South Africa are not applicable)	N/A
62.	Use of proceeds	The funds to be raised through the issue of the Notes are to be used by the Issuer for the purposes specified in section 46 of the MFMA
63.	Last Day to Register	By 17:00 on the Business Day preceding the Books Closed Period
64.	Books Closed Period	The period from and including 7 April to 16 April and 7 October to 16 October, but excluding the next Interest Payment Date of each calendar year, each being ten days prior to each Interest Payment Date and the Maturity Date, as the case may be
65.	Stabilisation Manager (if any)	N/A

66. Other provisions N/A

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

At the date of this Applicable Pricing Supplement:

67. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

68. 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.

69. Paragraph 3(5)(c)

The auditor of the Issuer is the Auditor-General.

70. Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has issued Notes with an aggregate Principal Amount of ZAR3,780,000,000 (excluding the issue of Notes contemplated in this Applicable Pricing Supplement); and
- (b) it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year.

71. Paragraph 3(5)(e)

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.

72. 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.

73. Paragraph 3(5)(g)

The Notes issued will be listed, as stated in the Applicable Pricing Supplement.

74. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for the purposes specified in section 46 of the MFMA.

75. Paragraph 3(5)(i)

The Notes are unsecured.

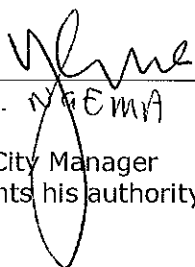
76. Paragraph 3(5)(j)


The Auditor-General, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Application is hereby made to list this issue of Notes on 14 May 2014.

**SIGNED** at SANDTON on this 12<sup>TH</sup> day of May 2014.

For and on behalf of  
**EKURHULENI METROPOLITAN MUNICIPALITY**

  
Name: K. Ntshemba  
Capacity: City Manager  
who warrants his authority hereto

  
Name: R. Ganda  
Capacity: Chief Financial Officer  
who warrants his authority hereto



**ANNEXURE A - PRINCIPAL REPAYMENT PROFILE**

<b>Principal Repayment Date</b>	<b>Principal Amount</b>
17 October 2014	R7,333,333.33
17 April 2015	R7,333,333.33
17 October 2015	R7,333,333.33
17 April 2016	R7,333,333.33
17 October 2016	R7,333,333.33
17 April 2017	R7,333,333.33
17 October 2017	R7,333,333.33
17 April 2018	R7,333,333.33
17 October 2018	R7,333,333.33
17 April 2019	R7,333,333.33
17 October 2019	R7,333,333.33
17 April 2020	R7,333,333.33
17 October 2020	R7,333,333.33
17 April 2021	R7,333,333.33
17 October 2021	R7,333,333.33
17 April 2022	R7,333,333.33
17 October 2022	R7,333,333.33
17 April 2023	R7,333,333.33
17 October 2023	R7,333,333.33
17 April 2024	R7,333,333.33
17 October 2024	R7,333,333.33
17 April 2025	R7,333,333.33
17 October 2025	R7,333,333.33
17 April 2026	R7,333,333.33
17 October 2026	R7,333,333.33
17 April 2027	R7,333,333.33
17 October 2027	R7,333,333.33
17 April 2028	R7,333,333.33
17 October 2028	R7,333,333.33
17 April 2029	R7,333,333.33