



LETSHEGO HOLDINGS LIMITED

(Incorporated in the Republic of Botswana with limited liability under Registration Number Co 98/442)

Issue of ZAR385,000,000 Senior Secured Floating Rate Notes due 19 May 2021 Under its ZAR2,500,000,000 and BWP2,500,000,000 Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 9 October 2019, prepared by Letshego Holdings Limited in connection with the Letshego Holdings Limited ZAR2,500,000,000 and BWP2,500,000,000 Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

1. Issuer	Letshego Holdings Limited
2. Guarantor	Fedrox (Proprietary) Limited
3. Dealer	Rand Merchant Bank, a division of FirstRand Bank Limited
4. JSE Debt Sponsor	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division
5. BSE Sponsoring Broker	N/A
6. Paying Agent	First National Bank, a division of FirstRand Bank Limited
Specified Office	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196, South Africa
7. Calculation Agent	Letshego Holdings Limited
Specified Office	2 nd Floor, Letshego Place, 22 Khama Crescent, Gaborone, Botswana
8. Transfer Agent	Computershare Investor Services Proprietary Limited
Specified Office	70 Marshall Street, Johannesburg, 2001, South Africa

9.	Settlement Agent	First National Bank, a division of FirstRand Bank Limited
	Specified Office	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196, South Africa
10.	Issuer Agent	First National Bank, a division of FirstRand Bank Limited
	Specified Office	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196, South Africa

PROVISIONS RELATING TO THE NOTES

11.	Status of Notes	Senior Secured
12.	Form of Notes	Listed Registered Notes
13.	Series Number	30
14.	Tranche Number	1
15.	Aggregate Nominal Amount:	
	(a) Series	ZAR385,000,000
	(b) Tranche	ZAR385,000,000
16.	Interest	Interest-bearing
17.	Interest Payment Basis	Floating Rate
18.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
19.	Issue Date	19 February 2021
20.	Specified Denomination	ZAR1,000,000
21.	Specified Currency	ZAR
22.	Issue Price	100%
23.	Interest Commencement Date	19 February 2021
24.	Maturity Date	19 May 2021
25.	Applicable Business Day Convention	Modified Following Business Day
26.	Final Redemption Amount	100% of the Aggregate Nominal Amount
27.	Last Day to Register	By 17h00 on 8 May 2021 or if such day is not a Business Day, the Business Day before the Books Closed Period
28.	Books Closed Period(s)	The Register will be closed from 9 May 2021 to the Maturity Date
29.	Default Rate	N/A
	FIXED RATE NOTES	N/A
	FLOATING RATE NOTES	
30.	(a) Interest Payment Date(s)	19 May 2021, 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 with the Floating Interest Payment Date being 19 May 2021, 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 this

	Applicable Pricing Supplement)
(b) Interest Period(s)	Each period from, and including, the applicable Floating Interest Payment Date and ending on, but excluding, the following Floating Interest Payment Date, the first Interest Period commences on the Interest Commencement Date and end on (but excludes) the first Floating Interest Payment Date (each Floating Interest Payment Date is adjusted in accordance with the Applicable Business Day Convention, as specified in this Applicable Pricing Supplement)
(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
(d) Minimum Rate of Interest	N/A
(e) Maximum Rate of Interest	N/A
(f) Day Count Fraction	Actual/365
(g) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
31. Manner in which the Rate of Interest is to be determined	Screen Rate Determination
32. Margin	450 basis points to be added to the relevant Reference Rate
33. If Screen Determination:	
(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 month ZAR-JIBAR SAFEX rate
(b) Interest Determination Date(s)	16 February 2021.
(c) Relevant Screen Page and Reference Code	Reuters: or any successor page
34. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A
35. Calculation Agent	Letshego Holdings Limited
ZERO COUPON NOTES	N/A
PARTLY PAID NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
OTHER NOTES	N/A
PROVISIONS REGARDING REDEMPTION/MATURITY	
36. Redemption at the Option of the	N/A

Issuer:

- | | |
|-----------------------------------------------------------------------------------------------------------------|-----|
| 37. Redemption at the Option of the Senior Noteholders: | N/A |
| 38. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). | N/A |
| 39. Redemption in the event of a Change of Control | Yes |
| 40. Redemption in the event of a Rating Downgrade | Yes |

