



Letshego
Your preferred financial partner

LETSHEGO HOLDINGS LIMITED

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

ZAR2,500,000,000

BWP2,500,000,000

Medium Term Note Programme

Under this Medium Term Note Programme (the "**Programme**"), Letshego Holdings Limited (the "**Issuer**"), may from time to time issue Notes (as defined herein), on the basis set out in this Programme Memorandum (this "**Programme Memorandum**"). This Programme Memorandum will apply to all Notes issued under the Programme on or after 13 July 2011 (the "**Programme Date**").

Under this Programme Memorandum, the Issuer may from time to time issue Notes, which expression shall include Senior Notes and Subordinated Notes (each as defined herein) denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to all applicable laws and, in the case of Notes listed on the JSE (as defined herein), the BSE (as defined herein) or such other Financial Exchange(s) (as defined herein) as may be determined by the Issuer and the relevant authority, the debt listings requirements of the JSE, the BSE or such other Financial Exchange(s), that are subject to the terms and conditions (the "**Terms and Conditions**") contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the "**Applicable Pricing Supplement**").

Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*", unless separately defined, and/or in relation to a Tranche of Notes, in the Applicable Pricing Supplement.

As at the Programme Date, the Programme Amount is ZAR2,500,000,000 and BWP2,500,000,000, respectively. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR2,500,000,000 in respect of the SA Notes and BWP2,500,000,000 in respect of the BW Notes, unless such amount is increased by the Issuer as described more fully in the section of this Programme Memorandum headed "*General Description of the Programme*".

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

This Programme Memorandum has been approved by the JSE, however this Programme Memorandum may also be listed on the BSE. A Tranche of Notes may be listed on the JSE, the BSE or on such other Financial Exchange(s) as may be determined by the Issuer, subject to all applicable laws. Unlisted Notes may also be issued under the Programme subject to the applicable laws. In respect of SA Notes, claims against the JSE Guarantee Fund or BESA Guarantee Fund, as the case may be, may only be made in respect of the trading of SA Notes listed on the JSE in accordance with the rules of the JSE Guarantee Fund or BESA Guarantee Fund, as the case may be. The holders of the SA Notes that are not listed on the JSE will have no recourse against the JSE or the JSE Guarantee Fund or the BESA Guarantee Fund, as the case may be. Unlisted Notes are not regulated by the JSE or the BSE.

A copy of the Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the JSE or the BSE, as the case may be, will be delivered to the JSE or the BSE, as the case may be, and the relevant CSD, before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE or the BSE, as the case may be, from the date on which the Notes are listed on the JSE or the BSE, as the case may be, in accordance with the Applicable Procedures. The settlement of trades on the JSE or the BSE, as the case may be, will take place in accordance with the electronic settlement procedures of the JSE or the BSE, as the case may be, and the relevant CSD. The placement of a Tranche of unlisted Notes may, subject to applicable laws (at the sole discretion of the Issuer) be reported through the JSE or the BSE, as the case may be, reporting system, in which event the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE or the BSE, as the case may be, and the relevant CSD for all trades done through the JSE or the BSE, as the case may be. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the JSE and the BSE) will be specified in the Applicable Pricing Supplement.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section headed "*Summary of Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Programme Memorandum to the "**relevant Dealer**" shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

The Issuer and the Programme are not rated as at the Programme Date, but may be rated by a Rating Agency, on a national or international scale basis after the Programme Date. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).

Arranger, Dealer and JSE Debt Sponsor
Renaissance BJM Securities (Proprietary) Limited

Programme Memorandum dated 13 July 2011

GENERAL

Words used in this section headed "General" 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.

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum and all documents incorporated by reference (see section headed "*Documents Incorporated by Reference*"). To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything which would make any statement false or misleading. This Programme Memorandum contains all information required by the applicable laws and the debt listings requirements of the JSE and the BSE. This Programme Memorandum has been drawn up in compliance with the BW Companies Act and in accordance with the regulations and requirements of the BSE.

The JSE takes no responsibility for the contents of this Programme Memorandum, Applicable Pricing Supplements, or the annual report (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, the Applicable Pricing Supplements, or the annual report (as amended or restated from time to time). The Issuer shall accept full responsibility for the accuracy of the information contained in this Programme Memorandum, the Applicable Pricing Supplements, and the annual report (as amended or restated from time to time), except as otherwise stated herein.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Programme Memorandum are honestly held and that there are no other facts, the omission of which would make this Programme Memorandum or any such information or expression of any such opinions or intentions misleading in any material respect.

This Programme Memorandum is to be read and construed with any amendment or supplement thereto and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*") and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

The Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, or any of their respective affiliates, other professional advisers named herein and the BSE have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, other professional advisers or the BSE as to the accuracy or completeness of the information contained in or incorporated by reference into this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, other professional advisers and the BSE do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker or other professional advisers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger, the Dealers, the JSE Debt Sponsor,

the BSE Sponsoring Broker, other professional advisers and the BSE that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker or the BSE to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, other professional advisers and the BSE expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer, when deciding whether or not to subscribe for, or purchase, any Notes.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation by the Issuer to subscribe for or purchase any Notes. The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, other professional advisers and the BSE to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering material relating to the Notes, see the section headed "*Subscription and Sale*".

None of the Issuer, the Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, other professional advisers nor the BSE represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers, the JSE Debt Sponsor, the BSE Sponsoring Broker, other professional advisers or the BSE which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. The Dealers have represented that all offers and sales by them will be made on the same terms.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Notes may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act.

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may, only if such stabilising is permitted by the listings requirements of the JSE or the BSE, as the case may be, and approved by the JSE or the BSE, as the case may be, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might

otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

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DOCUMENTS INCORPORATED BY REFERENCE

Words used in this section headed "Documents Incorporated by Reference" 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 clearly inappropriate from the context.

The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared and circulated by the Issuer from time to time;
- (b) in respect of any issue of Notes under the Programme, the audited annual financial statements of the Issuer, for its three financial years prior to the date of such issue and in respect of all financial years after the Programme Date, as and when same become available;
- (c) in respect of any issue of Notes under the Programme, the published annual report (incorporating its audited annual financial statements, together with reports and the notes thereto) of the Issuer and attached to or intended to be read with such financial statements of the Issuer for its three financial years prior to the date of such issue;
- (d) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme; and
- (e) in respect of SA Notes, all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by the South African Securities Exchange News Service ("**SENS**") established by the JSE, to SENS subscribers, if required,

save that any statement contained in this Programme Memorandum or in any of the documents incorporated by reference in and forming part of this Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will provide at the registered office of the Issuer as set out at the end of this Programme Memorandum, without charge a copy of any or all of the documents which are incorporated herein by reference, unless such documents have been modified or supersede, in which case the modified or superseded documentation will be provided. Requests for such documents should be directed to the Issuer and to the relevant Transfer Agent at their respective registered offices as set out at the end of this Programme Memorandum and/or the Applicable Pricing Supplement. The documents referred to in paragraphs (a) to (c) above will be available on the Issuer's website, www.letshego.co.bw. In addition, this Programme Memorandum and any Applicable Pricing Supplements will be filed with the JSE which will publish such documents on its website at <http://www.jse.co.za>. **This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the JSE or BSE to any person in any jurisdiction to subscribe for or to purchase any Notes.**

The Issuer will, for so long as any Note remains outstanding and listed on the JSE and/or the BSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (a) a change in the condition (financial or otherwise) of the Issuer has occurred which is material in the context of the Notes and the Issuer's payment obligations thereunder; or
- (b) an event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by Noteholders; or
- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (d) this Programme Memorandum no longer contains all the material correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (c) and (d) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's audited annual financial statements if such audited annual financial statements

are incorporated by reference into this Programme Memorandum and submitted to the JSE and the BSE within 6 (six) months after the financial year end of the Issuer.

GENERAL DESCRIPTION OF THE PROGRAMME

Words used in this section headed "General Description of the Programme" 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.

The Issuer may from time to time issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

A Tranche of Notes may be listed on the JSE, the BSE or on such other Financial Exchange(s) as may be determined by the Issuer, subject to applicable laws. Unlisted Notes may also be issued under the Programme subject to applicable laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange. If the Issuer issues a Tranche of unlisted Notes or a Tranche of Notes is listed on any Financial Exchange other than (or in addition to) the JSE and/or the BSE, the Issuer will, by no later than the last day of the month of issue of that Tranche of Notes, inform the JSE and the BSE in writing of the aggregate Nominal Amount and the Maturity Date (if any) of that Tranche of Notes.

This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all the Notes previously or simultaneously issued under the Programme, does not exceed the Programme Amount or its equivalent in other currencies. For the purpose of calculating the ZAR or the BWP equivalent, as the case may be, of the aggregate Nominal Amount of the Notes issued under the Programme from time to time, the ZAR or BWP equivalent, as the case may be, of the Notes denominated in another Specified Currency (as specified in the Applicable Pricing Supplement) shall be determined as of the date of issue of such Notes (the "**Agreement Date**") on the basis of the spot rate for the sale of the ZAR or BWP, as the case may be, against the purchase of such Specified Currency in the South African or Botswana foreign exchange market, as the case may be, quoted by any leading bank selected by the Issuer on the Agreement Date (the "**Conversion Rate**") and in respect of:

- (i) Zero Coupon Notes and other Notes, the Conversion Rate shall be applied to the Nominal Amount for the relevant issue; and
- (ii) Partly-Paid Notes and Index-Linked Notes, the Conversion Rate shall be applied to the Nominal Amount regardless of the amount paid up on such Notes.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all applicable laws and the Programme Agreement (as defined in the section headed "*Subscription and Sale*"), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 18 (*Notices*) of the Terms and Conditions, and to the Arranger, the Dealers, the JSE and the BSE. Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

This Programme Memorandum will only apply to Notes issued under the Programme on or after the Programme Date.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.

PARTIES

Issuer	Letshego Holdings Limited (Registration Number Co 98/442), a company with limited liability duly incorporated in accordance with the company laws of Botswana.
Arranger	Renaissance BJM Securities (Proprietary) Limited (Registration Number 1987/000175/07) (" Renaissance BJM Securities "), a company with limited liability duly incorporated in accordance with the laws of South Africa.
Dealers	Renaissance BJM Securities, and any additional Dealer appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.
Transfer Agent	<p>In respect of SA Notes, Computershare Investor Services (Proprietary) Limited (Registration Number: 2004/003647/07) ("Computershare"), a company with limited liability duly incorporated in accordance with the laws of South Africa; or</p> <p>in respect of BW Notes, the Central Securities Depository Company of Botswana Limited ("CSDB"), a public company with limited liability duly incorporated in accordance with the laws of Botswana registered as central depository to the BSE; or</p> <p>such other entity appointed by the Issuer as relevant Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.</p>
Paying Agent	In respect of SA Notes, FNB, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent, as specified in the Applicable Pricing Supplement.
Calculation Agent	The Issuer, or such other entity appointed by the Issuer as Calculation Agent, in which event that other entity will act as Calculation Agent, as specified in the Applicable Pricing Supplement.
JSE Debt Sponsor	In respect of SA Notes, Renaissance BJM Securities, or such other entity appointed by Issuer from time to time as JSE Debt Sponsor in which event that other entity will act as JSE Debt Sponsor, as specified in the Applicable Pricing Supplement.
BSE Sponsoring Broker	In respect of the BW Notes, such entity appointed by the Issuer from time to time as BSE Sponsoring Broker in which event such entity will act as BSE Sponsoring Broker, as specified in the Applicable Pricing Supplement.
CSD	In respect of SA Notes, Strate Limited (Registration Number 1998/022242/06), a company with limited liability duly incorporated in accordance with the laws of South Africa, registered as a central securities depository in terms of the

SA Securities Services Act ("**SA CSD**"); or

in respect of BW Notes, the Central Securities Depository Botswana Limited ("**CSDB**"), a company with limited liability duly incorporated in accordance with the laws of Botswana, and operates as a central depository to the BSE or

such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).

JSE

The JSE Limited (Registration Number 2005/022939/06), a company with limited liability duly incorporated in accordance with the laws of South Africa and a licensed financial exchange in terms of the SA Securities Services Act or any exchange which operates as a successor exchange to the JSE.

BSE

The Botswana Stock Exchange, a statutory corporation incorporated in accordance with the laws of Botswana and a registered financial exchange in terms of the BSE Act or any exchange which operates as successor exchange to the BSE.

GENERAL

Blocked Rand

Blocked Rand may be used to subscribe for, or purchase, Notes, subject to the SA Exchange Control Regulations.

Clearing and Settlement

Each Tranche of Notes which is held in the relevant CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of such CSD. Each Tranche of Notes which is held in the relevant CSD will be cleared by relevant Participants who will follow the electronic settlement procedures prescribed by the JSE or BSE (as the case may be) and the relevant CSD (see the section of this Programme Memorandum headed "*Settlement, Clearing and Transfers of Notes*").

Cross-Default

The terms of the Senior Notes will contain a cross-default provision relating to indebtedness for money borrowed having an aggregate outstanding amount of at least ZAR100,000,000 (or its equivalent in any other currency or currencies), or any guarantee of or indemnity in respect of any such indebtedness as further described in Condition 16.1.3 (*Events of Default*).

Denomination

Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.

Description of Programme

Letshego Holdings Limited ZAR2,500,000,000 and BWP2,500,000,000 Medium Term Note Programme.

Distribution

Notes may be distributed by way of public or private placement, auction, or bookbuild or any other means permitted under South African law or Botswana Law, as the case may be, and in each case on a syndicated or non-

syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.

Form of Notes	Notes will be issued either in certificated or uncertificated form, as the case may be, in which case the Global Certificate will be held in the relevant CSD and in the case of uncertificated SA Notes, in the SA CSD. The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").
Governing Law	The Terms and Conditions and the Notes will be governed by and construed in accordance with the laws of South Africa in force from time to time.
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest will be specified in the Applicable Pricing Supplement.
Interest Period(s)/Interest Payment Date(s)	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
Issue and Transfer Taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the SA Notes or BW Notes, as the case may be, (see the section of this Programme Memorandum headed " <i>Taxation</i> "). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of SA Notes or BW Notes, as the case may be, will be for the account of Noteholders.
Issue Price	Notes may be issued on a fully paid or a partly paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.
Listing	This Programme Memorandum has been approved by the JSE, however this Programme Memorandum may also be listed on the BSE. Notes issued under the Programme may be listed on the JSE, the BSE or on such other Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to all applicable laws. Unlisted Notes may also be issued under the Programme subject to all applicable laws. Unlisted Notes are not regulated by the JSE or the BSE, as the case may be. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange(s).
Maturities of Notes	Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.
Negative Pledge	Senior Notes will have the benefit of a negative pledge as described in Condition 7 (<i>Negative Pledge</i>) of the Terms and Conditions.
Notes	Notes may comprise:

Fixed Rate Notes	on Fixed Rate Notes will be payable in arrears on such date or dates as indicated in the Applicable Pricing Supplement, and will be calculated on the basis of such Day Count Fraction as may be specified in the Applicable Pricing Supplement.
Floating Rate Notes	<p>Floating Rate Notes will bear interest calculated at a rate determined in accordance with the provisions of Condition 8.2 (<i>Floating Rate Notes and Indexed Interest Notes</i>) of the Terms and Conditions and as indicated in the Applicable Pricing Supplement.</p> <p>The Margin (if any) relating to such floating rate will be as indicated in the Applicable Pricing Supplement.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, as indicated in the Applicable Pricing Supplement.</p> <p>The Interest Period for Floating Rate Notes will be as indicated in the Applicable Pricing Supplement.</p>
Zero Coupon Notes	Zero Coupon Notes will be issued at a discount to their Nominal Amount and will not bear interest (except in the case of late payment as specified).
Index-Linked Notes	Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as indicated in the Applicable Pricing Supplement.
Mixed Rate Notes	Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index-Linked Notes, Dual Currency Notes or Other Notes, each as specified in the Applicable Pricing Supplement.

Instalment Notes	The Applicable Pricing Supplement will set out the dates on which, and the amounts in which, Instalment Notes may be redeemed.
Partly Paid Notes	The Issue Price will be payable in two or more instalments as set out in the Applicable Pricing Supplement.
Exchangeable Notes	Exchangeable Notes may be redeemed by the Issuer in cash or by the delivery of securities, as specified in the Applicable Pricing Supplement.
Other Notes	Terms applicable to any other type of Notes will be set out in the Applicable Pricing Supplement.

Noteholders

The holders of SA Notes or BW Notes will be recorded as the registered Noteholders of those Notes in the respective Registers. In respect of SA Notes, the SA CSD's Nominee and in respect of BW Notes, the CSDB will be named in the respective Registers as the registered Noteholder of each Tranche of Notes which is held in the relevant CSDs. Each holder of Notes which is represented by an Individual Certificate will be named in the respective Register as the registered Noteholder of such Notes.

Rating

The Rating, if any, which has been assigned to the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, will be reflected in the Applicable Pricing Supplement.

Redemption

A tranche of Notes will, subject to the Applicable Pricing Supplement, be redeemed on the Maturity Date, as set out in Condition 10 (*Redemption and Purchase*).

If so specified in the Applicable Pricing Supplement, the Issuer may redeem the Notes of any Tranche at any time prior to the Maturity Date following the occurrence of a change in law and/or for tax reasons.

If "*Early Redemption at the Option of the Issuer*" is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*), the Issuer may, having given not less than 30 (thirty) days' irrevocable notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 18 (*Notices*) redeem the Tranche of Notes on any Optional Redemption Date(s).

If "*Redemption at the Option of the Senior Noteholders*" is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may, having given not less than 30 (thirty) days' notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) require the Issuer to redeem Notes on any Optional Redemption Date in the manner specified in Condition 10.4 (*Redemption at the Option of the Senior Noteholders*) and the Applicable Pricing Supplement.

