



City of Ekurhuleni

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY

Issue of ZAR 750,000,000 Instalment Notes due 18 June 2030

Under its ZAR8,000,000,000 Domestic Medium Term Note Programme

EMM08P

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum updated on or about 11 May 2020, which amends, replaces and supersedes the previous 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 shall 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.

DESCRIPTION OF THE NOTES

1.	Issuer	City of Ekurhuleni Metropolitan Municipality
2.	Status of Notes	Unsecured Senior
3.	(a) Tranche Number	1
	(b) Series Number	9
4.	Aggregate Principal Amount:	
	(a) In Tranche	ZAR750,000,000
	(b) In Series	ZAR750,000,000
5.	Notes are freely transferable and fully paid up	Yes
6.	Interest/Payment Basis	Fixed Rate

7.	Interest Payment Date(s)	Means 18 June and 18 December of each calendar year or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in the Applicable Pricing Supplement)
8.	Interest Period(s)	means 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)
9.	Interest Rate Determination Date	means 12 June 2020
10.	Form of Notes	Listed Registered Notes
11.	Automatic/Optional Conversion from one Interest/Payment Basis to another	N/A
12.	Issue Date	18 June 2020
13.	Business Centre	Johannesburg
14.	Additional Business Centre	N/A
15.	Principal Amount per Note	ZAR1,000,000
16.	Repayment of Principal Amount	The Principal Amount in respect of the Notes shall be payable in accordance with the Schedule of Amortization set out in Annexure A (<i>Amortization Schedule</i>) hereof
17.	Specified Denomination	ZAR1,000,000
18.	Issue Price	100%
19.	Interest Commencement Date	18 June 2020
20.	Maturity Date	18 June 2030; provided that the Principal Amount in respect of the Notes shall be payable in accordance with the Schedule of Amortization set out in Annexure A (<i>Amortization Schedule</i>) hereof
21.	Specified Currency	ZAR

22.	Applicable Business Day Convention	Modified Following Business Day
23.	Calculation Agent	Nedbank Limited
24.	Specified office of the Calculation Agent	Nedbank Limited 135 Rivonia Road Sandown, 2196 South Africa
25.	Paying Agent	Nedbank Limited, acting through its Nedbank Investor Services Division
26.	Specified office of the Paying Agent	Lakeview Campus 16 Constantia Boulevard Constantia Kloof Roodepoort Gauteng 1709
27.	Transfer Agent	Nedbank Limited
28.	Specified office of the Transfer Agent	Nedbank Limited 135 Rivonia Road Sandown, 2196 South Africa
29.	Settlement Agent	Nedbank Limited, acting through its Nedbank Investor Services Division
30.	Specified office of the Settlement Agent	Lakeview Campus 16 Constantia Boulevard Constantia Kloof Roodepoort Gauteng 1709
31.	Issuer Agent	Nedbank Limited
32.	Specified office of the Issuer Agent	Nedbank Limited 135 Rivonia Road Sandown, 2196 South Africa
33.	Final Redemption Amount	100% of the Aggregate Principal Amount plus interest, if any, to Maturity Date

INSTALMENT NOTES

34.	(a)	Fixed Interest Rate(s)	10.682% percent per annum payable semi-annually in arrear
	(b)	Initial Broken Amount	N/A
	(c)	Final Broken Amount	N/A
	(d)	Day Count Fraction	actual/365
	(e)	Any other terms relating to the particular method of calculating interest	N/A
35.		Instalment Dates	See Schedule of Amortization set out in Annexure A (Amortization Schedule) hereof
36.		Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes)	See Schedule of Amortization set out in Annexure A (Amortization Schedule) hereof

FLOATING RATE NOTES	N/A
PARTLY PAID NOTES	N/A
MIXED RATE NOTES	N/A
ZERO COUPON NOTES	N/A
INDEXED NOTES	N/A
EQUITY LINKED NOTES	N/A
EXCHANGEABLE NOTES	N/A
EXTENDIBLE NOTES	N/A
OTHER NOTES	N/A

PROVISIONS REGARDING REDEMPTION/MATURITY

37.	Issuer's Optional Redemption:	No
38.	Redemption at the option of the Noteholders:	No
39.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default	Yes

40. **Other terms applicable on Redemption** In respect of all Notes which will be automatically redeemed on the occurrence of a trigger event (for the purposes of this item, “**trigger event**” means an event that precipitates an automatic redemption in relation to the Notes), the early redemption date of the Notes will be a minimum of 5 (five) business days after the date on which the trigger event occurred. Such early redemption date will be announced on SENS in accordance with the timetable set out in paragraph 3 of Schedule 4, Form A4 of the JSE Debt Listings Requirements.

