THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular, have, where appropriate, been used on this cover page.

Action required:

You are encouraged to read this Circular in its entirety.

If you have disposed of all of your Series 001 Notes, this Circular should be sent to the agent through whom you have disposed of such Series 001 Notes, for onward delivery to the purchaser of those Series 001 Notes.

If you are in doubt as to the action you should take in relation to this document, please consult your CSDB Participant, stockbroker, banker, legal advisor or other professional advisor immediately.

BOTSWANA DEVELOPMENT CORPORATION LIMITED
(Incorporated in the Republic of Botswana on 15 April 1970)
(Registration number 750)
(“BDC” or “the Issuer” or “Botswana Development Corporation”)

CIRCULAR TO BDC SERIES 001 NOTEHOLDERS REGISTERED AS SUCH relating to amendments to the Series 001 Notes which had the consequence of:

• A reduction in the issued amount of Series 001 Notes; and
• The creation of and listing of a new Tranche of Notes being the Series 003 Notes.

ARRANGER

SPONSORING BROKER

LEGAL ADVISORS TO THE ISSUER

TRANSFER SECRETARIES

-1-
CORPORATE INFORMATION

Directors
Blackie Marole
Bashi Gaetsaloe
Solomon Sekwakwa
Peggy Serame
Abel Monnakgotla
Neo Bogatsu
Richard Chilisa
Thulaganyo Molebatsi
Cheshe Dow
Oduetsa Vinolia Tebogo

Company Secretary
Gilbert Oletotse
c/o Botswana Development Corporation Limited
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Fairgrounds Office Park
Private Bag 160
Gaborone, Botswana
Telephone: +267 365 1300

Issuer
Botswana Development Corporation Limited
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Private Bag 160
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Telephone: +267 365 1300
Contact: Mbako Mbo

Issuer's Legal Advisors
Bookbinder Business Law Attorneys
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Telephone: +267 3912 397
Contact: Jeffrey Bookbinder

Sponsoring Broker
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Morojwa Mews, 2nd Floor Unit 6
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Gaborone, Botswana
Telephone: +267 318 8710
Contact: Geoffrey Matsake

Auditor to the Issuer
KPMG Botswana
Plot 67977
Fairgrounds Office Park
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Telephone: +267 391 2400
Contact: Nigel Dixon-Warren

Transfer Secretary, Calculation and Paying Agent
Transaction Management Services (Proprietary) Limited t/a Corpserve Botswana
Unit 206, Second Floor
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Gaborone Botswana
Telephone: +267 393 2244
Contact:- Stephen Pezzaro

Trustee
Ranjith Priyalal De Silva
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Fairgrounds Office Park
Gaborone Botswana
Telephone:- +267 395 2011
Arranger
Standard Chartered Bank Botswana
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Fax: + 267 3918299
Contact: Benson Madisa
and:- DCM Africa -Email:-
DCMAfrica@sc.com
ACTION REQUIRED BY NOTEHOLDERS

The definitions and interpretations commencing on page 6 of this Circular shall apply to this statement regarding the action required by Series 001 Noteholders.

Please take careful note of the following provisions regarding the actions required by Series 001 Noteholders. If you are in any doubt as to the action you should take, please consult your broker, attorney, banker or professional advisor immediately.

IN THE EVENT YOU HAVE CHOSEN OPTION 1

Series 001 Noteholders who have chosen Option 1 are notified that their Series 001 Notes shall be cancelled and replaced by Series 003 Notes. The Transfer Secretary shall take all such necessary steps and to liaise with the CSDB to amend the Series 001 Noteholder Register accordingly and to register such Series 001 Noteholders on the Series 003 Noteholder Register accordingly.

IN THE EVENT YOU HAVE CHOSEN OPTION 2

Series 001 Noteholders who have chosen Option 2 are not required to take any further steps save to note that the specific terms and conditions which adhere to their Series 001 Notes are those which are incorporated in the Amended Applicable Pricing Supplement for Series 001 Notes annexed as Schedule 1 to this Circular.