If "*Early Redemption in the event of a Change of Control*" is specified as applicable in the Applicable Pricing

Supplement and (i) a Change of Control occurs; and (ii) within the Change of Control Period (A) a Rating Downgrade occurs in relation to the Issuer, and/or the Programme, and/or any Tranche of Notes rated by a Rating Agency, as the case may be (“**Change of Control Event**”) (B) and the Noteholders resolve by way of an Extraordinary Resolution to have their Notes redeemed by the Issuer, then each Noteholder in that Class of Noteholders shall have the option to require the Issuer to redeem each Note in that Tranche of Notes held by that Noteholder at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) days after the delivery by that Noteholder of a Change of Control Redemption Notice (as defined below).

Selling Restrictions

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the United Kingdom, the European Economic Area, Botswana and South Africa (see the section of this Programme Memorandum headed “*Subscription and Sale*”). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.

Size of the Programme

As at the Programme Date, the Programme Amount in respect of SA Notes is ZAR2,500,000,000 and in respect of BW Notes is BWP2,500,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Nominal Amount which does not exceed the respective Programme Amounts. The Issuer may increase the respective Programme Amounts as described more fully in the section of this Programme Memorandum headed “*General Description of the Programme*”.

Specified Currency

South African Rand or Botswana Pula, as the case may be, or, subject to all applicable laws, such currency as is specified in the Applicable Pricing Supplement.

Status of Senior Notes

The Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to Condition 7 (*Negative Pledge*)) and save for certain debts required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

Status and Characteristics relating to Subordinated Notes

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer.

Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up or is subject to business rescue proceedings, then and

in any such event the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness of the Issuer, to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or business rescue proceedings (other than Subordinated Indebtedness) has been paid or discharged in full.

Stabilisation

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the listings requirements of the JSE or the BSE, as the case may be, and approved by the JSE and the BSE, as the case may be, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

Taxation

A summary of the applicable Tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed "*Taxation*". The summary does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.

Use of Proceeds

The Issuer will use the issue proceeds of the Notes for its general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

Withholding Taxes

As at the Programme Date, all payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes levied in South Africa. The Issuer is a Botswana resident for tax purposes. As at the date of the Programme Memorandum, the Issuer, in terms of Section 58 as read with the Seventh Schedule to the Income Tax Act Cap 52:01 of Botswana as amended, is obliged to withhold 15% on all interest payments to non-residents Noteholders and 10% on all interest payments to resident Noteholders unless the Noteholder is exempt from paying such tax. In the event that any such withholding or deduction is required by applicable law, then the Issuer will, subject to certain exceptions as provided in Condition 11 (*Taxation*), pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such

withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

FORM OF THE NOTES

Words used in this section headed "Form of the Notes" 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 clearly inappropriate from the context.

Notes issued in certificated form

A Tranche of Notes which is lodged and immobilised in the relevant CSD may, subject to applicable laws and the Applicable Procedures, be issued in certificated form. If applicable, each such Tranche of Notes will be represented by a single Global Certificate in registered form, and, in the case of SA Notes, the SA CSD's Nominee, and in the case of BW Notes, the CSDB will be named in the respective Registers as the registered Noteholder of such Tranche of Notes (see "*Beneficial Interests in Notes held in the relevant CSD*" below).

Each Global Certificate will be physically deposited with and lodged in the relevant CSD.

All certificated Notes which are not represented by a Global Certificate, will be represented by a single Individual Certificate in registered form. Notes represented by Individual Certificates will be registered in the relevant Register in the name of the individual Noteholders of such Notes.

Title to Notes represented by Certificates will pass upon registration of transfer in accordance with Condition 14.2 (*Transfer of Notes represented by Certificates*) of the Terms and Conditions.

The Issuer shall regard the Register as the conclusive record of title to the Notes represented by Certificates.

Payments of all amounts due and payable in respect of Notes represented by Certificates will be made in accordance with Condition 9 (*Payments*) of the Terms and Conditions to the person reflected as the registered Noteholder of such Notes in the Register at 17h00 (Johannesburg or Gaborone time, as the case may be) on the Last Day to Register, and the payment obligations of the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

SA Notes issued in uncertificated form

A Tranche of SA Notes may, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in terms of section 37 of the SA Securities Services Act.

SA Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of SA Notes issued in uncertificated form will be held by the SA CSD, and the SA CSD's Nominee will be named in the Register as the registered Noteholder of that Tranche of SA Notes.

Payments of all amounts due and payable in respect of SA Notes in uncertificated form will be made in accordance with Condition 9 (*Payments*) of the Terms and Conditions to the person reflected as the registered Noteholder of such Notes in the Register at 17h00 (Johannesburg or Gaborone time) on the Last Day to Register, and the payment obligations of the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

Beneficial Interests in Notes held in the relevant CSD

A Tranche of Notes will either be issued in certificated form and lodged in the relevant CSD under a Global Certificate or be issued, in respect of SA Notes, in uncertificated form and held in the SA CSD. While a Tranche of Notes is either held in the SA CSD or is held in the CSDB, as the case may be, the SA CSD's Nominee (in respect of SA Notes) and the CSDB (in respect of BW Notes) will be named in the relevant Register as the sole Noteholder of the respective Notes in that Tranche.

The respective CSDs will hold each Tranche of Notes subject to the applicable laws and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the relevant CSD will be paid to and may be exercised only by the SA CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes), as the case may be, for the holders of Beneficial Interests in such Notes.

The relevant CSD maintains central securities accounts only for relevant Participants. Beneficial Interests which are held by relevant Participants will be held directly through the relevant CSD, and the relevant CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the relevant CSD for such Participants.

The relevant Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of relevant Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of relevant Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of relevant Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the relevant CSD only through their respective Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, (Clearstream Luxembourg) ("**Clearstream**") may hold Notes through their respective Participant.

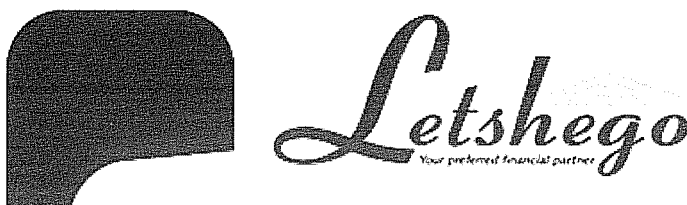
In relation to each person shown in the records of the relevant CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular outstanding Nominal Amount of Notes, a certificate or other document issued by the relevant CSD or the relevant Participant, as the case may be, as to the outstanding Nominal Amount of such Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The relevant SA CSD's Nominee (in respect of SA Notes) and/or the CSDB (in respect of BW Notes) (as the respective registered Noteholder of such Notes named in the relevant Register) will be treated by the Issuer, the Paying Agent, the relevant Transfer Agent and the relevant Participant as the holder of that outstanding Nominal Amount of such Notes for all purposes.

Title to Beneficial Interests held by relevant Participants directly through the relevant CSD will pass on transfer thereof by book entry (whether electronic or otherwise) in the central securities accounts maintained by the relevant CSD for such Participants. Title to Beneficial Interests held by clients of relevant Participants indirectly through such Participants will pass on transfer thereof by book entry (whether electronic or otherwise) in the security accounts maintained by such Participants for such clients. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12 (*Exchange of Beneficial Interests and Replacement of Certificates*) of the Terms and Conditions.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:



LETSHEGO HOLDINGS LIMITED

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

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Under its ZAR2,500,000,000 and BWP 2,500,000,000 Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 13 July 2011, prepared by Letshego Holdings Limited in connection with the Letshego Holdings Limited ZAR2,500,000,000 and BW2,500,000,000 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.	Dealer(s)	[]
3.	JSE Debt Sponsor	[]
4.	BSE Sponsoring Broker	[]
5.	Paying Agent	[]
	Specified Address	[]
6.	Calculation Agent	[]
	Specified Address	[]
7.	Transfer Agent	[]
	Specified Address	[]

PROVISIONS RELATING TO THE NOTES

8.	Status of Notes	[Senior/Subordinated] [Secured/Unsecured]
9.	Form of Notes	[Listed/Unlisted] Registered Notes
10.	Series Number	[]
11.	Tranche Number	[]

12. Aggregate Nominal Amount:
- (a) Series []
- (b) Tranche []
13. Interest [Interest-bearing/Non-interest-bearing]
14. Interest Payment Basis [[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked/Dual Currency/Partly Paid /Instalment] Notes/Other Notes]
15. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another [Insert details including date for conversion]
16. Form of Notes [Registered Notes]
[Certificated/ Uncertificated]
17. Issue Date []
18. Specified Denomination []
19. Specified Currency []
20. Issue Price []
21. Interest Commencement Date []
22. Maturity Date []
23. Applicable Business Day Convention [Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details]
24. Final Redemption Amount []
25. Last Day to Register []
26. Books Closed Period(s) The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Maturity Date
27. Default Rate []

FIXED RATE NOTES

28. (a) Fixed Rate of Interest [] per cent per annum [payable [annually/semi-annually/quarterly] in arrear]
- (b) Interest Payment Date(s) [] in each year up to and including the Maturity Date/other
- (c) Fixed Coupon Amount(s) [] per [] in Nominal Amount
- (d) Initial Broken Amount []
- (e) Final Broken Amount []
- (f) Interest Determination Date(s) [] in each year
- (g) Day Count Fraction []
- (h) Any other terms relating to the particular method of calculating interest []

FLOATING RATE NOTES

29. (a) Interest Payment Date(s) []
- (b) Interest Period(s) []

- (c) Definition of Business Day (if different from that set out in Condition 1) (*Interpretation*) []
- (d) Minimum Rate of Interest [] per cent per annum
- (e) Maximum Rate of Interest [] per cent per annum
- (f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) []
30. Manner in which the Rate of Interest is to be determined [ISDA Determination / Screen Rate Determination/other – insert details]
31. Margin [(...) basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate]
32. If ISDA Determination:
- (a) Floating Rate []
- (b) Floating Rate Option []
- (c) Designated Maturity []
- (d) Reset Date(s) []
- (e) ISDA Definitions to apply []
33. If Screen Determination:
- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) []
- (b) Interest Determination Date(s) []
- (c) Relevant Screen Page and Reference Code []
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 []
35. Calculation Agent []

ZERO COUPON NOTES

36. (a) Implied Yield [] Percent [NACA] [NACM] [NACQ] [NACS] [other method of compounding]
- (b) Reference Price []Percent
- (c) Any other formula or basis for determining amount(s) payable []

PARTLY PAID NOTES

37. (a) Amount of each payment comprising the Issue Price []
- (b) Dates upon which each payment is to be made by Noteholder []

- (c) Consequences (if any) of failure to make any such payment by Noteholder []
- (d) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments [] per cent per annum

INSTALMENT NOTES

38. Instalment Dates []
39. Instalment Amounts []

MIXED RATE NOTES

40. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:
- (a) Fixed Rate Notes []
- (b) Floating Rate Notes []
- (c) Index-Linked Notes []
- (d) Dual Currency Notes []
- (e) Other Notes []
41. The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

INDEX-LINKED NOTES

42. (a) Type of Index-Linked Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- (b) Index/Formula by reference to which Interest Rate / Interest Amount is to be determined []
- (c) Manner in which the Interest Rate / Interest Amount is to be determined []
- (d) Interest Period(s) []
- (e) Interest Payment Date(s) []
- (f) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable []
- (g) Definition of Business Day (if different from that set out in Condition 1 (*Interpretation*)) []
- (h) Minimum Rate of Interest [] per cent per annum
- (i) Maximum Rate of Interest [] per cent per annum
- (j) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) []

DUAL CURRENCY NOTES

43. (a) Type of Dual Currency Notes [Dual Currency Interest/Dual Currency Redemption Amount] Notes
- (b) Rate of Exchange/method of calculating Rate of Exchange []
- (c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable []
- (d) Person at whose option Specified Currency(ies) is/are payable []

EXCHANGEABLE NOTES

44. (a) Mandatory Exchange applicable [Yes/No]
- (b) Noteholders' Exchange Right applicable [Yes/No]
- (c) Exchange Securities []
- (d) Manner of determining Exchange Price []
- (e) Exchange Period []
- (f) Other []

OTHER NOTES

45. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index-linked Notes, Dual Currency Notes or Exchangeable Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes. []

PROVISIONS REGARDING REDEMPTION/MATURITY

46. Redemption at the Option of the Issuer: [Yes/No]
- If yes:
- (a) Optional Redemption Date(s) []
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) []
- (c) Minimum period of notice (if different from Condition 10.3 (*Redemption at the Option of the Issuer*)) []
- (d) If redeemable in part: []

- | | | |
|-----|---|----------|
| | Minimum Redemption Amount(s) | [] |
| | Higher Redemption Amount(s) | [] |
| | (e) Other terms applicable on Redemption | |
| 47. | Redemption at the Option of the Senior Noteholders: | [Yes/No] |
| | if yes: | |
| | (a) Optional Redemption Date(s) | [] |
| | (b) Optional Redemption Amount(s) | [] |
| | (c) Minimum period of notice (if different from Condition 10.4 (<i>Redemption at the Option of the Senior Noteholders</i>)) | [] |
| | (d) If redeemable in part: | |
| | Minimum Redemption Amount(s) | [] |
| | Higher Redemption Amount(s) | [] |
| | (e) Other terms applicable on Redemption | [] |
| | (f) Attach <i>pro forma</i> put notice(s) | |
| 48. | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). | [Yes/No] |
| | If no: | |
| | (a) Amount payable; or | [] |
| | (b) Method of calculation of amount payable | [] |
| 49. | Redemption in the event of a Change of Control | [Yes/No] |

GENERAL

- | | | |
|-----|--|---------------------------------------|
| 50. | Financial Exchange | [JSE]/[BSE] |
| 51. | Additional selling restrictions | [] |
| 52. | [ISIN No.] / [NIS] | [] |
| 53. | Stock Code | [] |
| 54. | Stabilising manager | [] |
| 55. | Provisions relating to stabilisation | [] |
| 56. | The notice period required for exchanging uncertificated SA Notes for Certificates | [] |
| 57. | Method of distribution | [Private Placement/Auction/Bookbuild] |
| 58. | Credit Rating assigned to the [Issuer]/[Programme]/[Notes] | [], assigned on [●] |

59. Applicable Rating Agency []
60. Governing law (if the laws of South Africa or Botswana, as the case may be are not applicable) []
61. Surrendering of Notes in the case of Notes represented by a Certificate [] days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer
62. Use of proceeds []
63. Other provisions [Other Events of Default in addition to the addition to the Events of Default referred to in Condition 16 (Events of Default)]
[Other covenants, provisions]

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

64. Paragraph 3(5)(a)
The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the [Issuer].
65. 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.
66. Paragraph 3(5)(c)
The auditor of the Issuer is [Insert].
67. Paragraph 3(5)(d)
As at the date of this issue:
(i) the Issuer has issued [ZAR•,000,000,000] Commercial Paper (as defined in the Commercial Paper Regulations) and
(ii) the Issuer estimates that it may issue [ZAR•,000,000,000] of Commercial Paper during the current financial year, ending [date].
68. 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.
69. 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.
70. Paragraph 3(5)(g)
The SA Notes issued will be [listed/unlisted].
71. Paragraph 3(5)(h)
The funds to be raised through the issue of the SA Notes are to be used by the Issuer for its [general corporate purposes/funding of its business operations/other].
72. Paragraph 3(5)(i)
The obligations of the Issuer in respect of the SA Notes are unsecured.
73. Paragraph 3(5)(j)
[Insert], the statutory auditors of the Issuer, 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.

Responsibility:

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by applicable law and the debt listing requirements of the [JSE/BSE].

Application [is hereby]/[will not be] made to list this issue of Notes [on • ••••].

SIGNED at _____ on this _____ day of _____
20●●

For and on behalf of
LETSHEGO HOLDINGS LIMITED

Name:
Capacity: Director
Who warrants his/her authority hereto

Name:
Capacity: Director
Who warrants his/her authority hereto

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note. A Tranche of Notes will be issued on, and subject to, the below Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE, BSE or such other Financial Exchange(s) and the relevant CSD a pricing supplement based on the *pro forma* Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes. The Issuer may determine that particular Notes will not be listed on the JSE or BSE or such other Financial Exchanges and, in that case, no Applicable Pricing Supplement will be delivered to the JSE, the BSE or such other or further Financial Exchange(s).

