

# The recommended revised form of replacement screen rate clause and users guide for use in the South African market

prepared by

**The Loan Market Association (LMA)**



SOUTH AFRICAN RESERVE BANK



## **Foreword**

The South African Reserve Bank formed the Market Practitioners Group (“**MPG**”) and its workstreams to manage the process of adoption and transition to new interest rate benchmarks. This includes the transition from JIBAR and the adoption of ZARONIA as the preferred alternative risk-free reference rate.

This document is of relevance to syndicated loan market participants who are transacting new loan contracts referencing JIBAR.

The clause and the users guide that follow were published on the Loan Market Association’s (the “**LMA**”) website for members of the LMA. The MPG has agreed with the LMA to make this document available more widely given it supports the MPG in its objective of an orderly transition towards ZARONIA.

The intention of the clause is to provide for new syndicated loan contracts to include the facility for discretionary transition, at some point in the future, away from the use of JIBAR and towards ZARONIA.

The clause was drafted for inclusion in the LMA's recommended forms of facility agreements for use in the South African investment grade market. It therefore uses terms defined in those agreements. It would need to be adapted in an appropriate manner if it were to be used in conjunction with other forms of loan or facility agreement.

## **Disclaimer**

*Whilst every effort has been taken in the preparation of the clause that follows (the "**SA Revised Replacement of Screen Rate Clause**"), no representation or warranty is given by the LMA, Webber Wentzel or any member of the MPG:*

- *as to the suitability of the SA Revised Replacement of Screen Rate Clause for inclusion in agreements which are not based on any of the forms produced by the LMA;<sup>1</sup>*
- *as to the suitability of the SA Revised Replacement of Screen Rate Clause for any particular transaction or purpose;*
- *that the SA Revised Replacement of Screen Rate Clause will cover any eventuality;*
- *as to the accuracy or completeness of the contents of the SA Revised Replacement of Screen Rate Clause;*
- *as to the relevance and suitability of the contents of the accompanying user guide (the "**Users Guide**") for any reader who is not a member of the LMA.*

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- *undertake to maintain the availability of or make available publicly any update to the SA Revised Replacement of Screen Rate Clause or Users Guide;*
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*For the avoidance of doubt, the SA Revised Replacement of Screen Rate Clause is in a non-binding recommended form. Its intention is to be used as a starting point for negotiation only. Individual parties are free to depart from its terms and should always satisfy themselves of the regulatory implications of its use.*

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<sup>1</sup> Note that the SA Revised Replacement of Screen Rate Clause was produced in the context of the LMA's recommended forms of facility agreements for use in the South African investment grade market.

For the avoidance of doubt, this Users Guide, the SA Revised Replacement of Screen Rate Clause and the South African Documents are in a non-binding, recommended form. Their intention is to be used as a starting point for negotiation only. Individual parties are free to depart from their terms and should always satisfy themselves of the regulatory implications of their use.



**THE RECOMMENDED REVISED FORM OF REPLACEMENT SCREEN  
RATE CLAUSE AND USERS GUIDE FOR USE IN THE SOUTH AFRICAN  
MARKET**

8 NOVEMBER 2023

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## IMPORTANT NOTICE

- This Users Guide has been prepared for the Loan Market Association ("**LMA**") in connection with the revised recommended form of replacement of screen rate clause for the LMA's South African law documents (the "**SA Revised Replacement of Screen Rate Clause**"). Whilst every care has been taken in the preparation of this Users Guide and the SA Revised Replacement of Screen Rate Clause, no representation or warranty is given by the LMA or Webber Wentzel:
  - as to the suitability of the SA Revised Replacement of Screen Rate Clause for any particular transaction
  - that the SA Revised Replacement of Screen Rate Clause will cover any eventuality
  - as to the accuracy or completeness of the contents of this Users Guide.
- Neither the LMA nor Webber Wentzel are liable for any losses suffered by any person as a result of any contract incorporating the SA Revised Replacement of Screen Rate Clause or which may arise from the presence of any errors or omissions in this Users Guide or the SA Revised Replacement of Screen Rate Clause and no proceedings shall be taken by any person in relation to such losses.
- For the avoidance of doubt, this Users Guide and the SA Revised Replacement of Screen Rate Clause are in a non-binding, recommended form. Their intention is to be used as a starting point for negotiation only. Individual parties are free to depart from their terms and should always satisfy themselves of the regulatory implications of their use.