IN THE EVENT YOU HAVE CHOSEN OPTION 3

Series 001 Noteholders who have chosen Option 3 shall have their Series 001 Notes redeemed at the agreed Redemption Amount and the Series 001 Notes formerly held by them shall be cancelled.
The definitions and interpretations commencing on page 6 of this Circular shall apply *mutatis mutandis* to the dates and times set out hereunder.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date of Options</td>
<td>15 February</td>
</tr>
<tr>
<td>Repayment of Redemption Amount to Series 001 Noteholders who accept Option 3</td>
<td>Already effected</td>
</tr>
<tr>
<td>Submission of Applicable Pricing Supplement for Series 003 Notes the Botswana Stock Exchange</td>
<td>19 March (“Submission Date”)</td>
</tr>
<tr>
<td>Listing of Series 003 Notes</td>
<td>Submission Date +3 Business Days</td>
</tr>
</tbody>
</table>
DEFINITIONS AND INTERPRETATIONS

In this Circular and the schedules hereto, defined terms in the Programme Memorandum shall have the same meaning as in this Circular, unless the context otherwise requires. In addition, in this Circular and the schedules hereto, unless the context otherwise requires, an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following terms shall mean:

"Amended Applicable Pricing Supplement for Series 001 Notes" means the applicable pricing supplement recording the agreed amended terms for the Series 001 Notes, a copy of which Amended Applicable Pricing Supplement for Series 001 Notes is annexed hereto as Schedule 1;

"Applicable Pricing Supplement for Series 003 Notes" means the applicable pricing supplement recording the agreed amended terms for the Series 003 Notes, a copy of which Applicable Pricing Supplement for Series 003 Notes is annexed hereto as Schedule 2;

"Circular" means this Circular dated 19 January 2018;

"Effective Date" means the date upon which the Options are rendered effective namely the date upon which the BSE approves this Circular for issuance;

"Options" collectively means Option 1, Option 2 and Option 3;

"Option 1" means the offer by the Issuer to the Series 001 Noteholders that the security incorporated in the Pledge shall apply to the Series 001 Notes held by them in consideration for which the Margin (as defined in the Programme and the Applicable Pricing Supplement in respect thereof) will be amended to +1.75 per cent per annum;
“Option 2” means the offer by the Issuer to the Series 001 Noteholders pursuant to which Series 001 Noteholders were asked to waive the obligation of the Issuer in respect of the Negative Pledge in consideration for which the Margin (as defined in the Programme and the Applicable Pricing Supplement in respect thereof) will remain un-amended in its terms;

“Option 3” means the offer by the Issuer, in the event that neither Option 1 nor Option 2 was acceptable to a Series 001 Noteholder, to redeem the Series 001 Notes held by a Series 001 Noteholder for an agreed redemption amount;

“Pledge” means a pledge of certain securities held by the Issuer to secure the Tranche of Series 002 Notes; and

“Programme Memorandum” Collectively means the Programme Memorandum dated 28 May 2013 prepared by the Issuer with respect to the Issuer’s BWP1,000,000,000 Note Programme together with the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017; and

“Series 002 Notes” means the BWP131,500,000 Tranche of Notes listed on the BSE on 29 September 2017 and secured by the Pledge.
1. On 9 June 2016, the Issuer listed on the Botswana Stock Exchange Series 001 Notes in the collective amount of BWP225,260,000 to Series 001 Noteholders and in terms of the Programme (as amended by a Supplementary Programme Memorandum dated 18 March 2016 ("the First Supplementary Programme Memorandum") and an Applicable Pricing Supplement in respect thereto.

2. Thereafter the Issuer issued a supplementary programme memorandum with approval of the BSE on 10 August 2017 ("the Second Supplementary Programme Memorandum"). In terms of the Second Supplementary Programme Memorandum the Issuer listed the tranche of notes comprising the Series 002 Notes on the Botswana Stock Exchange on 29 September 2017 which Series 002 are secured by the Pledge.

3. In terms of the Programme, the Series 001 Noteholders enjoyed the benefit of negative pledge which is described in the Programme Memorandum as follows ("the Negative Pledge"):

"Negative Pledge (Senior Notes): The Issuer agrees that, so long as any Senior Notes remain outstanding, it shall not create or permit to exist any mortgage, charge, lien, pledge or other security interest upon or with respect to any of its undertakings, assets or revenues to secure any Financial Indebtedness (as defined in Condition 4.3) unless the Senior Notes are secured equally and rateably with such other Financial Indebtedness or are otherwise given the benefit of such other arrangements as shall be approved."