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

"Applicable Pricing Supplement"	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
"Applicable Procedures"	in respect of the SA Notes, the rules and operating procedures for the time being of the SA CSD, the relevant Participants and the debt listings requirements of the JSE; or in respect of the BW Notes, the rules and operating procedures for the time being of the CSDB, the relevant Participants and the debt listings requirements of the BSE, and/or any other Financial Exchange;
"Beneficial Interest"	in relation to a Tranche of Notes which is held in the relevant CSD, the beneficial interest as owner or co-owner of an undivided share of all of the Notes in that Tranche, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate outstanding Nominal Amount of such number of Notes bears to the aggregate outstanding Nominal Amount of all of the Notes in that Tranche;
"BESA Guarantee Fund"	in respect of the SA Notes, the guarantee fund trust established and operated by the Bond Exchange of South Africa Limited (" BESA "), prior to its merger with the JSE on 1 July 2009 and, as at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of sections 9(1)(e) and 18(2)(x) of the SA Securities Services Act or any successor fund;
"Books Closed Period"	in relation to a Tranche of Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine

	those Noteholders entitled to receive interest;
"Botswana"	the Republic of Botswana;
"BW Companies Act "	the Companies Act Cap 42:01 of Botswana;
"BSE"	the Botswana Stock Exchange Limited, a statutory corporation incorporated in accordance with the laws of Botswana registered as a financial exchange in terms of the BSE Act;
"BSE Act"	the Botswana Exchange Act, 1994;
"Business Day"	<p>(a) in respect of the SA Notes, a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which commercial banks settle ZAR payments in Johannesburg; or</p> <p>(b) in respect of BW Notes, a day (other than a Saturday or Sunday or public holiday) on which commercial banks settle BWP payments in Gaborone,</p> <p>save further that if the Applicable Pricing Supplement so provides, "Business Day" shall include a Saturday;</p>
"BW Notes"	secured or unsecured, listed or unlisted notes issued under the Programme in Botswana;
"BWP"	the lawful currency of Botswana, being the Botswana Pula, or any successor currency;
"Calculation Agent"	the Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
"Certificate"	a Global Certificate and/or an Individual Certificate, as the context requires;
"Class of Noteholders"	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
"Computershare"	Computershare Investor Services (Proprietary) Limited (Registration Number: 2004/003647/07), a company with limited liability duly incorporated in accordance with the laws of South Africa;
"CSDB"	the Central Securities Depository Company of Botswana Limited a public company with limited liability duly incorporated in accordance with the laws of Botswana registered as central depository to the BSE;
"Day Count Fraction"	<p>in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the "Calculation Period"), the day count fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and:</p> <p>(a) if "Actual/365" or "Act/365" is so specified, means the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);</p> <p>(b) if "Actual/Actual (ICMA)" is so specified, means:</p> <ol style="list-style-type: none"> 1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the

product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

2. where the calculation Period is longer than one Regular Period, the sum of:
 - a. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - b. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (c) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (d) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (e) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, means the number of days in the Calculation period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (g) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Calculation Period divided by 360,

calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31, in which case D₂ will be 30;

- (h) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

"Dealers"

Renaissance BJM Securities and any other entity appointed as Dealer by the Issuer, which appointment may be for a specific issue or on an ongoing basis;

"Default Rate"

in relation to a Tranche of Notes, the default rate referred to in

	Condition 8.5 (<i>Accrual of Interest</i>) and specified as such in the Applicable Pricing Supplement;
"Dual Currency Notes"	Notes which pay interest and/or principal in a base currency and in a non-base currency, as indicated in the Applicable Pricing Supplement;
"Early Redemption Amount"	in relation to a Tranche of Notes, the amount, as set out in Condition 10.6 (<i>Early Redemption Amounts</i>), at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Conditions 10.2 (<i>Redemption for Tax Reasons</i>), 10.3 (<i>Redemption at the Option of the Issuer</i>), 10.4 (<i>Redemption at the Option of the Senior Noteholders</i>) and 10.5 (<i>Redemption in the event of a Change of Control</i>) and/or Condition 16 (<i>Events of Default</i>);
"Encumbrances"	any mortgage, pledge, lien, hypothecation, assignment, cession <i>in securitatem debiti</i> , deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law;
"Event of Default"	in relation to a Series of Notes, any of the events described in Condition 16 (<i>Events of Default</i>);
"Exchangeable Notes"	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
"Exchange Period"	in relation to a Tranche of Exchangeable Notes to which the Noteholders' Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
"Exchange Price"	in relation to a Tranche of Exchangeable Notes, the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
"Exchange Securities"	in relation to a Tranche of Exchangeable Notes, the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of the Exchangeable Notes to the value of the Exchange Price;
"Extraordinary Resolution"	a resolution passed at a meeting (duly convened) of the Noteholders, as contemplated in Condition 20 (<i>Meetings of Noteholders</i>) or, as the case may be, by a majority consisting of not less than 66.67% (sixty-six point sixty-seven per cent) of the persons voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66.67% (sixty-six point sixty-seven per cent) of the votes given on such poll;
"Final Broken Amount"	in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;
"Final Redemption Amount"	in relation to a Tranche of Notes, the amount of principal specified in the Applicable Pricing Supplement payable in respect of such Tranche of Notes upon the Maturity Date;
"Financial Exchange"	the JSE, the BSE and/or such other financial exchange(s) as may be determined by the Issuer, subject to applicable laws, and upon which the Notes are listed as specified in the Applicable Pricing Supplement;

“Fixed Coupon Amount”	in relation to a Tranche of Fixed Rate Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;
“Fixed Rate Notes”	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
“Fixed Rate of Interest”	in relation to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;
“Floating Rate Notes”	Notes which will bear interest at a Floating Rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.2 (<i>Floating Rate Notes and Indexed Interest Notes</i>);
“Floating Rate”	in relation to a Tranche of Notes, the floating rate of interest specified as such in the Applicable Pricing Supplement;
“FNB”	First National Bank, a division of FirstRand Bank Limited (Registration Number 1929/001225/06), a company with limited liability and a registered bank duly incorporated in accordance with the banking and company laws of South Africa;
“Global Certificate”	in relation to a Tranche of Notes which is issued in certificated form and immobilised in the relevant CSD, a certificate deposited with and lodged in the relevant CSD and registered in the name of the SA CSD’s Nominee (in respect of SA Notes) and in the name of the CSDB (in respect of BW Notes), representing all of the Notes in that Tranche (other than those Notes in that Tranche (if any) which are represented by Individual Certificates);
“Higher Redemption Amount”	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);
“Implied Yield”	in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price of such Notes, as specified in the Applicable Pricing Supplement;
“Indebtedness”	in respect of the Issuer, any indebtedness in respect of monies borrowed, (without double counting) guarantees (other than those given in the ordinary course of business) given, whether present or future, actual or contingent, excluding any intra-group indebtedness due to any Subsidiary or holding company of the Issuer or to any other Subsidiary of the Issuer’s holding company;
“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement;
“Index-Linked Notes”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable and as indicated in the Applicable Pricing Supplement;
“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;
“Individual Certificate”	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 12 (<i>Exchange of Beneficial Interests and Replacement of Certificates</i>) and any further certificate issued in consequence of a transfer thereof;

"Initial Broken Amount"	in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;
"Instalment Amount"	in relation to a Tranche of Instalment Notes, the amount expressed (in the Applicable Pricing Supplement) as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
"Instalment Notes"	Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
"Instalment Dates"	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
"Interest Amount"	in relation to a Tranche of Notes, the amount of interest payable in respect of the Nominal Amount of Notes, other than Zero Coupon Notes, as determined by the Calculation Agent in accordance with Condition 8 (<i>Interest</i>);
"Interest Commencement Date"	in relation to a Tranche of Notes (where applicable) the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
"Interest Determination Date"	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
"Interest Payment Date"	in relation to a Tranche of Notes, the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
"Interest Period"	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
"Interest Rate" and "Rate of Interest"	in relation to a Tranche of Notes, the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
"ISDA"	the International Swaps and Derivatives Association Inc.;
"ISDA Definitions"	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
"Issue Date"	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
"Issue Price"	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
"Issuer"	Letshego Holdings Limited (Registration Number Co 98/442), a public company with limited liability incorporated in accordance with the laws of Botswana;
"JSE"	the JSE Limited (Registration Number 2005/022939/06), a company with limited liability incorporated in accordance with the laws of South Africa and a licensed financial exchange in terms of the SA Securities Services Act or any exchange which operates as a successor exchange to the JSE;
"JSE Guarantee Fund"	in respect of SA Notes, the JSE Guarantee Fund established and operated by the JSE, in terms of the of the rules of the JSE, as

	required by sections 9(1)(e) and 18(2)(x) of the SA Securities Services Act or any successor fund;
"Last Day to Register"	with respect to a particular Tranche of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the transfer of Notes may be recorded in the Register for that particular Tranche of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;
"Letshego Group"	the Issuer and each of its Subsidiaries and any other company or entity from time to time whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;
"Mandatory Exchange"	in relation to a Tranche of Notes, the mandatory exchange specified as such in the Applicable Pricing Supplement;
"Margin"	in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
"Material Group Company"	(a) the Issuer; and (b) any company of which the Issuer is a member and which represents more than 15% (fifteen percent) of the assets of the Issuer;
"Material Indebtedness"	any Indebtedness amounting in aggregate not less than ZAR100,000,000 (or its equivalent in other currencies) at the time of the occurrence of an Event of Default;
"Maturity Date"	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
"Minimum Redemption Amount"	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
"Mixed Rate Notes"	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes , Index-Linked Notes or Other Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 8.4 (<i>Mixed Rate Notes</i>);
"NACA"	nominal annual compounded annually;
"NACM"	nominal annual compounded monthly;
"NACQ"	nominal annual compounded quarterly;
"NACS"	nominal annual compounded semi-annually;
"NCSS Act"	the National Clearing and Settlement Systems Act, No. 5 of 2003 of Botswana;
"NBFIRA Act"	the Non-Bank Financial Institutions Regulatory Authority Act Cap 46:08 of Botswana;
"Nominal Amount"	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note as determined on Issue Date;
"Noteholders"	the registered holders of the Notes as recorded in the Register;
"Noteholders' Exchange Right"	the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
"Notes"	SA Notes and/or BW Notes;
"Outstanding"	in relation to the Notes, all the Notes issued under the Programme other than:

- (a) those which have been redeemed in full;
- (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates (if any);
- (c) those which have been purchased and cancelled as provided in Condition 10 (*Redemption and Purchase*);
- (d) those which have become prescribed under Condition 15 (*Prescription*);
- (e) those represented by mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 12 (*Exchange of Beneficial Interests and Replacement of Certificates*);
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 12 (*Exchange of Beneficial Interests and Replacement of Certificates*),

provided that for each of the following purposes:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 19 (*Amendment of these Conditions*) and 20 (*Meetings of Noteholders*),

all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to be Outstanding;

“Optional Redemption Amount”

in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;

“Participant”

in respect of the SA Notes, a person accepted by the SA CSD as a participant in terms of section 34 of the SA Securities Services Act; or in relation to BW Notes, a person accepted by the CSDB as a participant and who is approved by the BSE, in terms of the listings requirements of the BSE, as a Settlement Agent to perform electronic settlement of funds and scrip;

“Partly Paid Notes”

Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments as indicated in the Applicable Pricing Supplement;

“Paying Agent”

in respect of SA Notes, FNB, unless the Issuer elects to appoint another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;

“Payment Day”

any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;

"Permitted Encumbrance"	<ul style="list-style-type: none"> (a) any Encumbrance existing as at the date of the Applicable Pricing Supplement; or (b) any Encumbrance with regard to receivables of the Issuer or a Material Group Company or which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness is limited to the value of such receivable; or (c) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary or between any Subsidiary; or (d) any Encumbrance created over any asset owned, acquired, developed or constructed, provided that the Indebtedness so secured shall not exceed the <i>bona fide</i> market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two; or (e) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or (f) any Encumbrance created in the ordinary course of business, which includes construction guarantees, over stock-in-trade, inventories, accounts receivable or deposit accounts; or (g) any Encumbrance subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset (but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased, save in the ordinary course of business as set out in sub-clauses (a) to (f) above; or (h) in addition to any Encumbrance referred to in (a) to (g) above, any Encumbrance securing in aggregate not more than ZAR100,000,000 at any time;
"Programme"	Letshego Holdings Limited ZAR2,500,000,000 and BWP2,500,000,000 Medium Term Note Programme under which the Issuer may from time to time issue Notes;
"Programme Amount"	the maximum aggregate outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time being ZAR2,500,000,000 (in respect of SA Notes) and BWP2,500,000,000 (in respect of BW Notes) or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, applicable laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ";
"Programme Date"	the date of this Programme Memorandum being 13 July 2011;
"Rating"	in relation to the Issuer and/or the Programme and/or a Tranche of Notes (where applicable), as the case may be, the rating of the Issuer and/or the Programme and/or the Tranche of Notes, as the case may be, by the Rating Agency, specified in the Applicable Pricing Supplement;

"Rating Agency"	any rating agency of international or national standing, as the case may be, specified from time to time by the Issuer, or the Guarantor, as the case may be, in the Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 18 (<i>Notices</i>);
"Redemption Date"	in relation to a Tranche of Notes, the date upon which the Notes are redeemed by the Issuer, whether by way of redemption or maturity in terms of Condition 10.1 (<i>Redemption at Maturity</i>) or redemption for tax reasons in terms of Condition 10.2 (<i>Redemption for Tax Reasons</i>), as the case may be;
"Reference Banks"	in respect of SA Notes, four leading banks in the South African inter-bank market selected by the Calculation Agent; or in respect of BW Notes, the leading banks in the Botswana inter-bank market selected by the Calculation Agent;
"Reference Rate"	in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
"Reference Price"	in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
"Register"	the relevant register of Noteholders in respect of the SA Notes or BW Notes, as the case may be, maintained by the relevant Transfer Agent in terms of Condition 13 (<i>Register</i>), including any Uncertificated Securities Register, as the case may be
"Regular Period"	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;</p> <p>(b) in the case Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "<i>Regular Date</i>" means the day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "<i>Regular Date</i>" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;</p>
"Relevant Date"	in relation to a Tranche of Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the relevant CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the relevant CSD, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
"Relevant Screen Page"	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that

	information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
"Renaissance BJM Securities"	Renaissance BJM Securities (Proprietary) Limited (Registration Number 1987/000175/07), a company with limited liability duly incorporated in accordance with the laws of South Africa;
"Representative"	a person duly authorised to act on behalf of a Noteholder, the relevant Transfer Agent and the Paying Agent who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, the relevant Transfer Agent and the Paying Agent;
"SA Banks Act"	the South African Banks Act, 1990;
"SA Commercial Paper Regulations"	the South African Commercial Paper Regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of " <i>the business of a bank</i> " in the SA Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994;
"SA Companies Act"	the South African Companies Act, 2008;
"SA CSD"	Strate Limited (Registration Number 1998/022242/06), a company with limited liability incorporated in accordance with the laws of South Africa, or its nominee, licensed as a central securities depository in terms of the SA Securities Services Act or any successor depository, or any additional or alternate depository approved by the Issuer;
"SA CSD Nominee"	a Wholly Owned subsidiary of the SA CSD approved by the South African Registrar of Securities Services in terms of the SA Securities Services Act, and any reference to " <i>SA CSD's Nominee</i> " shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the SA Securities Services Act;
"SA Exchange Control Regulations"	the SA Exchange Control Regulations, 1961, promulgated pursuant to the South African Currency and Exchanges Act, 1933;
"SA Notes"	secured or unsecured, listed or unlisted notes issued under the Programme in South Africa;
"SA Income Tax Act"	South African Income Tax Act, 1962;
"SA Securities Services Act"	the South African Securities Services Act, 2004;
"Senior Noteholders"	the Noteholders of Senior Notes;
"Senior Notes"	Notes issued with the status and characteristics set out in Condition 5 (<i>Status of Senior Notes</i>), as indicated in the Applicable Pricing Supplement;
"Series"	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: <ul style="list-style-type: none"> (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"Settlement Agent"	a Participant, approved by the JSE or BSE, as the case may be, in terms of the listings requirements of the JSE or BSE, as the case may be, to perform electronic settlement of both funds and scrip on behalf of market participants;

"Specified Currency"	in relation to each Note in a Tranche of Notes, subject to all applicable laws, the currency specified in the Applicable Pricing Supplement;
"Specified Denomination"	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;
"South Africa"	the Republic of South Africa;
"Subordinated Indebtedness"	in the event of the dissolution of the Issuer or if the Issuer is wound up or placed in liquidation, any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer;
"Subordinated Notes"	Notes issued with the status and characteristics set out in Condition 6 (<i>Status and Characteristics of Subordinated Notes</i>), as indicated in the Applicable Pricing Supplement;
"Subsidiary"	(a) in respect of SA Notes, a subsidiary company as defined in section 1(3) of the SA Companies Act; and/or (b) in respect of the BW Notes, a subsidiary company as defined in section 6 of the BW Companies Act;
"Sub-unit"	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
"Terms and Conditions"	the terms and conditions incorporated in this section headed " <i>Terms and Conditions of the Notes</i> " and in accordance with which the Notes will be issued;
"Tranche"	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
"Transfer Agent"	in respect of SA Notes, Computershare; or in respect of BW Notes, the CSDB or unless the Issuer elects to appoint another entity as a Transfer Agent in which event that other entity shall act as a Transfer Agent in respect of that Tranche or Series of SA Notes, as indicated in the Applicable Pricing Supplement;
"Transfer Form"	the written form for the transfer of a Note, in the form approved by the relevant Transfer Agent, and signed by the transferor and transferee;
"Uncertificated Securities Register"	in respect of SA Notes, an uncertificated securities register as contemplated in section 1 of the SA Companies Act;
"Wholly Owned Subsidiary"	a wholly owned subsidiary as defined in Section 1(5) of the SA Companies Act;
"ZAR"	the lawful currency of South Africa, being South African Rand, or any successor currency;
"ZAR-JIBAR-SAFEX"	in respect of SA Notes, the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
"Zero Coupon Notes"	Notes which will be offered and sold at a discount to their Nominal Amount and will not bear interest other than in the case of late payment, as indicated in the Applicable Pricing Supplement.

2. ISSUE

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder) issue one or more Tranche(s) of Notes pursuant to the Programme, provided that the

aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Pricing Supplement, relating to that Tranche of Notes.
- 2.3. Each Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index-Linked Note, a Dual Currency Note, a Mixed Rate Note or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and specified in the relevant Applicable Pricing Supplement.
- 2.4. All payments in relation to the Notes will be made in the Specified Currency. Each Note will be issued in the Specified Denomination.
- 2.5. The Terms and Conditions of a Tranche of Notes are incorporated by reference into the Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes issued in certificated form will be attached to the Certificate(s) representing the Notes in that Tranche.

3. FORM AND DENOMINATION

3.1. General

A Tranche of Notes may be listed on the JSE or BSE, as the case may be, or on such other Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to any applicable laws. Unlisted Notes may also be issued under the Programme subject to the applicable laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange.

3.2. Registered Notes

- 3.2.1. Each Tranche of Notes which is held in the relevant CSD, as contemplated in Condition 3.2.1 (Notes issued in certificated form), Condition 3.2.3 (*SA Notes issued in uncertificated form*) and Condition 3.2.4 (*Beneficial Interests in Notes held in the relevant CSD*) respectively recorded in the relevant Register by the relevant Transfer Agent or Registrar.