## INTRODUCTION AND SCOPE

- This Users Guide provides a revised form of replacement of screen rate clause (the "**SA Revised Replacement of Screen Rate Clause**") for users of the the LMA's recommended forms of facility agreements for use in the South African market (the "**South African Documents**"). It is designed to replace Clause 34.3 (*Replacement of Screen Rate*) in the South African Documents.
- This Users Guide is divided into the following sections:
  - Section 1 contains an introduction to the SA Revised Replacement of Screen Rate Clause.
  - Section 2 contains a form of SA Revised Replacement of Screen Rate Clause for use in conjunction with the South African Documents.
  - Section 3 contains a supplement for use in conjunction with the form of SA Revised Replacement of Screen Rate Clause.
- The extent to which the SA Revised Replacement of Screen Rate Clause is or is not included on any specific transaction is a commercial matter for users and is likely to be dependent on the size and composition of the Lender group. **The LMA makes no recommendation as to the extent to which the SA Revised Replacement of Screen Rate Clause is or is not used on any particular transaction.**

**SECTION 1**  
**INTRODUCTION TO THE SA REVISED REPLACEMENT OF SCREEN RATE**  
**CLAUSE**

**1. INTRODUCTION**

**1.1 Background**

- (a) In 2019, the South African Reserve Bank (“**SARB**”) formed the Market Practitioners Group (“**MPG**”) to manage the process of adoption and transition from JIBAR to a new overnight interest rate, the South African Overnight Index Average (“**ZARONIA**”). The exact date for the discontinuation of JIBAR will be determined and communicated soon after ZARONIA becomes available for use.
- (b) Whilst the financial markets are in the process of considering the conventions for ZARONIA to reference in new loans, it is difficult to specify drafting for such rate. Therefore parties are looking to include additional flexibility to make the process of amending documents at the appropriate time in the future easier.

**1.2 The SA Revised Replacement of Screen Rate Clause**

- (a) Since November 2014, LMA documentation (including the South African Documents) have included an optional "replacement of screen rate" clause. This clause qualifies the "All Lender matters" clause by providing that if a Screen Rate is unavailable any amendment replacing that Screen Rate may be made with Majority Lender and Obligor consent. The South African Documents also contain a further optional provision which disenfranchises any Lender that fails to respond within a specified time-frame to a request to such an amendment.
- (b) In order to facilitate further flexibility, a revised replacement of screen rate clause was developed in 2018 in conjunction with members of the LMA and the Association of Corporate Treasurers (including lenders, borrowers and major law firms).
- (c) This Users Guide provides a revised form of replacement of screen rate clause (the "**SA Revised Replacement of Screen Rate Clause**") based on the 2018 revised replacement of screen rate clause (as updated) for users of the South African Documents.
- (d) The SA Revised Replacement of Screen Rate Clause permits amendments to be made to documents with a lower consent threshold than may otherwise be required in a wider range of circumstances than the existing clause in the South African Documents. The main purpose of the clause is to provide the Parties with greater flexibility to make amendments.
- (e) Users should consider the consent level that is appropriate in the context of the lending group. Whilst Majority Lender consent may be appropriate, in some circumstances and given the nature of the amendments which may need a consideration of the pricing implications, a higher threshold may be considered.