4. In order to comply with the provisions of the Negative Pledge, the Issuer engaged with each of the Series 001 Noteholders and provided each of them with the opportunity to accept any of Option 1, Option 2 or Option 3.

5. The Issuer thereafter reached unanimous agreement with the Series 001 Noteholders and as follows:

5.1 Series 001 Noteholders holding Series 001 Notes to the value of BWP142,530,000.00 accepted Option 1;

5.2 Series 001 Noteholders holding Series 001 Notes to the value of BWP82,030,000 accepted Option 2; and

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5.3 Series 001 Noteholders holding Series 001 Notes to the value of BWP700,000 accepted Option 3.

6. The consequences of the foregoing is as follows:

6.1 with effect from the Effective Date, the reduction of the issued amount of Series 001 Notes to BWP82,030,000; and

6.2 the listing of the Series 003 Notes in terms of the Applicable Pricing Supplement for Series 003 Notes forthwith following the Effective Date. Series 003 Noteholders are informed that for the purpose of calculation of interest for the Interest Period commencing on 9 December 2017 Interest will be calculated on their Series 001 Notes at the rate of Prime +2.25% from 9 December 2017 to the Effective Date and thereafter, and subsequent to the conversion of the Series 001 Notes held by them to Series 003 Notes, at the agreed rate of Prime +1.75%, commencing from the Effective Date to 9 June 2018, unless otherwise amended in terms of the Programme.

FURTHER INFORMATION

7. Responsibility Statement

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information contained in it and confirm to the best of their knowledge and belief, after making all reasonable enquiries that there are no other facts the omission of which would make any statement in this Circular misleading.

8. Advisors

Bookbinder Business Law has been appointed to advise the Issuer and the Board in respect of the Options.

FOR AND ON BEHALF OF THE ISSUER ON THIS 19th DAY OF MARCH 2018

DIRECTOR

DIRECTOR
Pricing Supplement dated 22 February 2018
Botswana Development Corporation Limited
Amended Series 001 Notes of Aggregate Nominal Amount of BWP82,030,000.00
Under the BWP1, 000,000,000 Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017, which together constitute the programme memorandum for the purposes of this issue ("the Note Programme Memorandum"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Note Programme Memorandum. Full information on the issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Note Programme Memorandum. The Note Programme Memorandum and the Trust Deed (and any supplements thereto) in respect of the amended Series 001 Notes are available for viewing at the registered office of the Issuer and the Transfer Secretary.
1. **Issuer:** Botswana Development Corporation Limited
2. (i) **Series Number:** BDC001
    (ii) **Listing:** The BDC001 notes were initially listed on the BSE on 30th June 2016
3. **Aggregate Nominal Amount of Notes admitted to trading:** BWP82,030,000.00
   (i) **Series:** 001
4. **Issue Price on Commencement Date:** 97.425 per cent of the Aggregate Principal Amount.
5. **Specified Denominations:** BWP 10,000, subject to a minimum subscription of BWP 2,000,000 per investor.
6. (i) **Issue (Agreement) Date:** 9 June 2016
    (ii) **Interest Commencement Date:** 9 June 2016
7. **Maturity Date:** 09 June 2029
8. **Interest Basis:** Prime Rate + 2.25% per cent. Floating Rate.
9. **Redemption/Payment Basis:** In three (3) equal instalments of principal amount on 9 June 2027, 9 June 2028 and 9 June 2029
10. **Change of Interest or Redemption/Payment Basis:** Not Applicable.
11. **Put:**
    The Notes may be redeemed at the option of the Issuer, in whole or in part, on any Interest Payment Date falling after 7 years and 1 day from the Issue Date (subject to relevant regulatory consents).
    Issuer to give no more than 60 nor less than 30 days written notice of its intention to redeem the notes to the Noteholders
12. (i) **Status of the Notes:** Unsecured, Senior
    (ii) **Date of Board approval for issuance of Notes obtained:** 7 December 2015
13. **Method of distribution:** Non-syndicated.
14. **Method of sale:** Private Placement.
15. **Books Closed Period/Last Day to Register**
    The Register will be closed 10 days prior to each Interest Payment Date each year until the Redemption Date or for such other periods as the Issuer may determine.
16. **Date of Private Placement**
    Not Applicable
17. **Offer Opening Date / Offer to Public**
    6 June 2016 / 8 June 2016
18. **Settlement Date**
    Not Applicable
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