GENERAL

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|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| 41. Financial Exchange | JSE Limited (Interest Rates Market) |
| 42. Additional selling restrictions | N/A |
| 43. ISIN No | ZAG000174186 |
| 44. Stock Code | LHL30 |
| 45. Stabilising manager | N/A |
| 46. Provisions relating to stabilisation | N/A |
| 47. The notice period required for exchanging uncertificated SA Notes for Certificates | N/A |
| 48. Method of distribution | Private Placement |
| 49. Credit Rating assigned to the Issuer | Global Rating Long Term Ba3 Stable Outlook, assigned on 12 November 2020 which Rating shall be reviewed from time to time |
| 50. Applicable Rating Agency | Moody's Investor Services Limited |
| 51. Governing law (if the laws of South Africa or Botswana, as the case may be are not applicable) | N/A |
| 52. Surrendering of Notes in the case of Notes represented by a Certificate | N/A |
| 53. Other provisions | |

Covenants

See Schedule 1 headed "*Redemption in the event of a breach of a Financial Covenant*".

Conditions 1 (*Interpretation*)

The definition of:

- (i) "Letshego Namibia" is deleted from Condition 1 (*Interpretation*) of the Terms and Conditions; and
- (ii) "*Obligors*" under Condition 1 (*Interpretation*) of the Terms and Conditions is hereby replaced with the following definition:

"Obligors	<i>in respect of SA Secured Notes and BW Secured Notes:</i> <i>(a) the Issuer;</i> <i>(b) Letshego Botswana;</i> <i>(c) Letshego Namibia; and</i>
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	<p><i>(d) any person who becomes an “Additional Obligor” (as defined in the Security Sharing Agreement),</i></p> <p><i>other than any person which has resigned as an Obligor in accordance with Clause 11.2 (Changes to the Obligors – Release of Obligor) of the Security Sharing Agreement”</i></p>
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See Schedule 2 headed “Description of Security Arrangements” for a description of the security arrangements, Schedule 3 headed “Additional Risk factors” and Schedule 4 headed “Documents Incorporated by Reference”

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE SA COMMERCIAL PAPER REGULATIONS

54. Paragraph 3(5)(a)

The “*ultimate borrower*” (as defined in the Commercial Paper Regulations) is the Issuer.

55. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the SA Notes.

56. Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young.

57. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR33,000,000 (excluding this LHL30 note issuance) Commercial Paper (as defined in the Commercial Paper Regulations); and
- (ii) the Issuer estimates that it will issue an additional amount of ZAR365,000,000 Commercial Paper (excluding this LHL30 note issuance) during the current financial year, ending 31 December 2021.

58. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the SA Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

59. 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.

60. Paragraph 3(5)(g)

The SA Notes issued will be listed.

61. Paragraph 3(5)(h)

The funds to be raised through the issue of the SA Notes are to be used by the Issuer for general corporate purposes.

62. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the SA Notes are secured and guaranteed.

63. Paragraph 3(5)(i)

Ernst & Young Inc., the auditors appointed by the Issuer in South Africa for that purpose, have confirmed that nothing has come to their attention to cause them to believe that this issue of the SA Notes issued under the Programme does not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

DISCLOSURE BY ISSUER

The Issuer will for as long as any Tranche of Secured Notes remains Outstanding, notify the Senior Secured Noteholders of any material change in the internal credit policy of any of the Obligors.

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 applicable 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 placing document, the pricing supplements and the annual financial statements and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the placing document, the annual financial statements, annual report and this Applicable Pricing Supplement 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 placing document and the annual financial statements, the annual report or this Applicable Pricing Supplement 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 placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Programme Amount:

As at the Issue Date, the Issuer confirms that the authorised Programme Amount of ZAR2,500,000,000 has not been exceeded.

Material Change:

As at the date of this Applicable Pricing Supplement, and after due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest financial statements. As at the date of this Applicable Pricing Supplement, there has been no involvement by Ernst & Young Incorporated in making the aforementioned statement.

Application is hereby made to list the Notes on 19 February 2021.

SIGNED at Gaborone on this 16th day of February 2021.