### 1.3 Interaction with the MPG sample clause

- (a) The LMA understands that the legal workstream of the MPG worked on a sample “replacement of screen rate clause” for loan agreements (the “**MPG sample clause**”). This was designed for reference purposes only and was not intended to replace LMA documents. The LMA understands that the MPG sample clause was not publicly published, although was made available to members of the MPG.
- (b) Whilst the MPG sample clause has similarities to the LMA’s revised replacement of screen rate clause, the MPG sample clause was not produced with any input from, and is not endorsed by, the LMA.
- (c) The SA Revised Replacement of Screen Rate Clause has been developed based on the LMA’s 2018 revised replacement of screen rate clause (as updated), but with regard to the MPG sample clause. Any differences have been highlighted within the footnotes for information. Some of these differences relate to the bilateral nature of the MPG sample clause and also certain sub-clauses of that clause being covered elsewhere in the LMA’s 2018 revised replacement of screen rate clause.
- (d) The SA Revised Replacement of Screen Rate Clause has been made publicly available on the MPG website and endorsed by the MPG in place of the MPG sample clause.

**SECTION 2**  
**FORM OF SA REVISED REPLACEMENT OF SCREEN RATE CLAUSE FOR**  
**USE IN CONJUNCTION WITH THE SOUTH AFRICAN DOCUMENTS**

**1. INTRODUCTION**

This Section contains a form of SA Revised Replacement of Screen Rate Clause for use in conjunction with the South African Documents, and instructions on how to insert the SA Revised Replacement of Screen Rate Clause into the South African Documents.

**2. ADDING THE SA REVISED REPLACEMENT OF SCREEN RATE CLAUSE TO THE SOUTH AFRICAN DOCUMENTS**

The SA Revised Replacement of Screen Rate Clause has been drafted so that the provisions are contained in a single clause that can simply be inserted into the South African Documents.

**2.1 Amendments to the South African Documents**

- (a) Delete Clause 34.3 (*Replacement of Screen Rate*) and substitute with the text overleaf.

### 34.3 *[Replacement of Screen Rate*<sup>2</sup>

- (a) *Subject to Clause 34.2(b) (Exceptions)*<sup>3</sup> <sup>4</sup>, *[if a Screen Rate Replacement Event has occurred in relation to any Screen Rate for ZAR,]*<sup>5</sup> *any amendment or waiver which relates to:*
- (i) *providing for the use of a Replacement Benchmark [in relation to ZAR in place of that*<sup>6</sup> *Screen Rate]*<sup>7</sup>; and
- (ii)
- (A) *aligning any provision of any Finance Document to the use of that Replacement Benchmark;*
- (B) *enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);*
- (C) *implementing market conventions applicable to that Replacement Benchmark;*
- (D) *providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or*

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<sup>2</sup> Users should consider this language in the context of similar provisions for related transactions in other markets (for example, related hedging transactions) and amend as necessary to ensure that they co-exist without inconsistency. In the South African Documents, "Screen Rate" is a defined term which sets out, in relation to JIBAR, the screen or other public source on which the rate can be found.

<sup>3</sup> Clause 34.2(b) (*Exceptions*) (or equivalent) of the South African Documents provides that an amendment or waiver which may affect the rights or obligations of an administrative party (such as the Agent or Arranger) cannot be made without the consent of that party.

<sup>4</sup> The existing form of replacement of screen rate clause in the South African Documents includes this proviso. Users should note that the MPG sample clause excluded this proviso due to the bilateral nature of that clause.

<sup>5</sup> Users are advised that the MPG sample clause included a requirement that the parties "*shall enter into negotiations in good faith*" and an open-ended timeline by which such negotiations should be concluded, which creates an obligation on the parties to enter into such negotiations upon the occurrence of a Screen Rate Replacement Event. To the extent that the SARB has not yet published a date by which JIBAR will no longer be available, users should consider whether it is appropriate to create an obligation to enter into negotiations. Users are also cautioned that use of the phrase "good faith" has a particular meaning under South African contractual law and users should consider the potential implications of inclusion of such, to the extent necessary.

To the extent that the SARB has published a date by which JIBAR will no longer be available, parties should consider including an obligation to enter into and conclude negotiations before that published date. Section 3 of this Users Guide contains supplemental language which can be used for this purpose.

<sup>6</sup> Users should consider whether there might be situations in which parties may want flexibility to retain the ability to use either the existing Screen Rate or the Replacement Benchmark on transactions. If this is the case, delete "*that*" and substitute "*(or in addition to) the affected*" here.