19. Fixed Rate Note Provisions
   Not Applicable.

20. Floating Rate Note Provisions
   Applicable
   (i) Interest Period(s)
   Semi-annually.
   (ii) Specified Interest Payment Dates:
   09 June and 09 December in each year.
   (iii) Business Day Convention:
   Modified Following Business Day Convention.
   (iv) Business Centre(s):
   Republic of Botswana
   (v) Manner in which the Rate(s) of Interest is/are to be determined:
   Interest payable on the Notes shall accrue during each Interest Period at a Rate of Interest determined by the Transfer Agent on the basis of the most recently advertised Prime Rate, which is the average lending rate of all licensed commercial banks in Botswana and the Rate of Interest applicable to the Notes during each Interest Period will be the sum of the Margin and the rate so determined.
   (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):
   Not Applicable
   (vii) Screen Rate Determination:
   - Reference Rate: Prime Rate
   - Interest Determination Date(s):
     The Issue Date, in respect of the first Interest Period, and thereafter, 2 Business Days prior to the commencement of each Interest Period.
     - Relevant Screen Page: As published by Bank of Botswana on website or other official releases.
   (viii) ISDA Determination:
   Not Applicable.
   - Floating Rate Option:
   - Designated Maturity:
   - Reset Date:
   (ix) Margin(s):
   + 2.25 per cent per annum.
   (x) Minimum Rate of Interest:
   Not Applicable.
   (xi) Maximum Rate of Interest:
   Not Applicable.
   (xii) Day Count Fraction:
   Actual/365

21. Call Option
   Applicable.
   (i) Optional Redemption Date(s):
   Subject to providing a notice period of not more than 60 nor less than 30 days, and
having obtained the relevant regulatory consents, the Issuer may elect to redeem, in whole or in part (but only after 7 years and 1 day from the Issue Date), the Series 001 Notes then outstanding.

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):

If redeemed in part, the Notes will be redeemed pro rata in respect of all holdings by Noteholders).

(iii) If redeemable in part:

(a) Minimum Redemption Amount:

Not Applicable.

(b) Maximum Redemption Amount:

Not Applicable.

(iv) Notice period

Not more than 60 nor less than 30 days

22. Final Redemption Amount of each Note

100 per cent. per Note outstanding Notes in accordance with the Redemption/Payment Basis.

(i) Calculation Agent responsible for calculating the Final Redemption Amount:

Transaction Management Services (Proprietary) Limited t/a Corpserve Botswana.

(ii) Determination Date(s):

2 Business Days prior to the payment date in accordance with the Redemption/Payment Basis.

(iii) Payment Dates:

In three (3) equal instalments of outstanding principal amount on 9 June 2027, 9 June 2028 and 9 June 2029

23. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or regulatory intervention or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

As specified in the notice given to respective Noteholders in respect of any Early Redemption, in accordance with Condition 5.7 of the Programme Memorandum, and after having obtained the relevant regulatory consents

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

Registered Notes.

25. Review of Programme Memorandum:

The Issuer shall review the Note Programme Memorandum on an annual basis and consider as to whether or not a significant new factor occurred in the preceding twelve months which may require a Supplemental Note Programme Memorandum.

DISTRIBUTION

26. If syndicated, names of Managers:

Not Applicable.

27. Name of Dealer:

Standard Chartered Bank Botswana Limited and
28. Additional selling restrictions:

The sale or transfer of Notes by Noteholders will be subject to the rules of the BSE, the Conditions and the provisions of the Trust Deed. There are no other restrictions on the sale or transfer of Notes under Botswana law. In particular, there are no restrictions on the sale or transfer of Notes by or to non-residents, subject to provisions of the BSE Listing Rules.