For and on behalf of
LETSHEGO HOLDINGS LIMITED



Name: ANDREW F. OKAI
Capacity: Director GROUP CEO
Who warrants his authority hereto



Name: GWEN T. MLETIMA
Capacity: Director GROUP CFO
Who warrants his authority hereto

1. **Redemption in the event of a breach of Financial Covenant**

The provisions of this Schedule 1 (*Redemption in the event of a breach of Financial Covenant*) shall apply the LHL30 Notes (the **Notes**).

- 1.1. The Issuer shall, for as long as the Notes remain Outstanding and during each Measurement Period, ensure that:
 - 1.1.1. the Bad Debts Ratio does not exceed 10% (ten percent);
 - 1.1.2. the Cash Collection Ratio is not less than 85% (eighty five percent);
 - 1.1.3. the Capitalisation Ratio is not less than 30% (thirty percent); and
 - 1.1.4. the Secured Property Ratio is not more than 67% (sixty seven percent),
(each a **Financial Covenant** and collectively, the **Financial Covenants**).
- 1.2. The Issuer shall be required to test the Financial Covenants on each Measurement Date and shall publish a notice of availability of the Financial Covenant compliance certificate via SENS, which certificate will be signed by any two directors of the Issuer (**Financial Covenant Compliance Certificate**) with respect to each of the Financial Covenants together with calculations thereof within 15 (fifteen) Business Days after each Measurement Date.
- 1.3. Notwithstanding paragraph 1.2 above, in the event that any Obligor ceases to deduct, or is prevented from deducting, payments contractually due and payable to it directly from the payroll system of any participating employer, then the Issuer shall be required to test the Cash Collection Ratio on each Monthly Measurement Date and shall publish a notice of availability of the Cash Collection Ratio compliance certificate via SENS, which certificate will be signed by any two directors of the Issuer (**Cash Collection Ratio Compliance Certificate**) with respect to the Cash Collection Ratio together with calculations thereof within 15 (fifteen) Business Days after the Monthly Measurement Date.
- 1.4. If a breach of any Financial Covenant occurs while any Note remains Outstanding, then the Issuer shall within 20 (twenty) Days after the Issuer becoming aware of a breach of Financial Covenant take reasonable steps to remedy such breach of Financial Covenant, failing which, the Issuer shall promptly give notice to the Senior Secured Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the breach of Financial Covenant and the circumstances giving rise to it and the procedure for exercising the Redemption Option (as defined below) (**Breach of Financial Covenant Notification**).
- 1.5. Upon receipt by the Senior Secured Noteholders of the Breach of Financial Covenant Notification, the Senior Secured Noteholders shall have the option to require the redemption of the Notes in the manner contemplated in paragraph 1.6 below (**Redemption Option**).
- 1.6. Such Redemption Option shall be exercisable by the Senior Secured Noteholders by the delivery of a written notice (a **Breach of Financial Covenant Redemption Notice**) to the Issuer at its registered office within 30 (thirty) Days after the receipt by the Senior Secured Noteholders of the Breach of Financial Covenant Notification, unless prior to the delivery by that Senior Secured Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.
- 1.7. Subject to paragraph 1.6, the Issuer shall redeem all Notes held by the Senior Secured Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days of having received a Breach of Financial Covenant Redemption Notice from the Senior Secured Noteholders to redeem such Notes.
- 1.8. In the event of any dispute in respect of any calculation relating to any Financial Covenant referred to in paragraph 1.9 below, such dispute shall be determined by the Issuer's independent auditors, acting as experts and not as arbitrators (taking into account the Terms and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and Senior Secured Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.