<sup>7</sup> Users should include if it is appropriate that the provisions of this clause operate upon the occurrence of a trigger event.

(E) *adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),*

*may be made with the consent of the Agent (acting on the instructions of the [Majority Lenders]<sup>8</sup>) and the Obligors.*

(b) *[If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within [ ]<sup>9</sup> Business Days (or such longer time period in relation to any request which the Company and the Agent may agree) of that request being made:*

(i) *its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the relevant Facility/ies when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and*

(ii) *its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.]]<sup>10</sup>*

(c) *In this Clause 34.3:*

*"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them [or the Financial Stability Board].<sup>11</sup>*

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<sup>8</sup> Users should insert the consent level that is appropriate in the context of the composition of the lending group ("Majority Lenders" is defined in the South African Documents as, in short, Lenders representing [66%] of the total commitments).

Users should note that the MPG sample clause provided for consent of the parties, which inferred all Lender consent. This was due to the bilateral nature of that clause whereas this Clause is intended to provide parties in a syndicated loan context with greater flexibility.

<sup>9</sup> Users should include a time period here that reflects the time which it will take Lenders to consider and respond to the request.

<sup>10</sup> This provision is already included in the existing form of replacement of screen rate clause in the South African Documents. Users should note that this provision was not included in the MPG sample clause due to the bilateral nature of that clause.

<sup>11</sup> The Financial Stability Board ("FSB") in 2013 established an Official Sector Steering Group ("OSSG"), which comprises senior officials from central banks and regulatory authorities. The FSB, through the OSSG, has worked to coordinate action at the international level to support the transition away to more robust benchmarks. In 2016, the OSSG requested ISDA to work on strengthening contractual fallbacks in derivatives. This work included determination of spread adjustments (which were also subsequently adopted in cash products). It is in this respect (in particular see paragraph (a)(ii)(E) above) and in light of working groups / committees established at the request of the FSB in relation to IBOR transition that a reference to the FSB is

**"Replacement Benchmark"** means [ ]<sup>12</sup>/[a benchmark rate which is:

- (a) *formally designated, nominated or recommended as the replacement for a Screen Rate by:*
  - (i) *the administrator of that Screen Rate [(provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate)]<sup>13</sup>; or*
  - (ii) *any Relevant Nominating Body,*  
*and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (ii)<sup>14</sup> above;*
- (b) *in the opinion of the [Majority Lenders]<sup>15</sup> and the Obligors, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or*
- (c) *in the opinion of the [Majority Lenders]<sup>16</sup> and the Obligors, an appropriate successor to a Screen Rate.]*

<sup>17</sup>**"Screen Rate Replacement Event"** means, in relation to a Screen Rate:

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included here. Users to consider whether to include in respect of JIBAR transition and consider the relevance of ISDA spread adjustments in this context. It is noted that the reference to the FSB was not included in the MPG sample clause.

<sup>12</sup> Insert details of any specified pre-agreed replacement benchmark.

<sup>13</sup> Users are advised that the MPG sample clause did not include the proviso in square brackets. This was included in the LMA's 2018 revised replacement of screen rate clause and is included here as a protection for parties against being moved to a fundamentally different replacement Screen Rate which has not been recommended by a Relevant Nominating Body.

<sup>14</sup> Users are advised that the MPG sample clause defaulted to the replacement rate contemplated under paragraph (a) above. This appeared to be an error in the cross-referencing and the LMA recommends defaulting to paragraph (ii).

<sup>15</sup> Users should insert the consent level that is appropriate in the context of the composition of the lending group. Note that the MPG sample clause referenced "the parties", which inferred an all Lender approach. This was due to the bilateral nature of that clause whereas this Clause is intended to provide parties in a syndicated loan context with greater flexibility.

<sup>16</sup> Users should insert the consent level that is appropriate in the context of the composition of the lending group. Note that the MPG sample clause referenced "the parties", which inferred an all Lender approach. This was due to the bilateral nature of that clause whereas this Clause is intended to provide parties in a syndicated loan context with greater flexibility.