PART B - OTHER LISTING INFORMATION

1. This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading the issue of Notes described herein, pursuant to the BWP1,000,000,000 Note Programme of Botswana Development Corporation Limited.

(i) Listing:

The notes were initially listed on the BSE on 30th June 2016

(ii) Admission to trading:

Application will be made for the Notes to be admitted to trading on the BSE.

(iv) Date of approval of Note Programme Memorandum and Supplement to BSE or other Stock Exchange:

The BWP1,000,000,000 Programme Memorandum was approved on 28 June 2013.

(iv) Date of approval of BSE or other Stock Exchange to Listing and admission to trade:

The BWP1,000,000,000 Programme Memorandum was approved on 28 June 2013, the First Supplementary Programme Memorandum was thereafter approved on 5 April 2016 and the Second Supplementary Programme Memorandum was submitted for approval on or before 10 August 2017.

The BDC001 notes were initially listed on the BSE on 30th June 2016

2. RATINGS

Ratings: Not Rated.

3. OFFER TO THE PUBLIC

(i) Additional information required to render the Note Programme Memorandum compliant with the provisions for a prospectus under the Companies Act for Botswana:

Not Applicable:

(ii) Date on which the Note Programme Memorandum and this Pricing Supplement was registered by the Registrar of Companies for Botswana

The BWP1,000,000,000 Supplementary Programme Memorandum was registered at the Companies and Intellectual Property Authority ("CIPA") on 13 April
as a Prospectus: 2016.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The Issuer used the net proceeds it received from the Notes for general corporate purposes, specifically for funding requirements of its approved investment pipeline

(ii) Estimated net proceeds: BWP82,030,000.00

6. YIELD

Indication of yield: Prime Rate + 2.25%

*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*

7. OPERATIONAL INFORMATION

ISIN Code: BW 000000 1601

Common Code: BDC001

Clearing system(s): Central Securities Depository of Botswana Limited.

Delivery: Delivery against payment.

The Notes will be issued by the Issuer on the issue date, and made available by the Issuer to the Fiscal Agent and Registrar for onward delivery to the Investors in dematerialised form before end of March 2018.

Names and addresses of additional Paying Agent(s) (if any): Not Applicable.

RESponsibility
Botswana Development Corporation Limited accepts responsibility for the information contained in this Pricing Supplement and that such information has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Botswana Development Corporation Limited:

By: ........................................
Duly authorised
Name: ........................................
Title: ........................................

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection by Noteholders on reasonable notice from the registered office of the Issuer and from the specified office of the Transfer Secretaries for the time being in Gaborone:

i. the published annual report of the Issuer, incorporating the audited annual financial statements of the Issuer in respect of the most recent three financial years;

ii. a copy of the Programme Memorandum and this Supplementary Programme Memorandum;

iii. any future prospectuses, Supplementary Programme Memoranda, supplementary listing particulars, information memoranda and supplements (including the Pricing Supplements in respect of listed Notes) to this Programme Memorandum and any other documents incorporated herein or therein by reference;

iv. a copy of the Trust Deed and any Supplementary Trust Deed;

v. certified copies of resolutions and authorisations of the BDC Board of the Issuer in respect of the issue of the Notes;

vi. the letter confirming waiver of the negative pledge by BDC001 Noteholders;

vii. the confirmatory letter from the auditor of the Issuer; and

viii. advisors’ letters of consent.

Responsibility Statement of Members of the BDC Board

The members of the BDC Board, whose names are given on page 9 of the Second Supplementary Programme Memorandum collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017 contain all information required by law.
The members of the BDC Board confirm that the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017 together include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the securities to which the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017 relates.