GENERAL

41. **Notes in issue** As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of ZAR4,766,833,332.00 under the Programme.
- The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount.
42. Additional selling restrictions N/A
43. (a) International Securities Identification Number (ISIN) ZAG000168816
- (b) Bond Code EMM08P
44. Financial Exchange JSE Limited
45. Exchange Control Approval N/A
46. If syndicated, names of managers N/A
47. 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 “Aa1.za” long-term and “P1.za” short-term assigned on 20 March 2020
48. Governing law (if the laws of South Africa are not applicable) N/A
49. 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 sections 45 and 46 of the MFMA

50.	Last Day to Register	By 17h00 7 June and 7 December each year, or if such day is not a business day, the business day before each books closed period;
51.	Books Closed Period	The Register will be closed from 8 June to 17 June and from 8 December to 17 December (all dates inclusive) in each year until the Maturity Date
52.	Stabilisation Manager (if any)	N/A
53.	Date of rating review	20 March 2020, to be reviewed and updated annually
54.	Rating Agency	Moody's Investor Service South Africa (Proprietary) Limited
55.	Value of Aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date	As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of ZAR 4,766,833,332.00 under the Programme. The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount. The authorised amount has not been exceeded.
56.	Material Change Statement	The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest audited annual financial statements for the twelve months ended 30 June 2019. This statement has not been confirmed nor verified by the auditors of the Issuer, the Auditor General.
57.	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:

58. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

59. 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.

60. Paragraph 3(5)(c)

The auditors of the Issuer is the Auditor General.

61. Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has issued ZAR 4,766,833,332.00 (exclusive of this issue of Notes) Commercial Paper (as defined in the Commercial Paper Regulations); and
- (b) it is anticipated that the Issuer will issue additional Notes during the remainder of its current financial year in an aggregate amount not exceeding ZAR500,000,000.00.

62. 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.

63. 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.

64. Paragraph 3(5)(g)

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

65. a 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 sections 45 and 46 of the MFMA.

65. b Paragraph 3(5)(i)

The Notes are unsecured.

66. Paragraph 3(5)(i)

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.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the pricing supplement contains all information required by law and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum and the annual financial statements and the pricing supplements and the annual report of the Issuer and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum and the annual financial statements and/or the pricing supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum and the annual financial statements and/or the pricing supplements and/or the annual report of the Issuer and 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 the Programme Memorandum and listing of the Notes 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 law, the JSE will not be liable for any claim whatsoever.

Application is hereby made to list this issue of Notes on 18 June 2020.

SIGNED at Germiston this 15 day of June 2020.

For and on behalf of:

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY

Name:



Kagiso Lerutla

Capacity

Group Chief Financial Officer

who warrants his/her authority hereto

Name:



Dr M I Mashazi

Capacity

City Manager

who warrants his/her authority hereto

ANNEXURE A – AMORTIZATION SCHEDULE

	Principal Repayment Date	Principal Amount (R)
1.	18 December 2020	37,500,000
2.	18 June 2021	37,500,000
3.	18 December 2021	37,500,000
4.	18 June 2022	37,500,000
5.	18 December 2022	37,500,000
6.	18 June 2023	37,500,000
7.	18 December 2023	37,500,000
8.	18 June 2024	37,500,000
9.	18 December 2024	37,500,000
10.	18 June 2025	37,500,000
11.	18 December 2025	37,500,000
12.	18 June 2026	37,500,000
13.	18 December 2026	37,500,000
14.	18 June 2027	37,500,000
15.	18 December 2027	37,500,000
16.	18 June 2028	37,500,000
17.	18 December 2028	37,500,000
18.	18 June 2029	37,500,000
19.	18 December 2029	37,500,000
20.	18 June 2030	37,500,000