

BOTSWANA SAVINGS BANK
BWP 1 000 000 000
PROGRAMME MEMORANDUM



welcome to smooth banking

(established under the Botswana Savings Bank Act Chapter 56:03 Act 8, 1992 of the Laws of Botswana)
("BSB" or the "Issuer")

Under this Note Programme (the "Programme") Botswana Savings Bank (the "Issuer" or "BSB") may from time-to-time issue Tranches of notes ("Notes") denominated in Botswana Pula ("BWP"), up to a value of BWP 1 000 000 000 subject to the terms and conditions in this Programme Memorandum (the "Terms and Conditions"). Each Tranche of Notes will have such interest and period of maturity(ies) and other terms and conditions as may be agreed between the Issuer and the Placing Agent, set out in an Applicable Pricing Supplement issued in respect of each Tranche of Notes, and the Notes may be listed as approved by the Botswana Stock Exchange Limited (the "BSEL"), or its successor, and/or such other exchange or exchanges as may be agreed between the Issuer and the Placing Agent. Only listed Notes may be issued out from under this BSEL approved Programme and the maximum aggregate nominal amount of all Notes issued under this Programme will not exceed BWP 1 000 000 000.

The Issuer may only increase the amount of BWP 1 000 000 000 with, to the extent necessary, with the consent of the Bank of Botswana, the Ministry of Finance and Economic Development and the BSEL, and by means of establishing a new Programme.

The final offer price, aggregate principal amount, interest, if any, payable in respect of Notes, and any other terms and conditions not contained herein which are applicable to each Series and each Tranche (as defined under the "Terms and Conditions of the Notes") of Notes to be issued under the Programme will be determined by the Issuer, the Arranger, or relevant Dealer (if not the Arranger) and the relevant Placing Agent at the time of issue in accordance with prevailing market conditions and will be set out in a pricing supplement which pertains to the Notes of such Series or Tranche (the "Applicable Pricing Supplement").

Notes issued under this Programme may be listed on the BSEL or on any other recognised Stock Exchange. With respect to Notes to be listed on the BSEL or any other recognised Stock Exchange and admitted to trading on the BSEL or such other recognised Stock Exchange, the Applicable Pricing Supplement will be delivered for approval to the BSEL or such other recognised Stock Exchange prior to the date of issue of the Notes. Regarding an application for listing of Notes issued under the

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Programme to be listed on the BSEL or any other recognised Stock Exchange, the Issuer cannot give any assurance that such listing will be obtained.

Notes issued under this Programme may not be issued on an unlisted basis or admitted to trading on regulated markets and/or quotation systems other than the BSEL or recognised Stock Exchanges.

The Applicable Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the BSEL or any other recognised Stock Exchange or admitted to trading and/or quotation by other regulated markets or quotation systems. In accordance with the directive from the Non-Bank Financial Institutions Regulatory Authority, all Notes to be listed on the BSEL will be issued in dematerialised form (electronic) to be held on the CSDB.

Notes issued under this Programme may be sold through private placement. In such event, this Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered on behalf of the Issuer (the "Recipient") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

Notes issued under this Programme may be sold by way of offer to the public within Botswana.

This Programme Memorandum has been approved by the BSEL in its capacity as competent authority to grant approval to a Programme under which Notes which may be listed on the BSEL may be issued. The BSEL's approval of the Programme Memorandum or the listing of Notes thereunder should not be taken in any way as an indication of the merits of either the Issuer or the Notes. The BSEL has not verified the accuracy or truth of the contents of the documentation submitted to it and, to the extent permitted by law, the BSEL will not be liable for any claim of whatever kind.

The Issuer will, in connection with the listing of the Notes on the BSEL or any other recognised Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of any occurrence of a significant factor which is not reflected in this Programme Memorandum, or in the event of a material mistake or inaccuracy relating to the information included in this Programme Memorandum, prepare a further supplement to the Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of Notes to be listed on the BSEL or any other recognised Stock Exchange.

All payments in respect of the Notes will be subject to any deduction for or on account of Botswana taxes, as described in Condition 10 of the Terms and Conditions of the Notes.