FOR AND ON BEHALF OF THE ISSUER ON THIS 27 DAY OF MARCH 2018

By: .........................................................
Duly authorised
Name: Bashi Christodoulos
Title: MD

By: .........................................................
Duly authorised
Name: Maretco Mso
Title: CFO
SCHEDULE 2 - APPLICABLE PRICING SUPPLEMENT FOR SERIES 003 NOTES
Pricing Supplement dated 22 February 2018
Botswana Development Corporation Limited
Re-Issue of Aggregate Nominal Amount of BWP142,530,000.00 Renegotiated Series 003 Notes
Under the BWP1, 000,000,000 Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017, which together constitute the programme memorandum for the purposes of this issue ("the Note Programme Memorandum"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Note Programme Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Note Programme Memorandum. The Note Programme Memorandum, the Trust Deed (and any supplements thereto) and the cession and pledge of securities in respect of the Series 003 Notes are available for viewing at the registered office of the Issuer and the Transfer Secretary.
1. Issuer: Botswana Development Corporation Limited
2. (i) Series Number: BDC003
3. Aggregate Nominal Amount of Notes admitted to trading: BWP142,530,000.00
   (i) Series: 003
4. Issue Price on Commencement Date of Predecessor BDC001 Notes: 97.425 per cent of the Aggregate Principal Amount.
5. Specified Denominations: BWP 10,000, subject to a minimum subscription of BWP 2,000,000 per investor.
6. (i) Issue (Agreement) Date: 15 February 2018
   (ii) Interest Commencement Date: 15 February 2018
   (iii) Interest Commencement Date on Predecessor BDC001 Notes: 09 June 2016
7. Maturity Date: 09 June 2029
8. Interest Basis: Prime Rate + 1.75% per cent. Floating Rate.
9. Redemption/Payment Basis: In three (3) equal instalments of principal amount on 9 June 2027, 9 June 2028 and 9 June 2029
10. Change of Interest or Redemption/Payment Basis: Not Applicable.
11. Put: The Notes may be redeemed at the option of the Issuer, in whole or in part, on any Interest Payment Date falling after 10 June 2023 (subject to relevant regulatory consents).
12. (i) Status of the Notes: Senior, Secured
   (ii) Date of Board approval for issuance of Notes obtained: 7 December 2015
15. 
   Books Closed Period/Last Day to Register The Register will be closed 10 days prior to each Interest Payment Date each year until the Redemption Date or for such other periods as the Issuer may determine.
16. Date of Private Placement Not Applicable
17. Offer Opening Date / Offer to Public 15 February 2018
18. Settlement Date Not Applicable
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

19. Fixed Rate Note Provisions

   Not Applicable.

20. Floating Rate Note Provisions

   (i) Interest Period(s)
       Semi-annually.

   (ii) Specified Interest Payment Dates:
       09 June and 09 December in each year.

   (iii) Business Day Convention:
       Modified Following Business Day Convention.

   (iv) Business Centre(s):
       Republic of Botswana

   (v) Manner in which the Rate(s) of Interest is/are to be determined:
       Interest payable on the Notes shall accrue during each Interest Period at a Rate of
       Interest determined by the Transfer Agent on the basis of the most recently advertised Prime
       Rate, which is the average lending rate of all licensed commercial banks in Botswana and
       the Rate of Interest applicable to the Notes during each Interest Period will be the sum of
       the Margin and the rate so determined.

   (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the
        Calculation Agent):
        Not Applicable

   (vii) Screen Rate Determination:
        - Reference Rate:
          Prime Rate
        - Interest Determination Date(s):
          The Issue Date, in respect of the first Interest Period, and thereafter, 2 Business Days prior
          to the commencement of each Interest Period.
        - Relevant Screen Page:
          As published by Bank of Botswana on website or other official releases.

   (viii) ISDA Determination:
       Not Applicable.

   - Floating Rate Option:
   - Designated Maturity:
   - Reset Date:

   (ix) Margin(s):
        + 1.75 per cent per annum.

   (x) Minimum Rate of Interest:
        Not Applicable.

   (xi) Maximum Rate of Interest:
        Not Applicable.

   (xii) Day Count Fraction:
        Actual/365

21. Call Option

   Applicable.
(i) Optional Redemption Date(s): Subject to providing a notice period of not more than 60 nor less than 30 days, and having obtained the relevant regulatory consents, the Issuer may elect to redeem, in whole or in part (but only after 10 June 2023), the Series 003 Notes then outstanding.

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): If redeemed in part, the Notes will be redeemed pro rata in respect of all holdings by Noteholders.

