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Tel: 086 111 6699

03 August 2022

Dear Client,

NOTIFICATION: City of Cape Town Contract - Kraaifontein Material Recovery

WastePlan has successfully operated the Material Recovery Facility in Kraaifontein for several years in accordance with a Tender that had been awarded to our company by the City of Cape Town. The contractual period of the tender terminated in December 2021 and was extended by The City of Cape Town, on a month-by-month basis, since that date.

In June 2022 we gave notice to the City of Cape Town that we would terminate the provision of the month-by-month service on 31 July 2022. This was necessary, as the terms of contract extension were restricted to those contained in the historical contract, and could not provide for post-contractual market changes, which included significant increases in the cost of fuel, amongst others.

We have been informed that a new Tender for the operation of the Material Recovery Facility is to be published by the City of Cape Town in the near future, and it is our intention to submit a bid for the provision of this service.

It must be noted that the operation of the Kraaifontein Material Recovery Facility, which was conducted to serve the Domestic sector over the past years, has been structured and resourced as a completely separate activity to the waste management services which we provide to our Commercial and Industrial clients.

Regardless of whether or not we are successful in being awarded the new contract, in due course, to operate the Kraaifontein Material Recovery Facility, our ability to continue to provide waste management services to our clients in the Commercial and Industrial sectors, is not affected or impacted in any manner whatsoever.

Yours Sincerely,

A handwritten signature in black ink, appearing to be "L. Van Zyl", written over a horizontal dashed line.

L. Van Zyl

General Manager