Programme Memorandum dated 21st March 2022



Arranger and Placing Agent



Sponsoring Broker



Reporting Accountants



Legal Advisor to the Issuer and Arranger



Nominated Transfer Secretary, Calculation and
Paying Agent



Trustee



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CONTENTS

GENERAL.....	4
1. GENERAL DESCRIPTION OF THE PROGRAMME	7
2. SUMMARY OF THE PROGRAMME	7
3. DOCUMENTS INCORPORATED BY REFERENCE	13
4. RISK FACTORS	14
5. FORM OF THE NOTES.....	17
6. TERMS AND CONDITIONS OF THE NOTES	17
2. CONDITION 2 – ISSUE OF NOTES	24
3. CONDITION 3 - FORM AND DENOMINATION	24
4. CONDITION 4 - TITLE.....	25
5. CONDITION 5 - STATUS OF NOTES.....	25
6. CONDITION 6 - INTEREST ON FIXED RATE NOTES	25
7. CONDITION 7 - INTEREST ON FLOATING RATE NOTES AND INDEXED INTEREST NOTES.....	26
8. CONDITION 8 - PAYMENTS.	30
9. CONDITION 9 - REDEMPTION AND PURCHASE	32
10. CONDITION 10 - TAXATION	36
11. CONDITION 11 - PRESCRIPTION.....	36
12. CONDITION 12 - EVENTS OF DEFAULT.....	36
13. CONDITION 13 - REGISTER.....	38
14. CONDITION 16 - TRANSFER OF UNCERTIFICATED NOTES	39
15. CONDITION 15 - CALCULATION AND OTHER AGENTS	40
16. CONDITION 16 - NOTICES	40
17. CONDITION 17 - AMENDMENT OF THESE TERMS AND CONDITIONS	40
18. CONDITION 18 - TRUST, TRUSTEE AND MEETINGS OF NOTEHOLDERS.....	41
19. CONDITION 19 - DOMESTIC PROGRAMME AND EXCHANGE CONTROLS.....	42
20. CONDITION 20 - GOVERNING LAW.....	42
21. CONDITION 21 - JURISDICTION.....	42
FORM OF PRICING SUPPLEMENT	43
DESCRIPTION OF THE ISSUER	50
ADVISORS TO THE NOTE PROGRAMME	72
AUDITOR'S REPORT	73
SELLING RESTRICTIONS.....	77
APPLICATION FORM	78

GENERAL

The Programme, and this Programme Memorandum has been approved by the BSEL. Notes may be listed on the BSEL or on such other or further exchange or exchanges as may be agreed between the Issuer and the Placing Agent. Details of the aggregate Nominal Amount of Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions not contained in the Terms and Conditions which are applicable to any Notes will be set forth in a pricing supplement (the "Applicable Pricing Supplement," as further defined in the Terms and Conditions).

With respect to Notes to be listed on the BSEL, the Applicable Pricing Supplement will be delivered to the BSEL, not later than the time specified for such delivery by the BSEL. The Issuer and the Placing Agent may agree that a particular Tranche (as defined in the Terms and Conditions) of Notes will not be listed on the BSEL or on any other exchange.

The Notes may be issued on a continuing basis and may be placed by the Placing Agent appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis.

The BSEL's approval of the listing of any Tranches of Notes should not be taken in any way as an indication of the merits of either the Issuer or any Notes. The BSEL has not verified the accuracy or truth of the contents of the documentation submitted to it and, to the extent permitted by law, the BSEL will not be liable for any claim of whatever kind.

The Programme has, as at the date of this Programme Memorandum, not been rated by any rating agency. However, the Issuer may at its discretion at any time obtain a rating from a rating agency for the Programme or any issue of Notes pursuant to the Programme. The Issuer may agree with the Placing Agent that Notes may be issued in a form not contemplated by the Terms and Conditions, in which case a further supplementary Programme Memorandum, if appropriate, will be made available that will describe the effect of the agreement reached in relation to such Notes.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (having 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 likely to affect the import of such information.