(iii) If redeemable in part:

(a) Minimum Redemption Amount: Not Applicable.

(b) Maximum Redemption Amount: Not Applicable

(iv) Notice period Not more than 60 nor less than 30 days

22. Final Redemption Amount of each Note 100 per cent. per Note outstanding Notes in accordance with the Redemption/Payment Basis.

(i) Calculation Agent responsible for calculating the Final Redemption Amount: Transaction Management Services (Proprietary) Limited t/a Corpserve Botswana.

(ii) Determination Date(s): 2 Business Days prior to the payment date in accordance with the Redemption/Payment Basis.

(iii) Payment Dates: In three (3) equal instalments of outstanding principal amount on 9 June 2027, 9 June 2028 and 9 June 2029

23. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or regulatory intervention or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

As specified in the notice given to respective Noteholders in respect of any Early Redemption, in accordance with Condition 5.7 of the Programme Memorandum, and after having obtained the relevant regulatory consents

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Registered Notes.

25. Review of Programme Memorandum: The Issuer shall review the Note Programme Memorandum on an annual basis and consider as to whether or not a significant new factor occurred in the preceding twelve months which may require a Supplemental Note Programme Memorandum.

26. Other Terms Of The Notes

[Signature]

[Signature]
(i) Security:

Pledge of a basket of equity securities, each listed on the BSE, in favour of the Trustee for the benefit of itself and the Noteholders and in terms of a written agreement of Pledge ("the Security Pledge").

The initial basket of equity securities will comprise of BSE listed equity securities of the following companies in the following initial proposed proportions (the "Shareholding Proportions"):

- Letlole La Rona Limited Shares ("Letlole Shares")- 52%
- Cresta Marakanelo ("Cresta Shares")- 10%
- Sechaba Breweries Holdings Limited ("Sechaba Shares")- 38%

The pledge of the Letlole Shares, the Cresta Shares and the Sechaba Shares (collectively the Pledged Shares) shall incorporate all related rights of the Pledged Shares including voting rights dividends and all other distributions and proceeds of sales of the Pledged Shares.

(ii) Security Overcollateralization (Security Coverage Ratio):

The ratio of the volume weighted average price of the Pledged Shares should be at least 150% of accreted principal amount outstanding.

(iii) Valuation Provision (Security Coverage Ratio Test):

Trustee to review valuation of Pledged Shares semi-annually and Issuer to adjust the value thereof so as to ensure that at all material times the Security Overcollateralization shall be an amount equal to or greater than 150%. In order to achieve at least 150% Security Overcollateralization, the Issuer may be permitted, at the Trustee’s discretion, and if so requested in writing by the holders of not less than one-fifth in accreted principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of Noteholders (subject in each case to being indemnified and/or secured to its satisfaction), to substitute the Security in order to maintain the Security Coverage Ratio.
(iv) Enforceability and Realisation of Pledge:

Where an Acceleration Notice has been delivered with respect to any Event of Default, other than Insolvency or Winding-up, the Issuer will have a security enforcement grace period of up to ninety (90) calendar days to satisfy all amounts then immediately due and repayable under the Notes, including finding suitable buyers for the Pledged Shares (or any of them), after which the Security Pledge may be enforced by the Trustee on behalf of the Noteholders (subject to the Trustee being indemnified and/or secured to its satisfaction). For the avoidance of doubt, the Issuer will be required to use all commercially reasonable efforts to satisfy all amounts due as soon as reasonably practicable notwithstanding the 90 day security enforcement grace period and interest will continue to accrue on the Notes during this period.

Regardless, Noteholders shall have recourse to the Issuer should any amount still be outstanding under the Notes after the Security Pledge may have been enforced.

(v) Legal Opinion:

A Legal Opinion provided by Issuer’s Legal Advisor to the Arranger & Placing Agent will be made available for Noteholders’ inspection.

DISTRIBUTION

27. If syndicated, names of Managers: Not Applicable.


29. Additional selling restrictions: The sale or transfer of Notes by Noteholders will be subject to the rules of the BSE, the Conditions and the provisions of the Trust Deed. There are no other restrictions on the sale or transfer of Notes under Botswana law. In particular, there are no restrictions on the sale or transfer of Notes by or to non-residents, subject to provisions of the BSE Listing Rules.