3.2.2. *Notes issued in certificated form*

- (i) Each Tranche of Notes which is lodged and immobilised in the relevant CSD may be issued in certificated form in terms of the applicable laws. Each such Tranche of Notes will be represented by a Global Certificate, and the CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, will be named in the relevant Register as the registered Noteholder of that Tranche of Notes. Each Global Certificate will be physically deposited with and lodged in the CSD.
- (ii) All Notes issued in certificated form which are not represented by a Global Certificate will be represented by Individual Certificates.

3.2.3. *SA Notes issued in uncertificated form*

A Tranche of SA Notes may, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in terms of section 37 of the SA Securities Services Act. SA Notes issued in uncertificated form will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument. A SA Note which is represented by a Certificate may be replaced by uncertificated securities in terms of section 37 of the SA Securities Services Act.

3.2.4. *Beneficial Interests in Notes held in the relevant CSD*

- (a) A Tranche of Notes will either be issued in certificated form and lodged in the relevant CSD under a Global Certificate or, in the case of SA Notes, be issued in uncertificated form and held in the SA CSD.
- (b) The relevant CSD will hold Notes subject to the applicable laws and the Applicable Procedures.

- (c) All amounts to be paid and all rights to be exercised in respect of Notes held in the relevant CSD will be paid to and may be exercised only by the SA CSD's Nominee (in the respect of SA Notes) or the CSDB (in the respect of BW Notes) as the case may be, for the holders of Beneficial Interests in such Notes.
- (d) A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by a Certificate in accordance with Condition 12 (*Exchange of Beneficial Interests and Replacement of Certificates*).

3.2.5. **Recourse to the BESA Guarantee Fund**

The holders of SA Notes that are not listed on the JSE will have no recourse against the JSE or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of SA Notes listed on the JSE and in accordance with the rules of the BESA Guarantee Fund. Unlisted SA Notes are not regulated by the JSE.

3.2.6. **Recourse to the JSE Guarantee Fund**

The holders of SA Notes that are not listed on the JSE will have no recourse against the JSE Guarantee Fund. Claims against the JSE Guarantee Fund may only be made in respect of the trading of SA Notes listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the SA Notes listed on the JSE. Any claims against the JSE Guarantee Fund may only be made in accordance with the rules of the JSE Guarantee Fund. Unlisted SA Notes are not regulated by the JSE.

4. **TITLE**

4.1. **Notes issued in certificated form**

- 4.1.1. The SA CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes), as the case may be, will be named in the relevant Register as the registered holder of each Tranche of Notes which is represented by a Global Certificate.
- 4.1.2. Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Notes.
- 4.1.3. Title to Notes will pass upon registration of transfer in the Register in accordance with Condition 14.2 (*Transfer of Notes represented by Certificates*).
- 4.1.4. The Issuer, the relevant Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the relevant Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

4.2. **SA Notes issued in uncertificated form**

The SA CSD's Nominee will be named in the relevant Register as the registered holder of each Tranche of SA Notes which is issued in uncertificated form.

4.3. **Beneficial Interests in Notes held in the relevant CSD**

- 4.3.1. While a Tranche of Notes is held in the relevant CSD, the SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes), as the case may be, will be named in the relevant Register as the sole Noteholder of the Notes in that Tranche.
- 4.3.2. Beneficial Interests which are held by relevant Participants will be held directly through the relevant CSD, and the relevant CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the relevant CSD for such Participants.
- 4.3.3. Beneficial Interests which are held by clients of relevant Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of relevant Participants may include the holders of Beneficial Interests or their custodians. The clients of relevant Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect

of the Notes held by them in the relevant CSD only through their relevant Participants.

- 4.3.4. In relation to each person shown in the records of the relevant CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the relevant CSD or the relevant Participant, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The SA CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes) (as the registered holder of such Notes named in the relevant Register) as the case may be, will be treated by the Issuer, the Paying Agent, the relevant Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.
- 4.3.5. Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the SA CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes), as the case may be, will continue to be reflected in the relevant Register as the registered holder of such Notes, notwithstanding such transfers.
- 4.3.6. Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the relevant Participant appointed to act as such by the holder of such Beneficial Interest.

5. STATUS OF SENIOR NOTES

Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

6. STATUS AND CHARACTERISTICS OF SUBORDINATED NOTES

- 6.1. Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those which have been accorded preferential rights by law.
- 6.2. Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up, the claims of the persons entitled to payment of amounts due in respect of the Subordinated Notes, shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness, to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to payment of amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

7. NEGATIVE PLEDGE

- 7.1. So long as any of the Senior Notes remains Outstanding, the Issuer undertakes that it shall not, and shall procure that no other Material Group Company, create or permit the creation of any Encumbrances other than Permitted Encumbrances over any of their present or future business undertakings, assets or revenues to secure any present or future Indebtedness (save for those that have been accorded a preference by law) without at the same time securing all Senior Notes equally and rateably with such Indebtedness or providing such other security or arrangement as may be approved by Extraordinary Resolution of the Senior Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Senior Noteholders.
- 7.2. The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

8. INTEREST

8.1. Fixed Rate Notes

- 8.1.1. Each Fixed Rate Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Interest Payment Dates in each year up to and including the Maturity Date.
- 8.1.2. The first payment of interest will be made on the Interest Payment Date immediately following the Interest Commencement Date.
- 8.1.3. Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:
- 8.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- 8.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 8.1.4. If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

8.2. Floating Rate Notes and Indexed Interest Notes

Interest Payment Dates

Each Floating Rate Note and Indexed Interest Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Indexed Interest Notes will be determined in the manner specified in the Applicable Pricing Supplement.

Minimum and/or Maximum Rate of Interest

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent, in the case of Floating Rate Notes and Indexed Interest Notes will at, or as soon as is practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note and Indexed Interest Note in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Rate of

Interest for the relevant Interest Period as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Interest Determination, Screen Rate Determination including Fallback Provisions

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (c) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on ZAR-JIBAR-SAFEX or its equivalent in Botswana, as the case may be, the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

For the purposes of the above sub-paragraph "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to the provisions below, be either:

- (a) if the Relevant Screen Page is available,
 - (i) the offered quotation (if only one quotation appears on the screen page); or
 - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the Applicable Pricing Supplement) (Johannesburg time or Gaborone, as the case may be) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg or Gaborone office (as the case may be) of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time or Gaborone time, as the case may be) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or

- (c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time or Gaborone time, as the case may be) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg or Gaborone (as the case may be) inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time or Gaborone time, as the case may be) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX or its equivalent in Botswana, as the case may be, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE or the BSE, as the case may be, and the relevant CSD and/or every other relevant exchange or authority as soon as possible after their determination but in any event no later than the 4th (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE or the BSE, as the case may be, the relevant CSD and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 18 (*Notices*).

Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this subparagraph 8.2, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

8.3. Dual Currency Interest Notes

In the case of Dual Currency Interest Notes, the Interest Rate or Interest Amount payable shall be determined in the manner specified in the Applicable Pricing Supplement.

8.4. Mixed Rate Notes

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on the form of interest-bearing Note (be it a Fixed Rate Note, Floating Rate Note, Index-Linked Note, Dual Currency Note or Other Note) specified for each respective period, each as specified in the Applicable Pricing Supplement. During each such applicable period,

the Interest Rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Index-Linked Notes, Dual Currency Notes or Other Notes, as the case may be.

8.5. **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid, or, until the date on which the full amount of the money payable has been received by the relevant CSD and/or the relevant Participants and notice to that effect has been given to Noteholders in accordance with Condition 18 (*Notices*).

8.6. **Business Day Convention**

If any Interest Payment Date (or other date), which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention, would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

- (a) the "**Floating Rate Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months, or other period specified as the Interest Period in the Applicable Pricing Supplement, after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

9. **PAYMENTS**

9.1. **General**

Payments of principal and/or interest on an Individual Certificate shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the relevant Transfer Agent.

Payments of principal and/or interest in respect of uncertificated SA Notes or Notes represented by a Global Certificate will be made to the relevant CSD and/or the relevant Participants, as shown in the Register on the Last Day to Register, and the Issuer will be discharged of its payment obligations by proper payment to the relevant CSD and/or the relevant Participants, in respect of each amount so paid. Each of the persons shown in the records of the relevant CSD and the relevant Participants, as the case may be, shall look solely to the relevant CSD or the relevant Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated SA Notes or to the registered holder of such Global Certificate(s).

9.2. **Method of Payment**

Payments will be made in the Specified Currency by credit or transfer, by means of electronic settlement, to the Noteholder.

Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "*not transferable*" (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer, nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 9.2.

In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

9.3. **Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

9.4. **Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- 9.4.1. any additional amounts which may be payable with respect to principal under Condition 11 (*Taxation*);
- 9.4.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- 9.4.3. the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes;
- 9.4.4. in relation to Instalment Notes, the Instalment Amounts;
- 9.4.5. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 10.6.3); and
- 9.4.6. any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11 (*Taxation*).

10. **REDEMPTION AND PURCHASE**

10.1. **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.

10.2. Redemption for Tax Reasons

Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes), on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders prior to such redemption, in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

10.2.1. as a result of any change in, or amendment to, the laws or regulations of South Africa or Botswana, as the case may be, or any political sub-division of, or any authority in, or of, South Africa or Botswana, as the case may be, having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 11 (*Taxation*); and

10.2.2. the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Notes may be redeemed by the Issuer in accordance with this Condition 10.2 in whole or in part. Redemption in part may be effected by the Issuer:

10.2.2.1. notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 11 (*Taxation*); and

10.2.2.2. *mutatis mutandis* in the manner described in Condition 10.3 (*Redemption at the Option of the Issuer*), provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Higher Redemption Amount (both as specified in the Applicable Pricing Supplement) therein shall be disregarded for such purposes.

Notes redeemed for tax reasons pursuant to this Condition 10.2 will be redeemed at their Early Redemption Amount referred to in Condition 10.4 (*Redemption at the Option of the Senior Noteholders*), together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

10.3. Redemption at the Option of the Issuer

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) nor more than 60 (sixty) days' irrevocable notice to the Noteholders in accordance with Condition 18 (*Notices*), redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Certificates, and in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertificated (in respect of SA Notes), and in each case not more than 30 (thirty) days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 18 (*Notices*) not less than 15 (fifteen) days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of

Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph, and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 (*Notices*) at least 10 (ten) days prior to the Selection Date.

Holders of Redeemed Notes shall surrender the Certificates, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Certificates are redeemed, the relevant Transfer Agent shall deliver new Certificates to the relevant CSD or such Noteholders, as the case may be, in respect of the balance of the Notes.

10.4. **Redemption at the Option of the Senior Noteholders**

If Senior Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of certificated Notes, such Senior Noteholders may exercise such option in respect of such Notes by delivering to the relevant Transfer Agent, in accordance with Condition 18 (*Notices*), a duly executed notice ("**Put Notice**"), at least 30 (thirty) days but not more than 60 (sixty) days, prior to the Optional Redemption Date.

For redemption in part, the redemption amount specified in such Put Notice in respect of any such Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption by the Senior Noteholders of uncertificated SA Notes shall take place in accordance with the Applicable Procedures.

The Issuer shall proceed to redeem the Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

In the event that the redeeming Noteholder is the holder of a Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Certificate to the relevant Transfer Agent for cancellation. A holder of a Certificate shall, in that holder's Put Notice, specify a bank account into which the redemption payment amount is to be paid.

The delivery of Put Notices shall be required to take place during normal office hours to the Issuer and relevant Transfer Agent. Put Notices shall be available for inspection at the specified offices of the relevant Transfer Agent.

Any Put Notice given by a holder of any Senior Note pursuant to this paragraph shall be irrevocable except where after giving the notice but prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 16 (*Events of Default*).

The Issuer shall have no liability to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder.

10.5. **Redemption in the event of a Change of Control**

The provisions of this Condition 10.5 shall apply if specified as being applicable in the Applicable Pricing Supplement.

10.5.1. A "**Change of Control Event**" shall occur if:

- (a) a Change of Control occurs; and
- (b) within the Change of Control Period, a Rating Downgrade occurs.

- 10.5.2. Promptly upon the Issuer becoming aware that a Change of Control Event has occurred at any time while any Note remains Outstanding, the Issuer shall give a notice (a "**Change of Control Notice**") to the relevant Class of Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it. Upon the receipt of a Change of Control Notice, the relevant Class of Noteholders shall have the right to exercise an option, by way of Extraordinary Resolution, to require early redemption of the Notes and to convene a meeting of each relevant Class of Noteholders within 30 (thirty) days of the date on which the Issuer becomes aware of that Change of Control Event having occurred.
- 10.5.3. If a Class of Noteholders resolves, in accordance with Condition 20 (*Meetings of Noteholders*), by way of an Extraordinary Resolution passed at the meeting referred to in Condition 20, to require the redemption of the Notes of that Class of Noteholders as a consequence of the occurrence of the relevant Change of Control Event, then the Issuer shall redeem all of the Notes of that Class of Noteholders within 30 (thirty) days of the date on which such Extraordinary Resolution is passed (the "**Mandatory Redemption Date**") at its Early Redemption Amount together with interest accrued to, but excluding, the Mandatory Redemption Date.
- 10.5.4. For the purposes of this Condition 10.5:
- (a) "**Acting in Concert**" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;
 - (b) a "**Change of Control**" shall be deemed to have occurred at each time that any person ("**Relevant Person**") or person Acting in Concert, at any time directly or indirectly has unconditionally acquired Control of the Issuer, provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control, were all of the shareholders of the Issuer;
 - (c) "**Change of Control Period**" means, in relation to a Change of Control of the Issuer, the period commencing on the Date of Announcement and ending on the 45th (forty-fifth) day following the Date of Announcement;
 - (d) "**Control**" of the Issuer means (A) the holding beneficially of more than 50% (fifty percent) of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or (B) the power to cast, or control the casting of, such number of the shares in the issued share capital of the Issuer carrying more than 50% (fifty percent) of the total number of votes that may be cast at a general meeting of the members of the Issuer;
 - (e) "**Date of Announcement**" means the date when the Change of Control is announced by the Issuer, or such other third party connected therewith; and
 - (f) a "**Rating Downgrade**" shall, in relation to Issuer and/or the Programme and/or where any Notes are rated by a Rating Agency, as the case may be, be deemed to have occurred in respect of a Change of Control if within the Change of Control Period any Rating is:
 - (i) withdrawn by all the Rating Agencies; or
 - (ii) if the Rating assigned the Issuer and/or the Programme and/or the Notes, as the case may be, is lowered by two or more full rating notches by the Rating Agency.

10.6. **Early Redemption Amounts**

For the purpose of Conditions 10.2 (*Redemption for Tax Reasons*), 10.3 (*Redemption at the Option of the Issuer*), 10.4 (*Redemption at the Option of Senior Noteholders*) and/or Condition 16 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- 10.6.1. in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 10.6.2. in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount; or
- 10.6.3. in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable, or such other amount as is provided in the Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

10.7. **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Conditions 10.2 (*Redemption for Tax Reasons*) and 10.5 (*Redemption in the event of a Change of Control*) or Condition 16 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 10.4 (*Redemption at the Option of Senior Noteholders*).

10.8. **Partly Paid Notes**

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 10 (*Redemption and Purchase*) and the Applicable Pricing Supplement. In the case of early redemption in accordance with Conditions 10.2 (*Redemption for Tax Reasons*) and 10.5 (*Redemption in the event of a Change of Control*) or Condition 16 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 10.4 (*Redemption at the Option of the Senior Noteholders*).

10.9. **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in the manner indicated in the Applicable Pricing Supplement. Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder as many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Notes.

10.10. **Purchases**

The Issuer or any of its Subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, subject to applicable law, be held, resold, or, at the option of the Issuer, surrendered to the relevant Transfer Agent for cancellation.

10.11. **Cancellation**

All Notes which have been redeemed will forthwith be cancelled. All Notes so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the relevant Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes.

10.12. **Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 10 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 16 (*Events of Default*) is improperly withheld or

refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.6.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 (five) days after the date on which the full amount of the moneys payable has been received by the relevant CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 18 (*Notices*).

10.13. **Applicable Procedures**

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the SA Securities Services Act or the NBFIRA Act, as the case may be.

11. **TAXATION**

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa, Botswana or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note:

- 11.1. held by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa or Botswana, as the case may be, other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 11.2. held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 11.3. where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
- 11.4. where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Certificate in accordance with the Terms and Conditions) the relevant Certificate is surrendered and/or presented more than 30 (thirty) days after the Relevant Date, except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- 11.5. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
- 11.6. where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty, and such tax reduction, credit or similar benefit is actually granted to the Noteholder.

Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

12. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF CERTIFICATES

12.1. Exchange of Beneficial Interests

- 12.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and applicable laws, by written notice to the holder's nominated Participant (or, if such holder is a relevant Participant, the relevant CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given.
- 12.1.2. The holder's nominated relevant Participant will, following receipt of the Exchange Notice, through the relevant CSD, notify the relevant Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The relevant Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the holder of the Beneficial Interest at the Specified Office of the relevant Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 12.1.3. In the case of the exchange of a Beneficial Interest in a Tranche of Notes which is lodged in the relevant CSD under a Global Certificate:
- 12.1.3.1. the CSD's Nominee will surrender the relevant Global Certificate to the relevant Transfer Agent at its Specified Office;
- 12.1.3.2. the relevant Transfer Agent will, in accordance with the Applicable Procedures, procure the splitting of the relevant Global Certificate and the preparation of a new Global Certificate representing the balance of the Notes (if any) in the relevant Tranche still held by the relevant CSD;
- 12.1.3.3. the Issuer will, through its nominated Participant, procure that the new Global Certificate is deposited with and lodged in the relevant CSD and registered in the Register in the name of the SA CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes); and
- 12.1.3.4. the original Global Certificate will be cancelled and retained by the relevant Transfer Agent.
- 12.1.4. In the case of the exchange of a Beneficial Interest in SA Notes issued in uncertificated form:
- 12.1.4.1. the SA CSD's Nominee shall, prior to the Exchange Date, surrender (through the CSD system) such uncertificated SA Notes to the relevant Transfer Agent at its Specified Office; and
- 12.1.4.2. the relevant Transfer Agent will obtain the release of such uncertificated SA Notes from the relevant CSD in accordance with the Applicable Procedures.
- 12.1.5. An Individual Certificate shall, in relation to a Beneficial Interest:
- 12.1.5.1. in a Tranche of Notes which is held in the relevant CSD under a Global Certificate, represent that number of Notes as have, in the aggregate, the same aggregate Nominal Amount of Notes standing to the account of the holder of such Beneficial Interest; or
- 12.1.5.2. in any number of SA Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of SA Notes of that aggregate Nominal Amount,

as the case may be, and shall otherwise be in such form as may be agreed between the Issuer and the relevant Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

12.2. **Replacement**

If any Certificate is worn out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the relevant Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer and the relevant Transfer Agent may reasonably require. Worn out, mutilated or defaced Certificates must be surrendered at the Specified Office of the relevant Transfer Agent before replacements will be issued.

12.3. **Death and sequestration or liquidation of Noteholder**

Any person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 12.3, or of his title as the Issuer and the relevant Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 12.3 and Condition 14.2 (*Transfer of Notes represented by Certificates*), may transfer such Notes. The Issuer and (if applicable) the relevant CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or until such time such Notes are duly transferred.

12.4. **Costs**

The costs and expenses of the printing, issue and delivery of each Global Certificate shall be borne by the Issuer. The costs and expenses of the printing, issue and delivery of each Individual Certificate and all taxes and governmental charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer. The costs and expenses of the delivery of Certificates and all taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

13. **REGISTER**

13.1. The Register of Noteholders:

- 13.1.1. shall be kept at the Specified Office of the relevant Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 13.1.2. shall contain the names, addresses and bank account numbers of the registered Noteholders;
- 13.1.3. shall show the total Nominal Amount of the Notes held by Noteholders;
- 13.1.4. shall show the dates upon which each of the Noteholders was registered as such;
- 13.1.5. shall show the serial numbers of the Certificates and the dates of issue thereof;
- 13.1.6. shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder; and
- 13.1.7. shall be closed during the Books Closed Period.

13.2. The relevant Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.

- 13.3. Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.
- 13.4. Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Certificate may be subject.

14. TRANSFER OF NOTES

14.1. *Transfer of Beneficial Interests in Notes held in the relevant CSD*

- 14.1.1. Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the relevant CSD.
- 14.1.2. Transfers of Beneficial Interests to and from clients of relevant Participants occur by way of electronic book entry in the securities accounts maintained by the relevant Participants for their clients, in accordance with the Applicable Procedures.
- 14.1.3. Transfers of Beneficial Interests among relevant Participants occur through electronic book entry in the central securities accounts maintained by the relevant CSD for the relevant Participants, in accordance with the Applicable Procedures.
- 14.1.4. Transfers of Beneficial Interests in Notes will not be recorded in the relevant Register and the CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes), will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

14.2. *Transfer of Notes represented by Certificates*

- 14.2.1. In order for any transfer of Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 14.2.1.1. the transfer of such Notes must be embodied in a Transfer Form;
 - 14.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any Representatives of that registered Noteholder or transferee; and
 - 14.2.1.3. the Transfer Form must be delivered to the relevant Transfer Agent at its Specified Office together with the Certificate representing such Notes for cancellation.
- 14.2.2. Notes represented by a Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 14.2.3. Subject to this Condition 14.2, the relevant Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable laws and/or Applicable Procedures), record the transfer of Notes represented by a Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the relevant Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.
- 14.2.4. Where a Noteholder has transferred a portion only of Notes represented by a Certificate, the relevant Transfer Agent will authenticate and deliver to such Noteholder at the relevant Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Certificate representing the balance of the Notes held by such Noteholder.
- 14.2.5. The transferor of any Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.2.6. Before any transfer of Notes represented by a Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the relevant Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.

- 14.2.7. No transfer of any Notes represented by a Certificate will be registered whilst the Register is closed as contemplated in Condition 13 (*Register*).

If a transfer of any Notes represented by a Certificate is registered in the Register, the Transfer Form and cancelled Certificate will be retained by the relevant Transfer Agent.

If a transfer is registered then the Transfer Form and cancelled Certificate will be retained by the relevant Transfer Agent.

In the event of a partial redemption of Notes under Condition 10.3 (*Redemption at the Option of the Issuer*), the relevant Transfer Agent shall not be required in terms of Condition 10.3 (*Redemption at the Option of the Issuer*), to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

15. PRESCRIPTION

- 15.1. The SA Notes will become void unless presented for payment of principal within a period of three years after their redemption date.
- 15.2. The BW Notes will become void unless presented for payment of principal within a period of six years after their redemption date.

16. EVENTS OF DEFAULT

16.1. Senior Notes

If, for any particular Series of Notes, one or more of the following events ("**Events of Default**") shall have occurred and be continuing:

16.1.1. **Non Payment**

the Issuer fails to pay any principal or interest due under the Senior Notes on its due date for payment thereof and any such failure continues for a period of 7 (seven) Business Days, after receiving written notice from any of the Senior Noteholders demanding such payment; or

16.1.2. **Negative Pledge**

the Issuer or any other Material Group Company, as the case may be, fails to remedy a breach of Condition 7 (*Negative Pledge*) within 21 (twenty one) Business Days of receiving written notice from the Senior Noteholders demanding such remedy; or

16.1.3. **Cross Default**

the Issuer fails to perform or observe any of its other material obligations or undertakings (not specifically covered elsewhere in this clause 16.1) under or in respect of any of the Senior Notes and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer of a notice from the Senior Noteholders (in accordance with Condition 18 (Notices)) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

16.1.4. **Other Obligations**

the Issuer or any Material Group Company, as the case may be, defaults in the payment of the principal or interest, or any obligations in respect of Material Indebtedness of, or assumed or guaranteed by the Issuer, or any Material Group Company, as the case may be, when and as the same shall become due and payable and where notice has been given to the Issuer or any Material Group Company, as the case may be, of the default and if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligations of, or assumed or guaranteed by, the Issuer or any Material Group Company, as the case may be, shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any Event of Default thereunder; or

16.1.5. ***Insolvency***

an order by any court of competent jurisdiction or authority for the liquidation, winding-up, dissolution, judicial management or placement under supervision and commencement of business rescue proceedings of the Issuer or any Material Group Company, as the case may be, is made whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the Issuer or any Material Group Company, as the case may be, is placed under voluntary liquidation or curatorship or a meeting is convened to consider the passing of a resolution, or a resolution is passed, to authorise the implementation of any business rescue proceedings in respect of the Issuer or any Material Group Company, provided that no liquidation, curatorship, winding-up, dissolution, judicial management or business rescue proceedings shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution, judicial management or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the Letshego Group with any third party; or (ii) the liquidation, winding-up, dissolution, judicial management or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement, the terms of which were approved by an Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up, dissolution, judicial management or business rescue proceedings; or

16.1.6. ***Insolvency Proceedings***

the Issuer or any Material Group Company, as the case may be, initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up, business rescue or insolvency or other similar laws or compromises or attempts to compromise, with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer or any Material Group Company, as the case may be, to consider a proposal for an arrangement or compromise with its creditors generally (or any significant class of its creditors), save for any such initiation, consent, attempt or convening of a meeting which relates to the Issuer or any of its Material Group Companies and is for the purposes of an internal reconstruction or reorganisation within the Letshego Group; or

16.1.7. ***Consents, Approvals and Authorisations***

any action, condition or thing, including obtaining any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes is not taken fulfilled or done or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect, resulting in the Issuer being unable to perform any of its respective payment or other obligations in terms of the Notes and the Issuer fails to take reasonable steps to remedy such circumstances within 14 (fourteen) Business Days of receiving written notice from the Noteholders demanding such remedy; or

16.1.8. ***Other***

any other Event of Default provided for such Series, as specified in the Applicable Pricing Supplement.

If any one or more of the Events of Default shall have occurred and be continuing, then any Senior Noteholder may, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by the Senior Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 10.4 (*Redemption at the Option of Senior Noteholders*)), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that no such action may be taken by a holder of Senior Notes if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of South Africa, Botswana or to comply with any order of a court of competent jurisdiction.

For the purposes of Condition 16.1.4 (*Other Obligations*), any Indebtedness which is in a currency other than South African Rand, or Botswana Pula, as the case may be, shall be converted into South African Rand or Botswana Pula, as the case may be, at the spot rate for

the sale of South African Rand or Botswana Pula, as the case may be, against the purchase of the relevant currency quoted by any leading bank of South Africa selected on the date of such Event of Default.

16.2. **Subordinated Notes**

If the Issuer defaults in relation to Subordinated Notes in the payment of any amount payable in respect of such Notes, and such default continues for a period of 7 (seven) Business Days after receiving written notice from any of the holders of Subordinated Notes, or if an Event of Default as contemplated in Condition 16.1.5 (*Insolvency*) occurs, any holder of a Subordinated Note may, subject as provided below, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of liquidation or winding up proceedings, to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the event of the winding-up or liquidation, whether finally or provisionally, of the Issuer, otherwise than for the purposes of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up or bankruptcy, then any holder of Subordinated Notes issued by the Issuer may by written notice to the Issuer at its registered office, require that its Subordinated Notes are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Subordinated Notes may only receive payment once all the other creditors of the Issuer have been paid in full.

16.3. **Notification of Event of Default**

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders in accordance with Condition 18 (*Notices*), the Dealers, the JSE and the BSE in writing.

17. **CALCULATION AGENT, TRANSFER AGENT AND PAYING AGENT**

Any third party appointed by the Issuer as Calculation Agent, Transfer Agent, Paying Agent or otherwise shall act solely as the agents of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts.

18. **NOTICES**

- 18.1. Notices to holders of Notes shall be valid if mailed to their registered addresses appearing in the Register. Any such notice shall be deemed to have been given on the seventh calendar day after the day on which it is mailed.
- 18.2. In the event of there being any Certificates in issue, such notices shall be published, not earlier than four days after the date of posting of such notice in terms of this clause:
 - 18.2.1. in an English language daily newspaper of general circulation in South Africa (in respect of SA Notes) or Botswana (in respect of BW Notes), as the case may be; and
 - 18.2.2. for so long as the Notes are listed on the JSE, a daily newspaper of general circulation in the city in which the JSE is situated, and any such notices shall be deemed to have been given on the date of first publication.
- 18.3. Notwithstanding the provisions of Condition 18.1, for so long as all of the Notes in a Tranche are held in their entirety in the relevant CSD, they may be substituted for the notice contemplated in Condition 18.1 and in respect of Notes represented by Individual Certificates, Condition 18.2, the delivery of the relevant notice to the SA CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes), as the case may be (as the registered holder of such Notes), the relevant Participants and the JSE for communication by them to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests within 24 hours of the day of delivery of such notice to the CSD's Nominee (in respect of SA Notes) or the CSDB (in respect of BW Notes).

- 18.4. Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the seventh day after the day on which it is sent. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.
- 18.5. For so long as any of the Notes are uncertificated (in the case of SA Notes only) or represented by a Global Certificate, notice may be given by any holder of an uncertificated SA Note or Global Certificate (as the case may be) to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participants may approve for this purpose.

19. AMENDMENT OF THESE CONDITIONS

- 19.1. These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 19, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by or on behalf of the Issuer and the Noteholders.
- 19.2. The Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is established, provided that the JSE and the BSE shall be notified. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be communicated to the relevant Class of Noteholders in accordance with Condition 18 (*Notices*) as soon as is practicable thereafter.
- 19.3. The Issuer and the Dealer(s) may agree, without the consent of the Noteholders, to any modification of these Terms and Conditions which is not prejudicial to the interests of the Noteholders, provided that the JSE shall be notified of any such modification. Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 18 (*Notices*).
- 19.4. The Issuer may with the prior sanction of an Extraordinary Resolution of Noteholders or with the prior written consent of Noteholders holding not less than 66.67% (sixty-six point sixty-seven per cent) in Nominal Amount of the Notes Outstanding from time to time, amend these Terms and Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 18 (*Notices*).

20. MEETINGS OF NOTEHOLDERS

- 20.1. The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes upon at least 21 (twenty one) calendar days' prior written notice to such Noteholders. This notice is required to be given in terms of Condition 18 (*Notices*). Such notice shall specify the date, place and time of the meeting to be held, which place shall be in South Africa, in the case of SA Notes, or Botswana, in the case of BW Notes.
- 20.2. Every director or duly appointed representative of the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or Representative of a Noteholder.
- 20.3. Noteholders holding not less than 25% (twenty-five per cent) in Nominal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) days of such a request being received by the Issuer, the Noteholders requesting such a meeting may convene such meeting.
- 20.4. A Noteholder may by an instrument in writing (a "**form of proxy**") signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 20.5. Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its Representative in connection with any meeting or proposed meeting of the Noteholders.

- 20.6. Any proxy or representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- 20.7. The chairperson of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairperson subject to the remaining provisions of this Condition 20. Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) days of the requisition, then the chairperson of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in person, by representative or by proxy.
- 20.8. At any such meeting one or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Nominal Amount of Notes for the time being Outstanding shall form a quorum for the transaction of business. On a poll, each Noteholder present in person or by proxy at the meeting shall have the number of votes equal to the number of Notes, by denomination, held by the Noteholder.

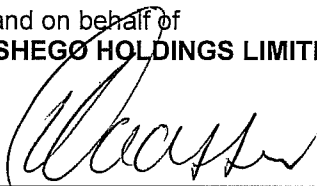
21. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

22. GOVERNING LAW

These Terms and Conditions and all rights and obligations to the Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

For and on behalf of
LETSHEGO HOLDINGS LIMITED



Name: JAN ABRAHAM CLAASSEN
 Capacity: Director
 Who warrants his/her authority hereto



Name: COLIN PATTERSON
 Capacity: Director
 Who warrants his/her authority hereto

USE OF PROCEEDS

Words used in this section headed "Use of Proceeds" 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.

For purposes of the SA Commercial Paper Regulations it is recorded that the "Ultimate Borrower", as defined in the SA Commercial Paper Regulations, of the net proceeds from each Tranche of SA Notes will be the Issuer, unless otherwise indicated in the Applicable Pricing Supplement.

The proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

INVESTOR CONSIDERATIONS

The Issuer believes that the factors described 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 elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision.

References below to the "Terms and Conditions", in relation to Notes, shall mean the "Terms and Conditions of the Notes" set out below and references to a numbered "Condition" shall be to the Terms and Condition under the relevant Terms and Conditions set out below. Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in the Terms and Conditions, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because uncertificated SA Notes and Notes represented by a Global Certificate are held by or on behalf of the relevant CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme which are listed on the JSE, the BSE or such other or additional Financial Exchange and/or lodged in the relevant CSD may, subject to applicable laws and the Applicable Procedures, be issued in the form of a Global Certificate or in the case of SA Notes, in uncertificated form. Unlisted Notes may also be lodged in the relevant CSD in the form of a Global Certificate or in the case of SA Notes, in uncertificated form. Notes held in the relevant CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the relevant CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes represented by a Global Certificate and/or, in respect of SA Notes, issued in uncertificated form, which are held in the relevant CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the relevant CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes (in respect of SA Notes) or Notes represented by a Global Certificate will be made to the relevant CSD and/or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the relevant CSD and/or the relevant Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes (in respect of SA Notes) or Notes represented by a Global Certificate, as the case may be, whether listed or unlisted, must rely on the procedures of the relevant CSD to receive payments under the relevant Notes. Each investor shown in the records of the relevant CSD and/or the relevant Participants, as the case may be, shall look solely to the relevant CSD or the relevant Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes (in respect of SA Notes) or to the registered holder of Notes represented by a Global Certificate. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes (in respect of SA Notes) and/or Notes represented by a Global Certificate will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant CSD to appoint appropriate proxies.

Credit Rating

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification and waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The SA Notes and BW Notes are governed by, and will be construed in accordance with the laws of South Africa and the laws of Botswana, respectively, in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision or change to the laws of South Africa and the laws of Botswana or administrative practice in either such jurisdiction after the Programme Date.

DESCRIPTION OF LETSHEGO HOLDINGS LIMITED

1. INTRODUCTION

Letshego Holdings Limited (“LHL” or the “Company”) is the holding Company of a group of seven subsidiary entities (the “Group”) that provide unsecured consumer loans. The Company commenced trading in Botswana in September 1998 after being incorporated in March of the same year. The Company was established in Botswana to provide financial services to a sector of the market that was not traditionally serviced by the formal banking sector (predominantly Government, civil service and parastatals employees).

2. BACKGROUND AND HISTORY

After the initial success of operations in Botswana it was listed on the Botswana Stock Exchange in 2002.

