



ESKOM

Prospectus
R 20 000 000 000 Registered Stock
Loan No. 170

SUMMARY OF TERMS

Issue Price R24,99178

Issue of Loan

This is not an invitation to subscribe to the issue. The loan or parts thereof will be issued as and when required by Eskom at appropriate yields to maturity. Issue will commence on 1 July 1992 for settlement on or after 9 July 1992.

Amount

Subject to the provisions of the Eskom Act, No 40 of 1987, as amended, Eskom may decide to increase the amount of the loan at any time prior to the redemption date by creating and issuing additional stock.

Rate of interest (per annum)

13.5%

Period

28 years

Redemption date

One third of amount issued on 1 August 2019, 1 August 2020 and 1 August 2021

Interest Payable

Semi-annually in arrears on 1 February and 1 August with the first payment on 1 February 1993.

Blocked and financial rand

Blocked and financial rand may be used to purchase this stock subject to the provisions of paragraph 3 of the terms and conditions of this prospectus.

Purpose of the issue

To finance Eskom's normal business activities.

ESKOM CONTROL AND MANAGEMENT

Eskom has, under the Eskom Act of 4 September 1987 (Act No 40 of 1987) as amended, a two-tier control and management structure comprising the Electricity Council and Management Board. Members of the Electricity Council are appointed by the Minister for Public Enterprises and represent the interests of the electricity supply industry, consumers and the government.

The Electricity Council consists of the following members:

Dr J B Maree, Chairman

Dr J W L de Villiers, Independent expert. Chairman of the Atomic Energy Corporation.

A B Dickman, representing the SA Chamber of Business Standing Committee on Energy and Water Affairs.

Prof D Konar, Independent expert and Associate Professor of Accountancy at University of Durban Westville.

Prof I J Lambrechts, representing the Afrikaanse Handelsinstituut. Professor of Business economics at the University of Stellenbosch.

B J Lessing, representing the state transportation enterprise, Spoornet. Deputy General Manager of Transnet.

F J Malan, representing the South African Agricultural Union, wine farmer.

Dr I C McRae, Chief Executive of Eskom.

A A Sealey, representing the Chamber of Mines. Deputy Chairman of Rand Mines Limited and Chairman of the Coal and Base Minerals Divisions of Rand Mines Limited.

G P Croeser, representing the Department of Finance. Director General of the Department of Finance. (Alternate Dr V E Solomon - Chief Director, Monetary Affairs).

Prof H C Viljoen, Independent expert. Dean of the Faculty of Engineering at the University of Stellenbosch and Chairman of the South African Broadcasting Corporation Control Board.

R C Webb, Independent expert.

A S Nkonyeni, Independent expert. Executive chairman of the NGA group of companies, Vice chairman of The African Bank Limited and Deputy President of NAFCOG.

Prof J L Weyers, Independent expert. Vice-principal (Planning) of University of South Africa.

Prof C R Dlamini, Independent expert, Registrar (Academic), University of Zululand.

J A Loubser, representing the Association of Municipal Electricity Undertakings.

D B Mostert, representing Steel and Engineering Federation of South Africa.

A board known as the Management Board manages the affairs of Eskom. The members are appointed by the Electricity Council.

The Management Board is at present composed of the following members:

| | |
|-------------------|--|
| I C McRae | Chief Executive and Chairman of the Management Board |
| B T Crookes | Executive Director (Transmission) |
| M L Davis | Executive Director (Finance and Services) |
| R A Forbes | Executive Director (Sales and Customer Services) |
| A J Ham | Executive Director (Technology) |
| G F Lindeque | Executive Director (Human Resources) |
| L J Messerschmidt | Executive Director (Change Project) |
| A J Morgan | Executive Director (Marketing and Electrification) |
| P M Semark | Executive Director (Corporate Affairs) |
| J P van den Bergh | Executive Director (Generation) |

TERMS AND CONDITIONS OF THE ISSUE

1. Amount

The total nominal amount of the issue is R 20 000 million.

The full terms and conditions of Loan No. 170 is contained in this prospectus. Eskom may decide to increase the amount of Loan No. 170 at any time prior to the redemption date by creating and issuing additional stock. Such stock will be issued in terms of the provisions of this prospectus subject to an issue price to be negotiated (determined by taking into account appropriate yields to maturity).