PART B - OTHER LISTING INFORMATION

1. This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading the issue of Notes described herein, pursuant to the BWP1,000,000,000 Note Programme of Botswana Development Corporation Limited.

   (i) Listing: BSE
(ii) Admission to trading: Application will be made for the Notes to be admitted to trading on the BSE.

(iv) Date of approval of Note Programme Memorandum and Supplement to BSE or other Stock Exchange: The BWP1,000,000,000 Programme Memorandum was approved on 28 June 2013.

(iv) Date of approval of BSE or other Stock Exchange to Listing and admission to trade: The BWP1,000,000,000 Programme Memorandum was approved on 28 June 2013, the First Supplementary Programme Memorandum was thereafter approved on 5 April 2016 and the Second Supplementary Programme Memorandum was submitted for approval on or before 10 August 2017.

2. RATINGS

Ratings: Not Rated.

3. OFFER TO THE PUBLIC

(i) Additional information required to render the Note Programme Memorandum compliant with the provisions for a prospectus under the Companies Act for Botswana: Not Applicable:

(ii) Date on which the Note Programme Memorandum and this Pricing Supplement was registered by the Registrar of Companies for Botswana as a Prospectus: The BWP1,000,000,000 Supplementary Programme Memorandum was registered at the Companies and Intellectual Property Authority (“CIPA”) on 13 April 2016.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The Issuer will use the net proceeds it receives from the Notes for general corporate purposes, specifically for exchange of equal par amounts of BDC Series 001 Notes.

(ii) Estimated net proceeds: BWP142,530,000.00

6. YIELD

Indication of yield: Prime Rate + 1.75%

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
7. OPERATIONAL INFORMATION

ISIN Code: BW 000 000 1932
Common Code: BDC003
Clearing system(s) Central Securities Depository of Botswana Limited.
Delivery: Delivery against payment.
The Notes will be issued by the Issuer on the issue date, and made available by the Issuer to the Fiscal Agent and Registrar for onward delivery to the Investors in dematerialised form before end of March 2018.

Names and addresses of additional Paying Agent(s) (if any): Not Applicable.

RESPONSIBILITY

Botswana Development Corporation Limited accepts responsibility for the information contained in this Pricing Supplement and that such information has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Botswana Development Corporation Limited:

By: 
Duly authorised
Name: 
Title: CSO

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection by Noteholders on reasonable notice from the registered office of the Issuer and from the specified office of the Transfer Secretaries for the time being in Gaborone.
the published annual report of the Issuer, incorporating the audited annual financial statements of the Issuer in respect of the most recent three financial years;

ii  a copy of the Programme Memorandum and this Supplementary Programme Memorandum;

iii any future prospectuses, Supplementary Programme Memoranda, supplementary listing particulars, information memoranda and supplements (including the Pricing Supplements in respect of listed Notes) to this Programme Memorandum and any other documents incorporated herein or therein by reference;

iv  a copy of the Trust Deed and any Supplementary Trust Deed;

v  certified copies of resolutions and authorisations of the BDC Board of the Issuer in respect of the issue of the Notes;

vi  the security pledge agreement in favour of Noteholders;

vii  the letter confirming waiver of the negative pledge by BDC001 Noteholders;

viii  the confirmatory letter from the auditor of the Issuer; and

ix  advisors' letters of consent.

Responsibility Statement of Members of the BDC Board

The members of the BDC Board, whose names are given on page 9 of the Second Supplementary Programme Memorandum collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017 contain all information required by law.

The members of the BDC Board confirm that the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017 together include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the securities to which the Programme Memorandum dated 28 May 2013, the First Supplementary Programme Memorandum dated 18 March 2016 and the Second Supplementary Programme Memorandum dated 10 August 2017 relates.

FOR AND ON BEHALF OF THE ISSUER ON THIS 27 DAY OF MARCH 2018

By:  
Duly authorised
Name:  
Title:  

By:  
Duly authorised
Name:  
Title:  

By:  
Duly authorised
Name:  
Title:  

By:  
Duly authorised
Name:  
Title:  

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