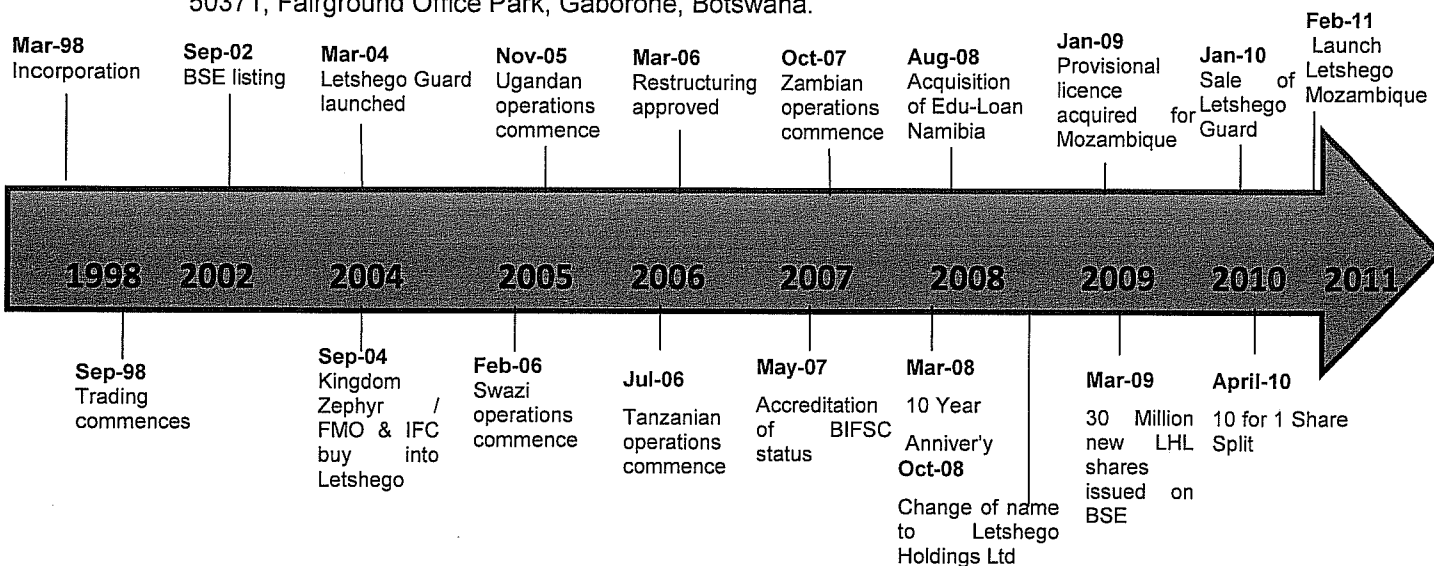
In recognition of the limited market size in Botswana a pan-African expansion strategy was approved by Shareholders resulting in the start-up of greenfield subsidiaries in Uganda, Swaziland, Tanzania and Zambia during the period from 2005 to 2007. The Group entered the Namibian market via an acquisition during 2008 and the seventh and latest greenfield subsidiary started trading in Mozambique during February 2011. All of these new operations replicated the payroll deduction based lending model initially implemented in Botswana by the Company.

The Group employs over 600 people and has an established branch network exceeding 140 in number in the seven countries where it has a presence. The group has over 140,000 customers and a market capitalisation of P3.5 billion (ZAR 3.4 billion). Loans to customers were P2.3 billion at 31 January 2011 and the Group profit before tax was P626 million for the year ended 31 January 2011.

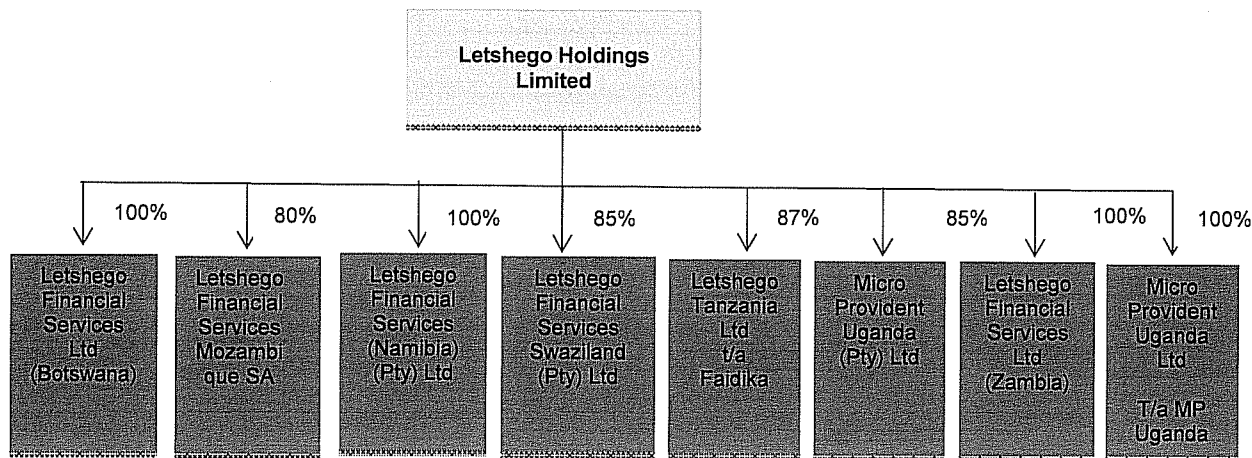
A non-core business subsidiary, Letshego Legal Guard, was established in Botswana in 2004. This subsidiary acted as an agent for the provision of legal expenses insurance. This subsidiary was sold on 31 January 2010 realising a profit before tax of P42.6 million.

In 2006 Shareholders approved the reorganisation of the Group structure whereby Letshego Holdings Limited became the holding company and the lending operations were transferred to a new subsidiary in Botswana, Letshego Financial Services (Pty) Limited Botswana. This was also done as part of obtaining accreditation with the Botswana International Financial Services Centre (“BIFSC”) which was finalised during 2007.

LHL is incorporated in Botswana (registration number 98/442) with registered offices at Plot 50371, Fairground Office Park, Gaborone, Botswana.



3. OWNERSHIP AND CONTROL



Shareholding in LHL

As at the Programme Date, the significant shareholders of LHL are as follows:

Shareholder	Percentage
Botswana Life Insurance Limited	21%
Botswana Insurance Fund Management (funds under management)	18%
Investec Asset Management (funds under management)	14%
Fleming Asset Management (funds under management)	9%
PAIP-PCAP-FMO Letshego Limited	7%
International Finance Corporation	5%
Others	<u>26%</u>
Total	<u>100%</u>

Note: the above is based on an interpretation of the share register at 30 April 2011. The share register is available for inspection by the public at the registered office of the company.

4. REVIEW OF OPERATIONS AND DESCRIPTION OF BUSINESS

4.1 Shared service centre

LHL provides management support through a shared service centre to its subsidiaries in the areas of finance, information and communications technology, human resources, risk and compliance, internal audit and strategy, public relations and communications. The shared services are located at the Group's Head Office in Gaborone, Botswana. Apart from ensuring cost efficiencies through centralised control, as well as consistency in operations and branding and policy, this structure also enables tax efficiencies via LHL accreditation with the Botswana International Financial Services Centre.

4.2 Description of business

The main activity of the Group is to extend short to medium term, personal, unsecured loans to formally employed individuals. Its customers are individuals that are formally employed by government, quasi-government institutions and the private sector. Loan repayments are deducted at source through the payroll systems of participating employers. Under this deduction methodology the participating employer grants a code that allows Letshego to deduct repayments due on loans directly from an employee's salary. As a result, the likelihood of non-collection or default by customers is limited to occurrences when customers are deceased, retrenched or change employment. Mitigating mechanisms have been developed in each country to monitor and manage these risks to an acceptable minimum level. This includes mandatory death and disability insurance cover in Botswana and a more comprehensive mandatory insurance cover in Namibia and Swaziland.

Loan values range from P500 to P150,000 and loan tenor from 3 months to 60 months.

Further detail on the salary deduction code model and how it is managed from a risk perspective is laid out in the risk management section of this document.

5. MANAGEMENT STRATEGY

The strategy of the group is to continue to build good quality loan books in the countries where it has a presence and to look at new expansion opportunities in other countries on the African continent. The current target expansion countries include Ghana, Kenya, Lesotho, Nigeria, and Zimbabwe.

The group is also looking to expand its products and offering to customers over time.

6. RISK MANAGEMENT

The Issuer believes that the factors described below, which are not set out in any particular order, represent key 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. Some risks are not yet known and some that are not currently deemed material could later transpire to be material based on changing circumstances. Accordingly the Issuer does not represent that the statements below regarding the risks of holding of any Notes are exhaustive.

All of these risks could materially affect the Company, its reputation, business, results of its operations and overall financial condition.

The information set out below is therefore not intended as advice and does not purport to describe all of the considerations that may be relevant to prospective investors.

Investors contemplating making an investment in the Notes should determine their own investment objectives and use their own experience and any other factors which may be relevant to them in connection with such investment decision.

Risks Relating to Letshego

Letshego is exposed to market and commercial risks in its ordinary course of business. Whilst the Issuer believes that it has implemented appropriate risk management policies, processes and systems to control and mitigate these risks, it should be noted that that any failure to control these risks adequately could have an adverse effect on the financial position and business of the Company.

Liquidity and funding risk

Letshego is exposed to liquidity risk arising from the need to finance its on-going operations and growth. If the Letshego Group is unable to obtain sufficient funding due to capital market conditions, the Group may not be able to raise sufficient funds to achieve expected growth, fund acquisitions or meet the Group's on-going financing needs and, as a result, revenues, operating results, cash flows or financial position may be adversely affected.

The Group has a highly under leveraged balance sheet and this note program is the first listed bond exercise being undertaken by the Group both to broaden its funding base and also enable expansion into broader based financial service offerings.

As part of this expansion initiative, the Group is concurrently exploring deposit taking opportunities also as part of diversification of the Group's funding base.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's loans and advances to customers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure such as individual obligor default risk, country and sector risk.

The provision of unsecured loans to individuals in formal employment is the main aspect of the Group's business. As such, exposure to credit risk and the management of this risk is a key consideration for the Board.

The model that the Group uses to mitigate this risk includes arrangements with the respective employers of Letshego customers to allow the employer to deduct the monthly loan repayment directly from the employee's (the Letshego customer) salary. This salary deduction code model is

used throughout the Group and is pivotal to mitigating default risk, which has resulted in average collection ratios through the Group of 98%.

The Board of Directors has delegated responsibility for the oversight of credit risk to its respective CEOs and the credit departments of each subsidiary. However, this must be viewed in light of the overall framework of the exclusive use of 'salary deduction codes' as the loan repayment collection mechanism.

It is the responsibility of each CEO to ensure that the Group's policies regarding credit risk, affordability levels, minimum take home pay and adherence to Group limits and local legislation regarding take home pay are complied with at all times. Each subsidiary ensures these procedures are performed as part of the loan application and disbursement process. Thereafter, the performance of the loan book is monitored by the in-country credit department which is assisted by head office via the finance department. Each credit department, reporting to the local CEO and supported by the finance department, is responsible for management of the Group's credit risk.

In addition, the Group policy for recognising potential impairment losses through to ultimate de-recognition of customer balances is stringent, with impairment allowances being raised as early as within one month of default, and write-off occurring within three months of default.

Loan application process

Clients are employees of participating employers. Where an employer is not a participating employer, Letshego first engages with the employer and obtains a deduction authorisation to enable deductions of the loan repayments from the employee's monthly salary. No loans are originated or advanced without first securing a deduction at source agreement with employers and employees.

All loans / services provided are repayable in equal monthly installments that are collected through a salary deduction authorisation (salary deduction code) granted by the employer. The participating employer does not guarantee loans advanced to employees and is only obligated to deduct the monthly installments payable from the employee's salary prior to the salary being paid into the employee's bank account. The deductions are subsequently paid directly to Letshego on a monthly basis, by the participating employer. Loan proceeds are electronically transferred to the employee's bank account to eliminate the risk of carrying cash.

Loans are only granted to employees who are able to present their last two months original salary advice (this differs by country) and have an active bank account. This is a prerequisite as loans are not disbursed in cash. The main criterion considered by the company is the loan applicant's ability to meet his/her financial commitments and to remain with sufficient funds to fund household needs. The company applies this criterion for all customers and this is complimentary to any regulatory requirement.

Letshego offers life insurance products to all its clients in Botswana and Namibia, which cover the repayment of the outstanding capital balances on the loan to Letshego in the event of death or permanent disability of the customer. This saves Letshego having to pursue the deceased's estate to recover any outstanding balance or having any claim against the loan holder's employment benefits. In the countries where no such cover is in place, then this risk is addressed through pricing and provisioning policies.

Monitoring of monthly collections

In the event that a customer does not have sufficient funds from their net salary to meet their monthly loan installment, the reasons for this are immediately established. If the customer is no longer employed then the loan is written off and recoveries efforts are commenced.

If the customer has changed employment to an employer with which the Group does not have a salary deduction code, then the use of pre-authorized direct debt mandates are utilised to recover loan repayments from the bank account of the customer. If the customer is on a reduced salary, for example when taking study or maternity leave, then loan repayments are rescheduled such that it is only to recommence full payments once the customer returns to a full salary.

Interest Rate Risk

There is an exposure to interest rate risk associated with the effects of fluctuations in the

prevailing levels of the market rates on the financial position and cash flows. Cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. Generally, interest on advances to customers is fixed, whereas interest on borrowings is floating.

The group position of offering fixed interest rate loans to its customers is a deliberate strategy and has been and continues to be well received in the market.

Currency risk

The result of foreign exchange positions on the Group's net investments in subsidiaries is recognised in the statement of comprehensive income. The Group does not have any exposure to US Dollar, Sterling or Euro denominated liabilities. Assets and liabilities in each local currency are matched to a large extent. The Group has borrowings in Rand, but these are matched with assets in Swaziland and Namibia, which are part of the Common Monetary Area with South Africa.

Competitive landscape and market conditions

Increased competition in consumer finance space could lead to difficult trading conditions. Profit margins generated in the consumer finance industry may be an attractive incentive for new entrants into the market. Competition may increase in some or all of the Issuer's principal markets and may have an adverse effect on its financial condition and the results of its operations.

Long term product margins and access to credit for the consumer may be adversely impacted if a lower interest rate environment prevails

The Group positions itself as the most competitively priced lender in its market and continues to offer flexible products and quick turnaround time for loan approvals and disbursement.

Concentration and Political Risk

Over 95% of the customers of the Group are employees of the respective Government s in the countries that the Group operates in. Therefore any significant downsizing of these civil servants bases would have a significant impact on the business.

The Countries that the Letshego Group operates in vary in their economic development and drivers of economic activity.

Reliance of Deduction at Source

The Group uses the 'payroll deduction' model to obtain loan repayments from customers. This facility is in place in all countries where the Group operates. However, if this 'payroll deduction' was not available this would then require the Group to obtain loan instalments via other methods, the main one being via debit orders from the individuals bank account. This would most likely lead to a significant increase in impairment provisions and expenses.

The Group promotes best practice in the consumer lending industry and promotes more legislation and regulation in the industry.

Information technology risk

There is a constant and significant level of demand on information technology ("IT") resources to deliver technology solutions to support business growth as well as regular system upgrades, replacements and conversions. Uninterrupted and efficient availability of information technology services has become indispensable and forms an integral part of the daily operations and strategy execution of the Group.

The Group is investing more resources into this area as it continues to build capacity improve on its core ICT platform and offering.

People

The Group success is dependent to an extent on key members of management; the loss of which could have an adverse impact on their business.

The leadership team has a good mix of experience in consumer lending and broader financial services sector.

The Group continues to deepen the management team and review its succession planning processes.

7. BOARD OF DIRECTORS

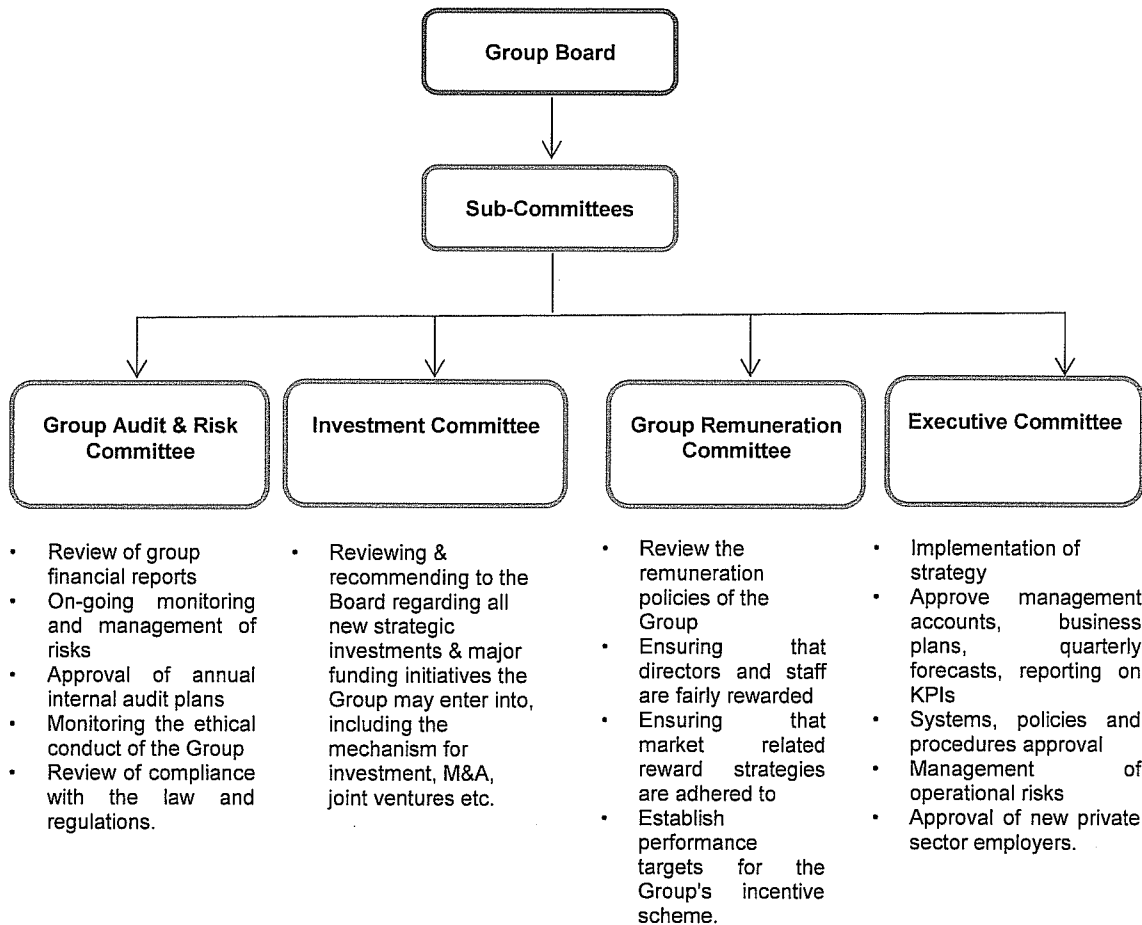
Name of Director	Age	Directorship	Brief Resume
Mr. Cuthbert M. Lekaukau	67	Board Chairman	Mr. Lekaukau is an Attorney at law and holds an LLB (UBLS in conjunction with Edinburgh University), LL.M (Columbia University-NYC) and a Commonwealth Certificate in Legislative Drafting. He has been the Chairman of Letshego since 2002.
Mr. John A. Burbidge	60	Independent Non-Executive Director	Mr. Burbidge qualified as a chartered accountant in the UK and was part of the African Life Group serving in various senior management and board positions over a 27 year period with the group.
Mr. Legodile Serema	63	Independent Non-Executive Director	Mr. Serema holds a Bachelor of Science from the University of Minnesota, St Paul, USA and has various marketing qualifications.
Mr. Gaffar Hassam	35	Non-Executive Director	<p>Mr. Hassam has had various roles with the Botswana Insurance Holdings Limited Group since 2003 and is currently the Chief Operating Officer of Botswana Life Insurance Limited.</p> <p>Gaffar is a fellow member of the Association of Chartered Certified Accountants (FCCA) and also holds various other insurance related qualifications.</p>
Mr. Idris Mohammed	40	Non-Executive Director	<p>Idris Mohammed is a partner at Development Partners International ("DPI"), a leading pan-African private equity management firm based in London.</p> <p>Idris is a Chartered Financial Analyst and holds a BSc in Industrial Engineering from Lehigh University and an MBA in Finance and Strategic Management from The Wharton School of the University of Pennsylvania. He is a citizen of Nigeria and the US.</p>
Mrs. Margret Dawes	53	Non-Executive Director	Mrs. Dawes leads the 'Rest of Africa' division of Sanlam Developing Markets. This includes responsibilities for Botswana, Ghana, Kenya, Tanzania and Zambia. Mrs. Dawes qualified as a chartered accountant in the UK in 1983