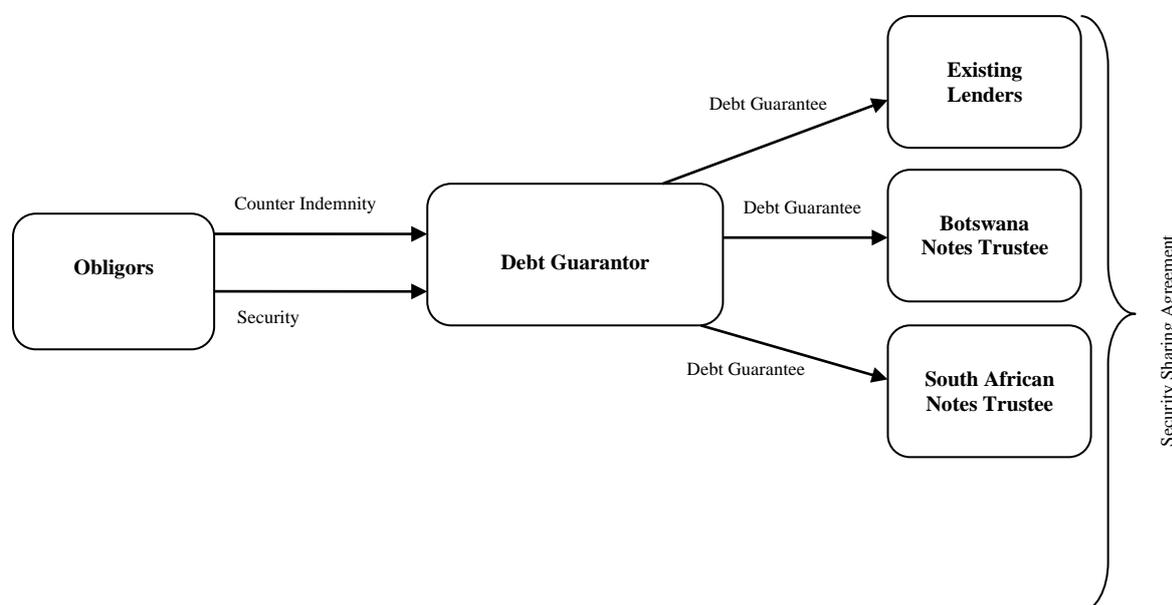
- 1.9. For the purposes of this Schedule 1 (*Redemption in the event of a breach of Financial Covenant*):
- 1.9.1. **Bad Debts** means the total impairment charge as set out in the financial statements of each Obligor (other than the Issuer) as determined in accordance with IFRS;
- 1.9.2. **Book Debts** means any claim of any nature which any of the Obligors (other than the Issuer) has in respect of any indebtedness against any debtor of such Obligor (other than the Issuer) and over which a security interest has been granted in favour of the Debt Guarantor (as defined in the Security Sharing Agreement);
- 1.9.3. **Bad Debts Ratio** means, in respect of each Measurement Period, the ratio between:
- 1.9.3.1. the aggregate Bad Debts for the relevant Measurement Period; and
- 1.9.3.2. the average Book Debts for the Measurement Period calculated by adding the Book Debts as at each Quarter Year Date falling in the Measurement Period (including the relevant Measurement Date), divided by 4;
- 1.9.4. **Capitalisation Ratio** means the ratio between:
- 1.9.4.1. Total Equity as at each Quarter Year Date; and
- 1.9.4.2. Total Debt as at each Quarter Year Date.
- 1.9.5. **Cash Collections Ratio** means:
- 1.9.5.1. in respect of each Monthly Measurement Period or Measurement Period, as the case may be, the ratio between:
- 1.9.5.1.1. the value of payments actually received by any of the Obligors (other than the Issuer) during the Monthly Measurement Period or Measurement Period, as the case may be; and
- 1.9.5.1.2. the value of payments contractually due and payable to any of the Obligors (other than the Issuer) during the Monthly Measurement Period or Measurement Period, as the case may be, but excluding any payments due on loans written off,
- from third parties indebted to such Obligor (other than the Issuer), as the case may be, in respect of Book Debts during each Monthly Measurement Period or Measurement Period, as the case may be, and expressed as a percentage;
- 1.9.6. **Letshego Botswana** means Letshego Financial Services (Proprietary) Limited, a company duly incorporated according to the company laws of Botswana with registration number 2006/5701;
- 1.9.7. **Letshego Namibia** means Letshego Micro Financial Services (Namibia) (Proprietary) Limited, a private company with limited liability incorporated in accordance with the laws of Namibia with registration number 78/01799;
- 1.9.8. **Measurement Date** means each Quarter Year Date;
- 1.9.9. **Measurement Period** means each period of 12 (twelve) months ending on a Measurement Date;
- 1.9.10. **Monthly Measurement Date** means the last day of each calendar month;
- 1.9.11. **Monthly Measurement Period** means each one month period commencing on the first day of the month and ending on a Monthly Measurement Date;
- 1.9.12. **Obligors**
- 1.9.12.1. the Issuer;
- 1.9.12.2. Letshego Botswana;
- 1.9.12.3. Letshego Namibia; and
- 1.9.12.4. an “*Additional Obligor*” (means any entity which has become a party to the Security Sharing Agreement as an “*Obligor*” (as defined in the Security Sharing Agreement) and to the Counter Indemnity Agreement as an “*Indemnifier*” (as defined in the