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 of such information or expression of any such opinions or intentions misleading in any material respect.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section entitled "Documents Incorporated by Reference" below). 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 Issue Manager and Placing Agent, the BSEL and other professional advisers 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 Issue Manager and Placing Agent, the BSEL or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Issue Manager and Placing Agent and other professional advisers 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 to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied 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 Issue Manager and Placing Agent, the BSEL, and/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, nor should it be considered as a recommendation by the Issuer or the Joint Placing Agents that any recipient of this Programme Memorandum (or any other information supplied in connection with this Programme) should subscribe for or purchase any Notes.

Each investor contemplating the subscription or purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or the Joint Placing Agents to any person to subscribe for or purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer 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 as at any time subsequent to the date indicated in the document containing the same. The Placing Agent expressly does 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 of the Issuer when deciding whether or not to subscribe for or purchase any Notes.

All references in this document to "Pula," "BWP" and "Botswana Pula" refer to the legal currency of Botswana.

Where any term is defined within the context of any particular clause or section in this Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Programme Memorandum, unless qualified by the terms and conditions of any particular Tranche of Notes as set out in the Applicable Pricing Supplement or unless the context otherwise requires. Expressions defined in this Programme Memorandum shall bear the same meaning in any further supplements to this Programme Memorandum, which do not themselves contain their own definitions.



1. GENERAL DESCRIPTION OF THE PROGRAMME

Words used in this section entitled "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 clearly inappropriate from the context.

Under this Programme, the Issuer may from time-to-time issue Notes denominated in Pula and have such period of maturity (ies) as may be agreed between the Issuer and the Placing Agent and approved by the BSEL and/or such other exchanges on which the Notes may be listed. A summary of the Programme and the Terms and Conditions appear below.

The applicable terms of any Tranche of Notes (as defined in the Terms and Conditions) will be agreed between the Issuer and the Placing Agent prior to the issue of the Notes and will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplement and (as defined in the Terms and Conditions) attached to the Certificates representing such Notes. This Programme Memorandum, and any further supplementary Programme Memorandum, will only be valid for Notes issued under the Programme in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed BWP 1 000 000 000. For the purpose of calculating the aggregate Nominal Amount of Notes issued under the Programme from time to time, reference shall be made to the original Nominal Amount of such Notes and other Notes issued at a discount or premium shall be calculated by reference to the net proceeds received by the Issuer for the relevant issue.

2. SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes and the Applicable Pricing Supplement.

Unless the context otherwise requires, defined terms and expressions used herein shall bear the same meaning ascribed to them in the Terms and Conditions or elsewhere in this Programme Memorandum.

Issuer	Botswana Savings Bank, a statutory corporation established by and under the Botswana Savings Bank Act, CAP 56:03 of the Laws of Botswana.
Description of Programme	Botswana Savings Bank BWP 1 000 000 000 Note Programme.
Size of Programme	Up to BWP 1 000 000 000 outstanding at any time.
Issue Managers and Placing Agent	Stanbic Bank Botswana Limited, further specification as to which is set out in the definitions contained in the Terms and Conditions.

Calculation and Paying Agent	DPS Consulting Services (Proprietary) Limited Gaborone, Botswana, or such other person as may be specified in the Applicable Pricing Supplement as the Calculation and Paying Agent.
Clearing and Settlement	Listed Notes will be cleared and settled in accordance with the rules of the BSEL and the CSDB. Listed Notes will have been accepted for clearance through the CSDB, which forms part of the BSEL clearing system that is managed by the CSDB.
CSDB	the Central Securities Depository of Botswana Limited, the central securities depository of the Botswana Stock Exchange Limited, which will act as registrar and transfer secretary in respect of all Uncertificated Notes.
CSDB Participant	a registered stockbroker, custodian bank or other CSDB approved entity that can open CSDB accounts on behalf of individuals, corporations and other legal entities.
Currency	Botswana Pula.
Cross Default	The terms of the Notes will contain a cross-default provision relating to the indebtedness for money borrowed, or any guarantee of or indemnity in respect of any such indebtedness as further described in Condition 12.3.
Denomination of Notes	Notes will be issued in minimum denominations as specified in the Applicable Pricing Supplement, as may be agreed between the Issuer and the Placing Agent.
Distribution	Notes may be distributed by way of private placement or public offering, as permitted by Botswana law and in each case on a syndicated or non-syndicated basis as determined by the Issuer and the Placing Agent and as reflected in the Applicable Pricing Supplement.
Form of Notes	The Notes will be issued in Uncertificated registered form. Uncertificated registered Notes will be held by the Central Securities Depository of Botswana ("CSDB"), the securities depository of the Botswana Stock Exchange Limited.