<sup>17</sup> Users are advised that the MPG sample clause also includes a definition of "Screen Rate" and "JIBAR", being the original definitions of Screen Rate and JIBAR in the applicable loan agreement. This may be appropriate for inclusion where this clause is included as a separate side letter. However, it is not required where this clause is included in the relevant loan agreement.

(a) *the methodology, formula or other means of determining that Screen Rate has[, in the opinion of the [Majority Lenders],<sup>18</sup> and the Obligors] materially changed;*

(b)

<sup>19</sup>

(i)

(A) *the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or*

(B) *information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,*

*provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;*

(ii) *the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;*

(iii) *the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued;*

(iv) *the administrator of that Screen Rate or its supervisor [or any relevant regulatory or legislative authority] announces that that Screen Rate may no longer be used;<sup>20</sup> or*

(v) *the supervisor of the administrator of that Screen Rate makes a public announcement or publishes information stating that that Screen Rate is*

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<sup>18</sup> Users should insert the consent level that is appropriate in the context of the composition of the lending group. Note that the MPG sample clause referenced "the parties", which inferred an all Lender approach. This was due to the bilateral nature of that clause whereas this Clause is intended to provide parties in a syndicated loan context with greater flexibility.

<sup>19</sup> Users are advised that the MPG sample clause contained an additional limb providing for a trigger where: "*a public statement or publication of information by the regulatory supervisor or competent authority of the administrator of the Screen Rate, an insolvency official with jurisdiction over the administrator for the Screen Rate, an authority with jurisdiction over the administrator for the Screen Rate or a court or an entity with similar insolvency or authority over the administrator for the Screen Rate is made or issued which states that the administrator of the Screen Rate has ceased or will cease to provide the Screen Rate (for any tenor) permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;*". This has not been included in this Clause as the various elements of this provision are included in paragraph (b).

<sup>20</sup> Users are advised that the MPG sample clause contained an additional limb providing for a trigger where: "*the Screen Rate ceases to be permitted to be used as a benchmark or reference rate or will be prohibited from being used or its use will be subject to restrictions or adverse consequences*". This has not been included in this Clause given the effect of paragraph (b)(iv) above and paragraph (e) below. Note that the wording in square brackets is a change from the LMA's 2018 revised replacement of screen rate clause and is designed to cover announcements from a relevant authority other than the administrator or its supervisor.

*no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor);<sup>21</sup>*

- (c) *[the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and [either:]*
  - (i) *the circumstance(s) or event(s) leading to such determination are not (in the opinion of the [Majority Lenders] and the Obligors) <sup>22</sup> temporary]; or*
  - (ii) *the Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than [     ];]<sup>23</sup>*
- (d) *[any Relevant Nominating Body formally designates, nominates or recommends a replacement for a Screen Rate [which has become available for general use];]<sup>24</sup> or*
- (e) *[in the opinion of the [Majority Lenders]<sup>25</sup> and the Obligors, that Screen Rate is otherwise no longer appropriate<sup>26</sup> for the purposes of calculating interest under this Agreement.]]*

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<sup>21</sup> Users are advised that this provision was included as a standalone sub-clause in the MPG sample clause. This Clause includes this provision within paragraph (b).

<sup>22</sup> Users are advised that the MPG sample clause limited this to the Lender. The LMA's 2018 revised replacement of screen rate clause was developed in conjunction with lenders and borrowers and it was determined that the most balanced position would be for the borrower to also be involved in determining whether the circumstances are temporary.

<sup>23</sup> Users are advised that this was not included in the MPG sample clause. It has been included in this Clause (and was included in the LMA's 2018 revised replacement of screen rate clause) to provide an objectively measurable test.

<sup>24</sup> This provision was included in the MPG sample clause (excluding the language in square brackets) but has not been used in other markets or in the LMA's 2018 revised replacement of screen rate clause. Users should consider the implications of including such a trigger, including as to the timing of such a trigger in light of statements made by the MPG. The MPG has, through its publications, designated ZARONIA as a replacement for JIBAR, however, ZARONIA is not yet available for use. Users are advised to consider whether it is appropriate to include this drafting or include a later trigger for negotiation.