Counter Indemnity Agreement);

other than any person which has resigned as an Obligor in accordance with Clause 11.2 (Changes to the Obligors – Release of Obligor) of the Security Sharing Agreement;

- 1.9.13. **Quarter Year Date** means each of 30 September, 31 December, 31 March and 30 June in each year;
- 1.9.14. **Secured Property Ratio** means the “*Secured Property Ratio*” as defined in the Security Sharing Agreement, as amended by a Rectification Agreement on or about 13 December 2012;
- 1.9.15. **Security Sharing Agreement** means the written agreement entitled “*Security Sharing Agreement*” dated 30 November 2012 and entered into between, *inter alia*, the Obligors, the Guarantor, the SA Secured Notes Trustee and the Secured Creditors (as defined therein);
- 1.9.16. **Total Debt** means, in respect of the Issuer only, the aggregate amount of interest bearing debt including, for the avoidance of doubt, *inter alia*:
- 1.9.16.1. redeemable preference shares;
 - 1.9.16.2. unsubordinated interest bearing shareholder loans;
 - 1.9.16.3. debentures;
 - 1.9.16.4. on and off balance sheet interest bearing debt;
 - 1.9.16.5. the capital element of any finance lease, hire purchase, credit sale or conditional sale agreement, to the extent such item is treated as debt in the balance sheet;
 - 1.9.16.6. the capital element of any amount raised under any other transaction, having as a primary and not as an incidental effect, the commercial effect of borrowing; and
 - 1.9.16.7. any other obligation which exhibits an interest bearing nature, including payment which may become due as part of any interest rate hedge strategy; and
- 1.9.17. **Total Equity** means, in respect of the Issuer only, the total shareholders’ equity, including any subordinated shareholder loans and retained earnings.

DESCRIPTION OF SECURITY ARRANGEMENTS



The obligations of the Issuer under the Secured Notes will be directly guaranteed and indirectly secured as follows:

1. Description of Security Arrangements

- 1.1. The Senior Secured Notes constitute direct, senior, unconditional and secured indebtedness of the Issuer, but rank *pari passu* amongst themselves and *pari passu* with any indebtedness incurred to the Existing Lenders and Botswana Notes Trustee.
- 1.2. The obligations of the Issuer under the Senior Secured Notes will be directly guaranteed and indirectly secured as set out below:

2. Direct Guarantees

2.1. **Direct Guarantees in favour of each Existing Facility Lender**

The Issuer has existing bank facilities (**Existing Bank Facilities**) with certain financial institutions (**Existing Facility Lenders**). The Debt Guarantor shall irrevocably, unconditionally guarantee, in favour of each Existing Facility Lender, the obligations which the Issuer may now have or have incurred or in the future may incur under each Existing Bank Facility.

2.2. **Direct Guarantee in favour of the SA Trustee**

The Debt Guarantor shall irrevocably, unconditionally guarantee, in favour of the SA Trustee, the obligations which the Issuer may now have or have incurred or in the future may incur to the holders of the SA Secured Notes.

2.3. **Direct Guarantee in favour of the Botswana Secured Notes Trustee**

The Debt Guarantor shall irrevocably, unconditionally guarantee, in favour of the BW Secured Notes Trustee, the obligations which the Issuer may now have or have incurred or in the future may incur to the holders of the BW Secured Notes.

3. Counter Indemnity Agreement

The Issuer, Letshego Financial Services (Proprietary) Limited (**LFS Botswana**) and Letshego Micro Financial Services (Namibia) Proprietary Limited (**LFS Namibia**) (the Issuer, LFS Botswana and LFS Namibia collectively, the **Obligors**) have entered into a counter indemnity

agreement with the Debt Guarantor in terms of which the Obligors indemnify and hold the Debt Guarantor harmless in respect of claims made against the Debt Guarantor under any Debt Guarantee.

4. **Security**

4.1. ***Security granted by the Issuer***

The Issuer shall cede *in securitarem debiti* its loan accounts in respect of LFS Botswana and LFS Namibia in favour of the Debt Guarantor as security for its obligations under the Counter Indemnity Agreement.

