APPENDIX 12

FORM OF PREFERRED BIDDER GUARANTEE

[To be submitted on the letterhead of the issuing institution]

By: [**insert name of issuer of the Preferred Bidder Guarantee**]

In favour of: The Stellenbosch Municipality

Terms with initial capital letters, unless otherwise defined herein, have the meanings given to them in the RFP.

WHEREAS the Stellenbosch Municipality has issued a Request for Proposals for the appointment of Independent Power Producers under the Stellenbosch Municipal Independent Power Producer Procurement Programme ("**STMIPPPP**"), Tender No: BSM 89/25 ("**RFP**") for the establishment of new generation capacity from two Technologies: Solar PV and BESS and for the purpose of entering into, *inter alia*, Power Purchase Agreements with the Stellenbosch Municipality as Buyer.

AND WHEREAS pursuant to the RFP, the Stellenbosch Municipality has selected ***[insert the names of ALL Members of the Preferred Bidder consortium, or if the Bidder is a Project Company, the name of the Project Company]*** (**"Preferred Bidder"**) as a Preferred Bidder in STMIPPPP;

AND WHEREAS the Stellenbosch Municipality requires the Preferred Bidder to provide an on demand guarantee in favour of the Stellenbosch Municipality in an amount equal to R50 000 (fifty thousand Rand) per MW ("**Guarantee Amount**") of the Contracted Capacity of the proposed Facility for the Project in respect of which that Bidder has been appointed Preferred Bidder, to secure certain undertakings or obligations of the Preferred Bidder, as provided for in clause 10.2 (*Preferred Bidder Guarantee*) of the RFP;

AND WHEREAS we, **[*insert name of guarantor institution*]** ("**Bank / [Insurer *(substitute throughout if applicable)*]**") have agreed to issue this guarantee to secure such undertakings and obligations of the Preferred Bidder **("Preferred Bidder Guarantee")**.

NOW THEREFORE:

1. The Bank, duly represented by _____ being duly authorised to sign this Preferred Bidder Guarantee, hereby irrevocably and unconditionally guarantees and as a primary obligation undertakes to pay the Stellenbosch Municipality without objection or argument amounts not exceeding in aggregate the Guarantee Amount, such payment(s) to be made by the Bank upon first written demand by the Stellenbosch Municipality being received at the Bank's counter, situated at **[●]**, attention **[●]**, declaring that:

1.1 the Preferred Bidder is in breach of any law relating to the STMIPPPP;

1.2 the Preferred Bidder fails to comply timeously with a request for information and or documentation issued by the Stellenbosch Municipality, as contemplated in the RFP or in the letter of appointment as Preferred Bidder;

1.3 the Preferred Bidder:

1.3.1 fails to comply timeously with any conditions contained in the letter of appointment as Preferred Bidder;

1.3.2 fails to obtain confirmation of a grid capacity allocation from the relevant Grid Provider, within the time-period stipulated in the letter of appointment as Preferred Bidder;

1.3.3 fails to provide the Stellenbosch Municipality with such Project-specific information as is required in order to finalise the drafting of the PPA, Direct Agreement and the Distribution Agreement/s;

1.3.4 fails to sign the PPA, Direct Agreement and the Distribution Agreement/s within the time-period and on the terms and conditions provided for in this RFP, as such time-periods and terms and conditions may be amended by the Stellenbosch Municipality in its sole discretion having regard to all relevant circumstances;

1.3.5 fails to extend the term of the Preferred Bidder Guarantee as required by the Stellenbosch Municipality in accordance with the RFP;

1.3.6 withdraws its Project from the STMIPPPP or forfeits its Preferred Bidder status; or

1.3.7 is notified by the Stellenbosch Municipality that its status as Preferred Bidder has been revoked for any reason; or

1.4 the Preferred Bidder, having signed the PPA, Direct Agreement and the Distribution Agreement/s:

1.4.1 fails to reach Financial Close on or before the last date stipulated for Financial Close in this RFP, as such date may be amended by the letter of appointment as Preferred Bidder, or as provided for in the PPA; or

1.4.2 fails to comply with the requirements of any information or documentation request, or of any protocol, issued by the Stellenbosch Municipality in relation to Financial Close.

2. More than one demand may be made under this Preferred Bidder Guarantee, provided that the aggregate amount payable shall not exceed the Guarantee Amount.

3. Payment of the amounts so demanded will be made without set-off or deduction to the following account, or such other account as the Stellenbosch Municipality may notify the Bank in writing:

   Bank: [insert]

   Account Name: [insert]

   Account Type: [insert]

   Account Number: [insert]

   Branch Name: [insert]

   Branch code: [insert]

   SWIFT Code: [insert]

4. This Preferred Bidder Guarantee shall be valid and effective from the date of its issue until [TBC].

5. The Preferred Bidder Guarantee shall remain valid during the period described above notwithstanding the Preferred Bidder's insolvency, winding-up, liquidation, business rescue, dissolution or deregistration, whether provisionally or finally.

6. Notwithstanding the above provisions, this Preferred Bidder Guarantee shall terminate and be returned to the Bank within fifteen (15) Business Days of payment of an amount or amounts which, in aggregate, equal the Guarantee Amount, or of expiry of the Preferred Bidder Guarantee as set out above.

7. This Preferred Bidder Guarantee shall be governed by the laws of the Republic of South Africa, and the parties hereto consent and submit for the benefit of the Stellenbosch Municipality to the non-exclusive jurisdiction of the Western Cape Division of the High Court of South Africa.

_____ _____

Signature of Representative
Date:_____

Signature of Representative
Date:_____