Name of Director	Age	Directorship	Brief Resume
			and has held various senior positions in the financial services and auditing industry in both the UK and RSA since then.
Mr. Jan A. Claassen	58	Executive Director	<p>Mr. Claassen has been Managing Director of Letshego since July 2003. Prior to joining Letshego, he spent 7 years at First National Bank of Namibia as Deputy Managing Director. He spent the first twenty years of his career at First National Bank in Johannesburg, South Africa and has also worked in Malawi.</p> <p>Mr. Claassen holds a B.Com, LLB and has completed an Advanced Executive Program with UNISA.</p>
Mr. Dumisani Ndebele	45	Executive Director and Company Secretary	<p>Mr. Ndebele joined Letshego in February 1999 as the finance and administration manager. He became the Finance Director in 2002 and moved to his current role of Director: Risk and Compliance in August 2006.</p> <p>Mr. Ndebele is a Fellow member of the Chartered Institute of Management Accountants (UK) as well as being a Fellow Certified Public Accountant (Botswana). He is a member of the Institute of Directors (IoD - RSA) the Information Systems Audit and Control Association (ISACA) as well as the Institute of Internal Auditors. He also holds a Bachelor of Accountancy Honours Degree and a Masters in Business Administration (MBA) from the University of Derby (UK).</p>

Registered Office: Plot 50371, Fairground Office Park, Gaborone, Botswana

8. CORPORATE GOVERNANCE AND REGULATORY FRAMEWORK

The overall governance structure of the Letshego Group as at the Programme Date is set out below. This continues to be developed over time in line with evolving best practice.



The operational management structure is that Group Managing Director is responsible for the overall management of the group and to facilitate this, the support team comprising of each function and subsidiary CEO's are aligned in this respect.

Letshego's Board of Directors is committed to upholding strong corporate governance throughout the Group. Concerted efforts are being made towards considering the recommendations of the King III report ("King III") introduced by the Institute of Directors (South Africa). A gap analysis has been performed in applying the principles outlined in King III, as appropriate to the Group. Governance is actively monitored to identify opportunities for improvement of operational and corporate practices. Letshego strives to maintain high standards of business ethics and integrity throughout the Group.

Key developments in the area of corporate governance include:

- A gap analysis between current corporate governance practice and King III was conducted and an action plan implemented to address identified areas;
- Progress has been made on the updating of the Board charter to reflect amendments included in King III and other amendments in regulatory or legislative frameworks; and
- The foundation for a Code of Ethics was developed. This will be finalised in the current financial year.

The Board Structure

Letshego has a unitary board of eight directors, comprising three independent non-executive directors, three non-executive directors and two executive directors. The executive in charge of

the finance function is not a director. At least one third of the non-executive directors rotate every year in line with King III.

The Board elects a Chairman of the Board who is an independent non-executive director. Mr. Cuthbert Lekaukau joined the Board in 2002 and has been Chairman for nine years. It also appoints a Managing Director (MD) and ensures that the role and function of the MD is formalised. The Board has embarked on a process of self-assessment, while plans are being developed to introduce formal performance assessments for individual directors.

The Board meets at least once every quarter. Four board meetings were held during the financial year ended 31 January 2011. Directors are fully briefed by the Company Secretary and provided with all necessary information sufficiently ahead of the scheduled board meetings to enable effective discharge of their responsibilities. The Board compiles an annual work plan to ensure all relevant matters for board consideration are prioritized and addressed. Members of senior management, assurance providers and professional advisers may attend meetings by invitation only, but they do not form part of the quorum of any meeting.

The non-executive directors are individuals who objectively contribute a wide range of industry skills, knowledge and experience to the Board and are not involved in the daily operations of the Company. All non-executive directors have unrestricted access to management at any time. When required, non-executive directors are entitled to access the external auditors and, at the Company's expense, are able to seek independent professional or expert advice on any matters pertaining to the Group.

Role of the Board

The Board provides effective leadership based on an ethical foundation and ensures that the Company is and is seen to be a responsible corporate citizen. It uses an Enterprise Risk management framework to align strategy and risk.

In addition the Board:

- Ensures the Company has an effective independent Audit and Risk Committee;
- Oversees the governance of risk;
- Manages the governance of Information Technology systems;
- Ensures compliance with applicable laws and adherence to non-binding rules, codes and standards; and
- Puts in place an effective risk-based internal audit.

Board Charter

The Board Charter which sets out the Board's responsibilities will be updated in the current financial year to be aligned to King III.

Company Secretary

The Company Secretary plays a critical role in the corporate governance of the Group. He acts as an adviser to the Board, guiding individual directors and committees in areas such as corporate governance, updates on legal and statutory amendments and the effective execution of directors' responsibilities and fiduciary duties. He is currently an executive director.

The Company Secretary ensures that board and committee charters are kept up to date and that board papers are circulated. He also assists in eliciting responses, input and feedback for board and board committee meetings.

The Company Secretary assists the Group Remuneration Committee in ensuring that the correct procedure is followed for the appointment of directors.

Whenever deemed necessary, the Company Secretary reviews the rules and procedures applicable to the conduct of the affairs of the Board. If necessary, the services and guidance to the corporate sponsor and other experts are procured to ensure that the directors have adequate insight to discharge their responsibilities effectively. Furthermore, the Company Secretary assists in the process of self-evaluation of the Board and its sub-committees.

Board processes

Appointments to the Board

New board appointments are proposed by the Remuneration Committee, taking into account the appropriate balance of skills, experience and diversity required to lead; control and best represent the Group. To this end, the Committee submits a formal proposal to the Board for its consideration. Background and reference checks are performed before the nomination and appointment of directors. The appointment of non-executive directors is formalised through a letter of appointment and the Board makes full disclosure regarding individual directors to enable shareholders to make their own assessment of directors.

Ongoing training and development of directors is provided. A formal induction programme for new directors will be introduced in the current financial year.

Succession planning

Letshego promotes succession planning for all key positions. Succession plans are integrated into the key performance areas at management and executive levels. Succession plans are reviewed by the Remuneration Committee through the year and report-backs are given to the Board at subsequent meetings.

Board sub-committees

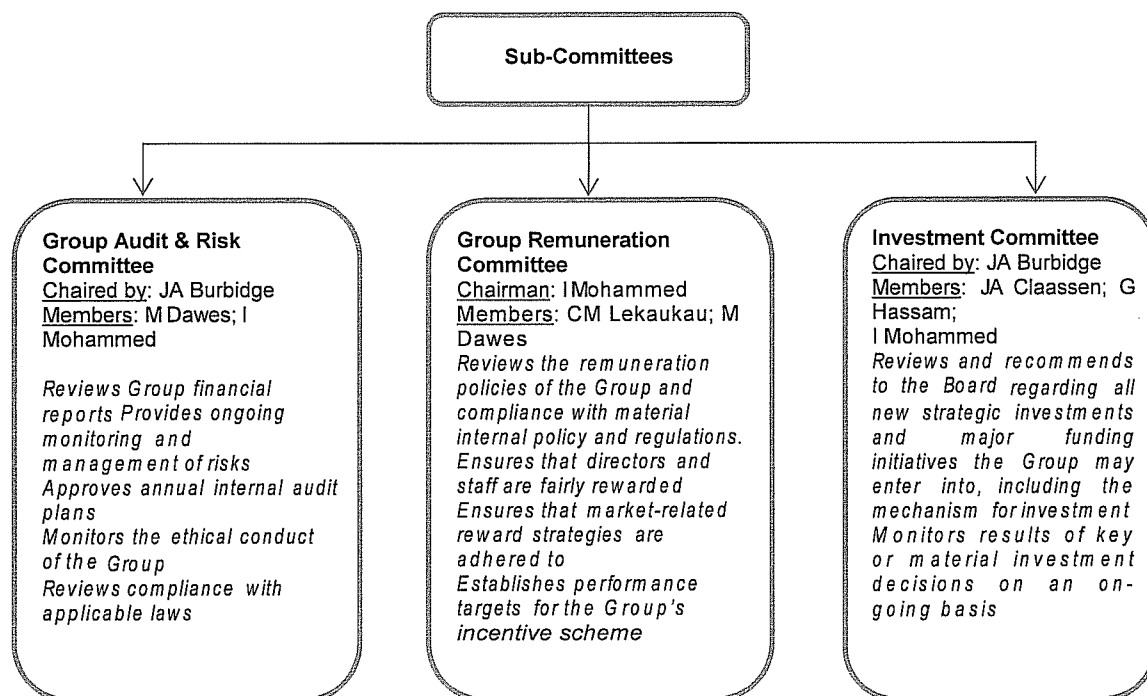
In assisting the Board to discharge its collective duties, certain board responsibilities have been delegated to the Group Audit and Risk Committee, Group Remuneration Committee, Investment Committee and Executive Committee. In so doing, the Board is cognisant of its ultimate responsibility for leading and directing the affairs of the Group. The Board and sub-committees have each established an annual work plan to ensure that relevant matters are addressed as appropriate.

Each sub-committee is governed by formal terms of reference which are reviewed annually for adequate alignment to prevailing legislation, regulations and best corporate governance trends. The terms of reference for all sub-committees are being reviewed to ensure compliance with King III going forward.

All the above noted committees comprise a majority of non-executive directors most of whom are independent. Committees are free to take independent, external professional advice at cost to the company subject to an approval process being followed.

Based on the outcome of sub-committee self-evaluation exercises, the Board is of the opinion that the sub-committees have effectively discharged their responsibilities in accordance with their specific terms of reference.

Board's sub-committee composition (at 31 January 2011):



Group Audit and Risk Committee

The Audit Committee is responsible for oversight of risk management in the Group. It comprises non-executive director, JA Burbidge (Chairman of the Committee) and independent non-executive directors M Dawes and I Mohammed.

The Group Audit and Risk Committee have an independent role with accountability to both the Board and shareholders. In line with King III, all members of the Committee are independent non-executive directors. The Board elects the chairman of the Audit Committee. The Committee was chaired by Mr. JA Burbidge and comprises two independent non-executive directors.

The Committee members are sufficiently qualified and experienced in matters such as financial reporting, internal financial controls, external and internal audit processes, corporate law, risk management and IT governance processes within the Group. The Board has satisfied itself that all members of the Committee act independently. New Committee members are recommended to the Board for approval on an annual basis.

The Committee meets at least twice annually, but more often if necessary. Three meetings were held during the financial year ended 31 January 2011.

The Committee has unrestricted access to the external and internal auditors. The Chairman of the Committee represents the Audit and Risk Committee at the annual general meeting each year.

The terms of reference of the Audit and Risk Committee will be amended to incorporate the requirements of King III. The Committee is responsible for recommending the appointment of the external auditors. It is tasked with the responsibility of nominating the external auditors for appointment, approving the terms of engagement and remuneration for the external audit engagement and monitoring and reporting on the independence of the external auditors in the annual financial statements. The Committee defines a policy for non-audit services provided by the external auditor and must approve the contracts for non-audit services. The Committee also reviews the quality and effectiveness of the external audit and is informed of any Reportable Irregularities identified and reported by the external auditor. It is satisfied with the independence of the external auditor.

The Committee assists the Board with all financial reporting and reviews the annual financial

statements as well as the preliminary announcements and interim financial information. It further provides the Board with its views on a regular assessment of the going concern status of the Group and regularly reviews the appropriateness of the capital structure. The Committee specifically oversees financial reporting risks, internal financial controls and fraud and IT risks as they relate to financial reporting. The Group's whistle-blowing arrangements are approved and monitored by the Committee.

The Committee also considers the risk management policy and plan and monitors the risk management process. A policy and plan for a system and process of risk management has been developed and is in place. This highlights the Board's responsibility for risk governance. The Board approves the risk management policy and plan and ensures that the risk management plan is continuously monitored.

The risk strategy is executed by management by means of risk management systems and processes. Management is accountable for integrating risk in the day-to-day activities of the Company. The Director of Risk and Compliance is a suitably experienced person who has access and interacts regularly on strategic matters with the Board and/ or appropriate board committees. Effective and on-going risk assessments are performed and a systematic, documented, formal risk assessment is conducted once a year. Risks are prioritised and ranked to focus responses and interventions. The risk assessment process involved the risks affecting the various income streams of the Company, the critical dependencies of the business, the sustainability and the legitimate interests and expectations of stakeholders. Risk assessments adopt a top-down approach and the Board regularly receives and reviews a register of the Group's key risks along with on-going actions to address or mitigate these risks. The Board ensures that key risks are quantified where practicable.

Findings by the external auditors arising from their annual statutory audit are tabled and presented at an Audit and Risk Committee meeting following the audit. The Committee endorses action plans for management to mitigate noted concerns. In subsequent meetings, management reports on actions taken until all issues are fully resolved. This process highlights areas requiring improvement and helps to enhance the Group's financial control processes. In order to report annually to the Group's stakeholders and the Board, the Committee has access to the Company's records, facilities, employees and any other resources necessary to discharge its responsibilities effectively.

The internal audit function is overseen by the Committee and this assists the Board in assessing the Group's risk management and governance processes and is governed by an internal audit charter. The charter is updated and approved by the Audit and Risk Committee annually.

The Director of Risk and Compliance is a member of the Executive Committee. This is considered appropriate for the size of the organisation. The Group Risk and Compliance Manager is responsible for implementing the internal audit strategy and reports functionally to the Audit Committee which, in turn, reports on internal audit matters to the Board. The Board is ultimately responsible for the group's system of internal controls as set out in the annual report.

With the assistance of the Audit and Risk Committee, the directors have satisfied themselves that an adequate system of internal controls is in place to mitigate significant risks identified to an acceptable level, and the directors are satisfied that nothing has come to their attention during the year to indicate that a material breakdown in the effective functioning of this system within the group has occurred.

The Committee has considered and is satisfied with the expertise and experience of the Chief Financial Officer, who performs the duties of a financial director. Further, the Committee has considered and is satisfied with the independence of the external auditors and with the effectiveness of the Group's internal audit function.

Remuneration Committee

The Remuneration Committee is responsible for reviewing the remuneration policies of the Group. It comprises I Mohammed, CM Lekaukau and M Dawes. The Board has satisfied itself with the level of experience and competency of the Committee members.

The Committee meets a minimum of twice annually and during the financial year ended 31 January 2011 met on two occasions.

The Committee's terms of reference are reviewed and approved by the Board each year and outline its composition, objectives, processes and remuneration guidelines. They describe the Committee's responsibilities and duties. The Committee is responsible for ensuring that the Company's executive directors and management are rewarded fairly in accordance with their individual contribution to the Group's overall performance objectives. Further, the Committee makes recommendations to the board on non- executive directors' fees.

The Committee's responsibilities are aimed at ensuring that the board has sufficient resources with the prerequisite mix of expertise, experience and diversity to fulfill the strategic intentions of the Group.

Remuneration policy

A strategic objective for Letshego is to attract and retain high caliber individuals. Executive and management remuneration is formulated in a manner which aligns the reward of these employees with changes in the value delivered and recognises and rewards individual contributions.

Surveys conducted by independent consultants indicate that basic salaries paid by the Group are industry and market related. In awarding annual increases to employees, consideration is given to an employee's performance as well as economic conditions impacting the industry and geographical market in which the employee is based.