<sup>25</sup> Users should insert the consent level that is appropriate in the context of the composition of the lending group. Note that the MPG sample clause referenced "the parties", which inferred an all Lender approach. This was due to the bilateral nature of that clause whereas this Clause is intended to provide parties in a syndicated loan context with greater flexibility.

<sup>26</sup> Users are advised that the MPG sample clause included a reference to the Screen Rate no longer being "representative" as an alternative to it no longer being "appropriate". The terminology of "appropriate" has been used in this Clause to cover a wide set of circumstances not already covered by preceding paragraphs, with "representativeness" of the rate left to be determined by the relevant supervisor in accordance with paragraph (b)(v) above.

**SECTION 3**  
**SUPPLEMENT FOR USE IN CONJUNCTION WITH THE FORM OF SA**  
**REVISED REPLACEMENT OF SCREEN RATE CLAUSE**

**1. INTRODUCTION**

This Section contains a supplement<sup>27</sup> for use in conjunction with the form of SA Revised Replacement of Screen Rate Clause, and instructions on how to insert the supplement into the SA Revised Replacement of Screen Rate Clause.

**2. ADDING THE SUPPLEMENT TO THE FORM OF SA REVISED REPLACEMENT OF SCREEN RATE CLAUSE**

**2.1 Amendments to the SA Revised Replacement of Screen Rate Clause**

(a) Insert the following into Clause 34.3 (*Replacement of Screen Rate*) as paragraph (b) (and renumber the following paragraphs accordingly):

"(b) *If, as at [insert agreed date sufficiently in advance of any SARB published date by which JIBAR will no longer be available to enable re-negotiation of terms<sup>28</sup>] this Agreement provides that the rate of interest for a Loan in ZAR is to be determined by reference to a Screen Rate for ZAR:*

(i) *[a Screen Rate Replacement Event shall be deemed to have occurred on that date in relation to the Screen Rate for ZAR; and]<sup>29</sup>*

(ii) *the Agent, (acting on the instructions of the [Majority Lenders]<sup>30</sup>) and the Obligors shall enter into negotiations in good faith with a view to agreeing the use of a Replacement Benchmark in relation to ZAR in place of that Screen Rate from and including a date no later than [insert date before any SARB published date by which JIBAR will no longer be available<sup>31</sup>] [with the terms relating to the use of that Replacement Benchmark including [specify here any pre-agreed terms or identify such terms by reference to a schedule or other document<sup>32</sup>]] ."*

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<sup>27</sup> This supplement is based on language originally published by the LMA in August 2020 to provide an agreed process for renegotiation at a set point ahead of LIBOR cessation.

<sup>28</sup> Users should select a date here for the beginning of the renegotiation process which is sufficiently in advance of any SARB published date by which JIBAR will no longer be available to enable all terms to be agreed and documented so that the conversion to the use of a Replacement Benchmark is operational by the date specified in paragraph (b)(ii).

<sup>29</sup> Include if the Revised Replacement of Screen Rate in question incorporates the option making its operation contingent on the occurrence of a Screen Rate Replacement Event.

<sup>30</sup> Users should insert the consent level that is appropriate in the context of the composition of the lending group. It may be that such a consent level is the same as that specified in the context of the general operation of the SA Revised Replacement of Screen Rate Clause.

<sup>31</sup> Users should specify a date for the conversion to the use of a Replacement Benchmark to be operational. This should be a date prior to any SARB published date by which JIBAR will no longer be available.

<sup>32</sup> If the parties have already agreed some of the terms upon which the conversion to a Replacement Benchmark are to be made then these can be specified either in this provision or in a schedule to the agreement or in a



- (b) In paragraph (c) (formerly paragraph (b)) of Clause 34.3 (*Replacement of Screen Rate*), delete the words "*for an amendment or waiver described in paragraph (a) above*" and replace with:

*"for an amendment or waiver described in, or for any other vote of Lenders in relation to, paragraphs (a) or (b) above"*

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separate document (e.g. a Term Sheet) identified by a reference here. If no such agreement has been reached this wording can be deleted.