4.2. ***Security granted by LFS Botswana***

LFS Botswana shall cede *in securitarem debiti* its book debts in favour of the Debt Guarantor as security for its obligations under the Counter Indemnity Agreement.

4.3. ***Security granted by LFS Namibia***

LFS Namibia shall cede *in securitarem debiti* its book debts in favour of the Debt Guarantor as security for its obligations under the Counter Indemnity Agreement.

5. **Risks relating to the Security Structure**

5.1. As set out above, the Security will not be granted directly in favour of the Secured Noteholders. Instead, the Security will be granted in favour of the Debt Guarantor.

5.2. As a result, neither the Noteholder Trustee (acting for the benefit of the Senior Noteholders) nor the Secured Noteholders will have the right to realise the Security directly. Instead, the Noteholder Trustee (acting on the instructions of the Senior Noteholders) must in accordance with the Security Sharing Agreement, instruct the Enforcement Agent, to call a meeting of the Finance Parties where the voting Finance Parties would be required to vote in favour of any realisation of Security in accordance with the terms and conditions of the Security Sharing Agreement. This indirect claim in respect of the Security may result in a delay in realisation or could involve voting Finance Parties voting against the realisation of the Security.

6. **Description of Fedrox (Proprietary) Limited (the Debt Guarantor)**

Registration Number: BW00001878228 (formerly CO 2012/8278)

Registered Address: Deloitte & Touche House, Plot 64518 , Fairgrounds Office Park, Gaborone

Director(s): Rozanne Kamalie and Rob Vinen

ADDITIONAL RISK FACTORS

Capitalised terms used in this section headed "Investor Considerations" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

In addition to the Risk Factors referred to in the Programme Memorandum, the Issuer believes that the risk factor outlined below may affect the Notes issued in terms of this Applicable Pricing Supplement. The value of the Notes could decline due to any of the factors outlined in the Programme Memorandum and below, and investors may lose some or all of their investment.

The Issuer believes that the factors described in the Programme Memorandum and below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out in the Programme Memorandum to reach their own views prior to making any investment decision.

Enforcing your rights as a holder of the Notes across multiple jurisdictions may be difficult.

The Notes will be issued by the Issuer which is organised under the laws of Botswana. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in Botswana. Your rights under the Notes may thus be the subject of multiple jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in multiple bankruptcy, insolvency or other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of your rights.

Further, enforcement of your rights in respect of the security provided under and in terms of the Notes may also be the subject of multiple jurisdictions as security thereunder will require enforcement in Botswana and/or Namibia. Such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of your rights.

DOCUMENTS INCORPORATED BY REFERENCE

Capitalised terms used in this section headed “Documents Incorporated by Reference” shall bear the same meanings as used in the Terms and Conditions and this Applicable Pricing Supplement, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. In addition to the documents incorporated by reference into the Programme Memorandum (see section of the Programme Memorandum headed “*Documents Incorporated by Reference*”), the following documents shall be deemed to be incorporated in, and form part of, this Applicable Pricing Supplement:

- Issuer Cession of Loan Account (LFS Botswana), dated 30 November 2012;
- Issuer Cession of Loan Account (Letshego Micro Financial Services (Namibia) (Proprietary) Limited), dated 29 November 2012;
- Cession of Book Debts (LFS Botswana), dated 30 November 2012;
- Cession of Book Debts (Letshego Micro Financial Services (Namibia) (Proprietary) Limited), dated 29 November 2012;
- Counter Indemnity Agreement, dated 29 November 2012;
- Debt Guarantee in favour of Existing Facility Lenders, dated 29 November 2012;
- Debt Guarantee in favour of SA Trustee, dated 29 November 2012;
- Debt Guarantee in favour of Botswana Secured Notes Trustee, dated 29 November 2012; and
- Security Sharing Agreement, dated 30 November 2012,

collectively, the **Security Documents**.

2. This Applicable Pricing Supplement and the Security Documents will be available on request and available for inspection during normal office hours at the registered office of the Issuer. Should the Senior Secured Noteholders wish to request any of the Applicable Pricing Supplement or the Security Documents the contact details are as follows:

Chief Financial Officer: Gwen Muteiwa
Tel: +267 74 249 082
E-mail: gwenm@letshego.com