Executive and management remuneration comprises the following elements:

- **Base salary:** This is payable in cash, reviewed annually and in circumstances where the executive or manager is promoted.
- **Annual incentive:** This discretionary portion of remuneration increases as a proportion of maximum potential earnings as the employee reaches higher levels of seniority. Payable in cash, the annual incentive is determined according to the achievement of predetermined performance targets by the employee and by Letshego and which are laid out in each individual's pre-agreed key performance indicators.
- **Long-term incentive:** This is an additional discretionary reward measure that awards qualifying members of staff with shares in LHL over a 3 year vesting period. Vesting conditions are aligned to the Group's strategic objectives.
- **Benefits:** These vary from country to country depending on customs and regulations. Benefits include retirement funding, medical insurance and life and disability insurance.

Non-executive directors

After conducting research into trends in non-executive director remuneration, non-executive directors' fees are proposed by the Remuneration Committee. Non-executive directors' fees are fixed for the year. Generally, directors of subsidiary and LHL boards are remunerated on a structure consisting of an annual retainer which is supplemented by sitting fees for each meeting attended.

Non-executive directors do not receive any fees which are related to the performance of the Group and do not participate in any share-based payments or incentives.

Executive directors

Executive directors' incentive bonuses are approved by the Remuneration Committee.

Investment Committee

The Committee's role is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the implementation of the Group strategic investment objectives. It meets on a needs basis. JA Burbidge chairs this committee and other members are I Mohammed, JA Claassen and G Hassam.

The Committee is responsible for:

- Critically reviewing and making recommendations to the Board regarding all new strategic investments and major funding initiatives the Group may enter into;
- Determining the mechanism for investment;

- Selecting between priority and non- priority investments;
- Deciding on appropriate funding mechanisms in the context of the overall funding strategy of the Group, including the possibility of new equity/equity-linked issues;
- Attending to such matters as the Board may determine from time to time.

IT governance and compliance

The Company is developing an IT governance framework which will be put in place in the current financial year.

Legal compliance

The Board is ultimately responsible for overseeing the Group's compliance with laws, rules, codes and standards in terms of King III. The Board has delegated to management responsibility for the implementation of an effective compliance framework and processes as envisaged by King III. Ongoing training programmes for directors incorporate an overview of any changes to applicable laws, rules, codes and standards.

Compliance and risk management falls under the same portfolio at Letshego. The Director of Risk and Compliance provides the Board with assurance that the Group is compliant with applicable laws and regulations. The compliance function is structured such that its function, role and position in terms of reporting lines is a reflection of the Company's decision on how compliance is to be integrated with its ethics and risk management.

External audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented and that they are prepared in compliance with International Financial Reporting Standards. Their audit also includes an assessment of internal controls relevant to the truth and fairness of the financial information presented. The preparation of the annual financial statements and the adequacy of the system of internal controls remains the responsibility of the directors.

Reputation management

Internal and external matters that could impact Letshego's reputation are regularly monitored and reported on. Corporate communication is managed in a structured manner to ensure that accurate and valued information is disseminated consistently to all stakeholders. All customer complaints are tracked and appropriate corrective action is implemented as soon as possible.

Where relevant, the Group adheres to industry-regulated codes of conduct in the countries in which it operates.

9. MATERIAL RECENT DEVELOPMENTS

The Group finalised the sale of 15% of its equity shareholdings in Micro Provident Uganda Limited on 1 April 2011.

On 11 April 2011 shareholders of LHL at an EGM approved a non-elective scrip dividend of 7 new shares to be issued for every 100 shares held.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section headed "Settlement, Clearing and Transfer of Notes" 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.

Notes listed on the JSE or the BSE, as the case may be, and/or held in the relevant CSD

Each Tranche of Notes which is listed on the JSE or the BSE, as the case may be, in certificated form or in uncertificated form (in respect of SA Notes) will be held in the relevant CSD. A Tranche of unlisted Notes may also be held in the relevant CSD subject to the applicable laws.

Clearing systems

Each Tranche of Notes listed on the JSE or the BSE, as the case may be, and/or held in the relevant CSD or a Tranche of unlisted Notes held in the relevant CSD, as the case may be, will be issued, cleared and settled in accordance with the rules and operating procedures for the time being of the JSE or the BSE, as the case may be, and the relevant CSD through the electronic settlement system of such CSD. Such Notes will be cleared by the relevant Participants who will follow the electronic settlement procedures prescribed by the JSE or the BSE, as the case may be, and the relevant CSD.

The relevant CSD has, as the operator of an electronic clearing system, been appointed by the JSE or the BSE, as the case may be, to match, clear and facilitate the settlement of transactions concluded on the JSE. Subject as aforesaid each Tranche of Notes which is listed on the JSE or the BSE, as the case may be will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions, and will be settled through relevant Participants who will comply with the respective electronic settlement procedures prescribed by the JSE, or the BSE, as the case maybe and the relevant CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE or the BSE, as the case may be, the Issuer and the Dealer(s).

Participants

The relevant CSD maintains accounts only for relevant Participants. As at the date of the Programme Memorandum, the relevant Participants which are approved by the JSE or the BSE, as the case may be, as Settlement Agents to perform electronic settlement of funds and scrip are in respect of SA Notes, Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank and in respect of BW Notes, the Central Bank of Botswana, Euroclear, as operator of the Euroclear System, and Clearstream will settle off-shore transfers in the SA Notes or the BW Notes, as the case may be, through their respective Participants.

Settlement and clearing

The relevant Participants will be responsible for the settlement of scrip and payment transfers through the relevant CSD, the JSE and the South African Reserve Bank (in respect of SA Notes) and through the CSDB, BSE and the Central Bank of Botswana (in respect of BW Notes).

While a Tranche of Notes is held in the relevant CSD, the SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, will be named in the relevant Register as the sole Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the relevant CSD will be paid to and may be exercised only by the SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, for the holders of Beneficial Interests in such Notes.

In relation to each person shown in the records of the relevant CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the relevant CSD or the relevant Participant, as the case may be, as to the Nominal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, (as the registered Noteholder of such Notes named in the relevant Register) will be treated by the Issuer, the Paying Agent, the relevant Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the JSE or the BSE, as the case may be, and/or held in the relevant CSD under a Global Certificate will be made to the SA

CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the relevant Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the relevant CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the relevant CSD or the relevant Participant, as the case may be, for such person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, as the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the JSE or the BSE, as the case may be, and/or held in the relevant CSD under a Global Certificate will be recorded by the SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the SA CSD's Nominee (in respect of SA Notes) or CSDB (in respect of BW Notes) as the case may be, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

Transfers and exchanges

Title to Beneficial Interest held by clients of relevant Participants indirectly through such Participants will pass on transfer thereof by book entry (whether electronic or otherwise) in the securities accounts maintained by such Participants for such clients. Title to Beneficial Interests held by relevant Participants directly through the relevant CSD will pass on transfer thereof by book entry (whether electronic or otherwise) in the central securities accounts maintained by the relevant CSD for such relevant Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 14.2 (*Transfer of Notes represented by Certificates*).

Records of payments, trust and voting

Neither the Issuer nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Neither the Issuer nor the Paying Agent nor the relevant Transfer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

BESA Guarantee Fund

The holders of SA Notes that are not listed on the JSE will have no recourse against the JSE or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of the SA Notes listed on the JSE and in accordance with the rules of the BESA Guarantee Fund. Unlisted SA Notes are not regulated by the JSE.

JSE Guarantee Fund

The holders of SA Notes that are not listed on the JSE will have no recourse against the JSE Guarantee Fund. Claims against the JSE Guarantee Fund may only be made in respect of the trading of the SA Notes listed on the JSE and in accordance with the rules of the JSE Guarantee Fund. Unlisted SA Notes are not regulated by the JSE.

Notes listed on any Financial Exchange other than (or in addition to) the JSE or the BSE, as the case may be.

Each Tranche of Notes which is listed on any Financial Exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Financial Exchange. The settlement and redemption procedures for a Tranche of Notes which is listed on any Financial Exchange (other than or in addition to the JSE or the BSE, as the case may be) will be specified in the Applicable Pricing Supplement.

SUBSCRIPTION AND SALE

Words used in this section headed "Subscription and Sale" 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 clearly inappropriate from the context.

The Dealers have in terms of the programme agreement dated 13 July 2011, as may be amended, supplemented or restated from time to time (the "**Programme Agreement**"), agreed with the Issuer a basis upon which they may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

Selling restrictions

South Africa

Prior to the issue of any Tranche of SA Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of SA Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the SA Notes in that Tranche, and will itself not sell the SA Notes in that Tranche of SA Notes, in South Africa, in contravention of the SA Companies Act, the Banks Act, the SA Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time. SA Notes will not be offered for subscription to any single addressee for an amount of less than ZAR1,000,000.

Botswana

The BW Notes have not or will not be sold in contravention of the BW Companies Act or the BSE Act.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) days after completion of the distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of, U.S. persons;
- (c) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons; and
- (d) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 (forty) days after the commencement of the offering of a Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

European Economic Area

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of any of such Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 (twelve) months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 (two hundred and fifty) employees during the last financial year; (2) a total balance sheet of more than €43 000 000.00 and (3) an annual turnover of more than €50 000 000.00 as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 (one hundred) natural or legal persons per Relevant Member State (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "*Prospectus Directive*" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any of the Notes in that Tranche in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

General

Each Dealer will comply with all applicable laws and regulations in each jurisdiction in which it acquires offers, sells or delivers Notes or has in its possession or distributes this Programme Memorandum or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Dealer in any such jurisdiction as a result of any of the foregoing actions. The Issuer and the Dealers will have no responsibility for, and each Dealer will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer sale or delivery. No Dealer is authorised to make any representation or use any information in connection with the issue, subscription and sale of Notes other than as contained in this Programme Memorandum.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales;
- (b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealer represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

TAXATION

Capitalised words used in this section headed "Taxation" 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 clearly inappropriate from the context.

The comments below are intended as a general guide to the relevant tax laws of South Africa and Botswana as at the Programme Date. The contents of this section headed "Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

South Africa

Withholding Tax

Under current taxation law in South Africa, all payments made under the Notes to resident and non-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa.

However, the South African Taxation Laws Amendment Act of 2010 introduces such withholding tax. The withholding tax legislation will apply in respect of interest received or accrued on or after 1 January 2013. The legislation imposes a withholding tax of 10 per cent. of the amount of any interest received by or accruing to any foreign person that is not a controlled foreign company. There are exemptions, which include interest paid in respect of any listed debt instrument. A "*debt instrument*" includes any loan, advance, debt, bond, debenture, bill, promissory note, banker's acceptance, negotiable certificate of deposit or similar instrument. To the extent the SA Notes are similar in nature to the instruments listed above to which the exemptions apply interest paid by the Issuer will not be subject to any withholding tax. The legislation providing for the withholding tax may be subject to change before it is implemented on 1 January 2013.

Securities Transfer Tax

The issue, transfer and redemption of the SA Notes will not attract securities transfer tax under the South African Securities Transfer Tax Act, 2007. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of Noteholders.

Value-Added Tax

No value-added tax ("**VAT**") is payable on the issue or transfer of SA Notes. SA Notes constitute "*debt securities*" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, 1991 (the "**SA VAT Act**"). The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of that Act.

Commissions, fees or similar charges raised for the facilitation of these services will however be subject to VAT at the standard rate (currently 14 per cent.), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(l) of the SA VAT Act.

Income Tax

Under current taxation law effective in South Africa, a "*resident*" (as defined in section 1 of the SA Income Tax Act) is subject to income tax on his/her world-wide income. Accordingly, all Noteholders who are "*residents*" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any interest earned pursuant to the SA Notes. Non residents of South Africa are subject to income tax on all income derived from a South African source (subject to applicable double taxation treaties). Interest income is deemed to be derived from a South African source if it is derived from the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of "*interest bearing arrangement*". The SA Notes will constitute an "*interest bearing arrangement*". The place of utilisation or application of funds will, unless the contrary is proved, be deemed, in the case of a juristic person, to be that juristic person's place of

effective management. The Issuer has its place of effective management in Botswana as at the Programme Date. Accordingly, if the funds raised from the issuance of any Tranche of SA Notes are applied by the Issuer in South Africa, the interest earned by a Noteholder will be deemed to be from a South African source and subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the SA Income Tax Act (*see below*).

Under section 24J of the SA Income Tax Act, any discount or premium to the Nominal Amount of a Note is treated as part of the interest income on the Note. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the SA Income Tax Act, to accrue on a day to-day basis until that Noteholder disposes of the Note or until maturity unless an election has been made by the Noteholder (if the Noteholder is entitled under Section 24J of the SA Income Tax Act to make such election) to treat its SA Notes as trading stock on a mark to market basis. This day to day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. In practice the premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the SA Income Tax Act. However, due to the elective nature of the Issuer's interest payment obligations under Subordinated SA Notes the proceeds of which qualify as Regulatory Capital, it is unlikely that section 24J of the SA Income Tax Act will apply to interest actually paid by the Issuer on such Subordinated SA Notes. Interest actually paid by the Issuer on Subordinated SA Notes the proceeds of which qualify as Regulatory Capital will, however, still be subject to income tax unless such interest income is exempt from income tax under section 10(1)(h) of the SA Income Tax Act (*see below*).

Under section 10(1)(h) of the SA Income Tax Act, interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless that person:

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during that year of assessment; or
- (b) at any time during that year of assessment carried on business through a permanent establishment in South Africa.

If a Noteholder does not qualify for the exemption under Section 10(1)(h) of the SA Income Tax Act, exemption from, or reduction of any income tax liability may be available under an applicable double taxation treaty.

Certain entities may be exempt from income tax. Prospective subscribers for or purchasers of SA Notes are advised to consult their own professional advisers as to whether the interest income earned on the SA Notes will be exempt under section 10(1)(h) of the SA Income Tax Act.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of SA Notes are subject to capital gains tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the SA Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the SA Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the SA Income Tax Act will not be levied in relation to SA Notes disposed of by a person who is not a resident of South Africa unless the SA Notes disposed of are attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of SA Notes will result in a liability to capital gains tax.

Definition of Interest

The references to "*interest*" above mean "*interest*" as understood in South African tax law. The statements above do not take any account of any different definitions of "*interest*" or "*principal*" which may prevail under any other law or which may be created by the Terms and Conditions of the SA Notes or any related documentation.

Botswana

Interest Payments

All payments made under the BW Notes to resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in Botswana. However, a withholding tax at the rate of 15% will be deducted from interest payments made to non-resident Noteholders in terms of prevailing legislation as set out in the Botswana Income Tax Act. Non-residents may be entitled to a tax credit in their country of residence, either under domestic law or under the tax treaties referred to below.

Capital Gains

Disposal of BW Notes by a Noteholder, will not be subject to capital gains tax in Botswana in connection with the issue, transfer or redemption of BW Notes in accordance with current legislation as the Issuer is a public company as defined in Section 130 of the Botswana Income Tax Act.

Stamp Duty

No stamp, registration, or similar duties or taxes will be payable in Botswana in connection with the issue, transfer or redemption of the BW Notes in accordance with current legislation.

Tax Treaties

Botswana has entered into double taxation treaties with France, Mauritius, Russia, South Africa, Seychelles, Sweden and the United Kingdom.

EXCHANGE CONTROL

Words used in this section headed "Exchange Control" 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.

The information below is intended as a general guide to the position under the Exchange Control Regulations as at the date of the Programme Memorandum. The contents of this section headed "Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

South Africa

Non-South African resident Noteholders and emigrants from the Common Monetary Area

Dealings in the SA Notes and the performance by the Issuer of its obligations under the SA Notes and the Applicable Terms and Conditions may be subject to the SA Exchange Control Regulations.

Blocked Rand

Blocked Rand may be used for the subscription for or purchase of SA Notes. Any amounts payable by the Issuer in respect of the SA Notes subscribed for or purchased with Blocked Rand may not, in terms of the SA Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "*emigrant*". Such restrictively endorsed Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in SA Notes is held by an emigrant from the Common Monetary Area through the SA CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as an "*emigrant*" account.

Any payments of interest and/or principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the SA Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "*non-resident*". In the event that a Beneficial Interest in SA Notes is held by a non-resident of the Common Monetary Area through the SA CSD, the securities account maintained for such Noteholder by the relevant Participant will be designated as a "*non-resident*" account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of SA Notes are to be dealt with. Such funds may, in terms of the SA Exchange Control Regulations, be remitted abroad only if the relevant SA Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been endorsed "*non-resident*" or the relevant securities account has been designated as a "*non-resident*" account, as the case may be.

For the purposes of this section headed "Exchange Control" "**Common Monetary Area**" shall mean South Africa, Lesotho, Namibia and Swaziland.

Botswana

There are no exchange control regulations applicable to BW Notes.

GENERAL INFORMATION

Words used in this section headed "General Information" 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.

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa and Botswana as at the date of this Programme Memorandum have been given for the establishment of the Programme and the issue of SA Notes and for the Issuer to undertake and perform its obligations under the Programme Memorandum and the SA Notes.

Documents Available

So long as SA Notes are capable of being issued under the Programme, copies of the documents referred to in paragraphs (a) to (b) in the section headed '*Documents Incorporated by Reference*' will, when published, be available from the registered office of the Issuer and the relevant Transfer Agent as set out at the end of this Programme Memorandum, the Applicable Pricing Supplement and on the Issuer's website, www.letshego.co.bw. In addition, this Programme Memorandum and any Applicable Pricing Supplements will be filed with the JSE which will publish such documents on its website at <http://www.jse.co.za>. **This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the JSE or BSE to any person in any jurisdiction to subscribe for or to purchase any Notes.**

Material Change

Save as disclosed in this Programme Memorandum, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements.

Litigation

Save as disclosed herein, neither the Issuer, nor any of its respective consolidated Subsidiaries is or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the financial position of the Issuer or its consolidated subsidiaries.

Auditors

KPMG Inc. has acted as the auditor of the financial statements of the Issuer for the financial year ended 31 January 2008, 2009 and 2010 and, in respect of those years, has issued unqualified audit reports.

ISSUER

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Contact: Mr L Krynauw

TRANSFER AGENT IN RESPECT OF SA NOTES

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South Africa
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