2. Issue

Loan No. 170 will be issued at appropriate yields to maturity and in such quantity as Eskom deems appropriate on the basis that a full semi-annually coupon will be paid to registered holders as at 1 February and 1 August of each year, until maturity date. The issue will commence on 1 July 1992 for value on or after 9 July 1992.

3. Payment

3.1 Full payment of the stock as issued will be required on the agreed settlement date and per the agreed consideration calculated as per 2 above.

3.2 Blocked rand and financial rand

3.2.1 In terms of the South African exchange control regulations a non-resident of the Republic of South Africa, Namibia, Bophuthatswana, Ciskei, Transkei, Venda, the Kingdoms of Swaziland and Lesotho, and the port and settlement of Walvis Bay ("the common monetary area") may use financial rand in order to obtain stock and emigrants from the common monetary area may use blocked rand.

- 3.2.2 Stock certificates issued pursuant to blocked or financial rand purchases will be endorsed in terms of South African exchange control regulations and in the case of blocked rand, purchases will be placed under the control of the authorised dealer through which payment was made and will reflect the registered address as being that of the authorised dealer.

All interest payable on the stock acquired with blocked funds will only be paid to the authorised dealer under whose physical control of the stock resorts.

A purchaser who is not resident in the common monetary area should obtain advice as to whether any government and/or other legal consent is required and/or whether any other formality must be observed to enable a purchase to be made in terms of this agreement.

- 3.2.3 All payments in respect of purchases of stock by emigrants or non-residents, using blocked or financial rand must be made through an authorised dealer in foreign exchange.
- 3.2.4 On redemption, payment to the emigrants will be made in blocked financial rand to the authorised dealer through which the purchase was made. Non-resident stockholders will be repaid in financial rand.

4. Registration and transfer of stock

A register of stockholders will be kept by Eskom at its head office and the stock will be transferable by deed, free of registration charges, in amounts of R1 or multiples thereof. No transfer will be accepted until the relevant stock has been paid for in full.

In order to determine which stockholder will be entitled to interest for the respective half-year, the transfer registers will be closed as follows:

from 1 January to 1 February
from 1 July to 1 August

5. Interest

- 5.1 Interest at the rate applicable to the loan given below will be paid in arrears until the date of maturity.

| Interest date | Rate of interest (per annum) |
|---------------------|---------------------------------|
| 1 February/1 August | 13.5% |

- 5.2 The first payment of interest on Loan No 170 will be made on 1 February 1993.

- 5.3 Method of payment

- 5.3.1 Resident stockholders

Interest will be paid using available electronic banking facilities and will be credited to the registered stockholder's bank account on the interest payment date. Where this is not possible the stockholder consents to interest cheques being posted to the registered address. These interest cheques, post-dated to the interest payment date, payable in the South African monetary area and which are payable to South African residents, will be posted to the registered address of the stockholders at the address recorded by Eskom, a few days before the relevant interest payment date. Instructions to the contrary must be received by Eskom in writing at least 30 days prior to the relevant date of payment. Where there are joint stockholders, cheques will be posted to the registered address of the first named.

- 5.3.2 Non-resident stockholders

Payments to non-resident stockholders will be made as per Clause 3.2.

6. Repayment of principal

6.1 The principal of the loan will be repaid at par in the South African monetary area, at the Head Office of Eskom, in the currency of the Republic of South Africa, against surrender of the relevant stock certificates at that office. The repayment of the principal will be in equal amounts on the following dates:

1 August 2019
1 August 2020
1 August 2021

On 1 August 2019, one third of the principal of this loan will be redeemed. For the remaining two-thirds, stock will be issued at an interest rate of 13.5%, which will be redeemed in equal amounts on 1 August 2020 and 1 August 2021 respectively.

6.2 Method of Payment

Repayment will take place as per Clause 5.3, provided that the relevant stock certificates have been received at the Eskom Head Office prior to the repayment date.

7. Security

In accordance with the provisions of the Eskom Act, the stock now issued will rank pari passu with all existing loans, and together with interest due or to become due in respect thereof, will have a first charge on all the revenues and assets of Eskom and on all monies recovered or to be recovered.

8. Stock Exchange Listing

Application will be made to The Johannesburg Stock Exchange for a listing of the stock as each portion of the stock is issued in accordance with Clause 2 and is fully paid.

9. Additional copies of this document are available from:

The Financing Manager
Eskom
Megawatt Park
Maxwell Drive
Sandton
2199

Postal address:
P O Box 1091
Johannesburg
2000

Attention : D S McDonald