Governing Law	The Notes will be governed by, and construed in accordance with, the laws of Botswana in force from time to time.
Interest Period(s) or Interest Payment Date(s)	Such period(s) or date(s) as the Issuer and the Placing Agent may agree and as indicated in the Applicable Pricing Supplement.
Issue Price	Notes may be issued at their Nominal Amount or at a discount or premium to their Nominal Amount, as indicated in the Applicable Pricing Supplement.
Listing and Trading	The Programme has been approved by the BSEL. Notes issued under the Programme may be listed on the BSEL (or on a successor exchange to the BSEL) and may then be traded on the BSEL (or on a successor exchange to the BSEL). Notes may be issued in Uncertificated registered form and held and traded on the CSDB of the BSEL. This Programme Memorandum and any further supplementary Programme Memorandum, will be valid for listing Notes on the BSEL (or on a successor exchange to the BSEL), in an aggregate Nominal Amount (as defined in the Terms and Conditions) which, when added to the aggregate Nominal Amount then outstanding of Notes previously or simultaneously issued under the Programme, does not exceed BWP 1 000 000 000.
Maturity(ies) of Notes	Such period of maturity(ies) as may be agreed between the Issuer and the Placing Agent, as specified in the Applicable Pricing Supplement, and approved by the BSEL or its successor and/or any other exchange or exchanges on which the Notes may be listed, as indicated in the Applicable Pricing Supplement.
Status of Notes	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding, unless otherwise indicated in the Applicable Pricing Supplement.



Characteristics of Notes	The tenure of the debt instruments that may be issued out from under this Programme ranges from short term commercial paper, medium term notes to longer term bonds.
Fixed Rate Notes	Fixed Rate interest will be payable in arrears on such date or dates as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as specified in the Applicable Pricing Supplement;
Floating Rate Notes	<p>Floating Rate Notes will bear interest calculated at the rate determined (i) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (ii) on such other basis as may be specified in the Applicable Pricing Supplement.</p> <p>The Margin (if any) relating to such floating rate will be specified for each issue of Floating Rate Notes 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. The Interest Period for Floating Rate Notes May be one, two, three, six or twelve months, or such other period as indicated in the Applicable Pricing Supplement;</p>
Zero Coupon Notes	Zero Coupon Notes will be offered or sold at a discount to their Nominal Amount or at par 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 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 or Index Linked Notes as specified in the Applicable Pricing Supplement;

Instalment Notes	The Applicable Pricing Supplement will set out 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 that are approved by the BSEL, or such other or further exchange or exchanges as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed by the Issuer and the Issue Managers in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.
Nominated Transfer Secretary	DPS Consulting (Proprietary) Limited or such other party as may be specified in the Applicable Pricing Supplement.
Noteholders	The holders of listed Notes (as recorded in the Register).
Rating	As at the date of this Programme Memorandum, this Programme has not been rated by any rating agency. However, the Issuer may, at its discretion at any time, obtain a rating by a rating agency for this Programme or any Tranche of Notes issued pursuant to this Programme.
Redemption	The Applicable Pricing Supplement relating to each Tranche of Notes will indicate whether or not the Notes can be redeemed prior to their stated maturity, (other than in specified instalments, if applicable), for taxation reasons as contemplated in Condition 9.2 or at the option of the Issuer as contemplated in Condition 9.4 or on such other notice period (if any) as is indicated in the Applicable Pricing Supplement, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement. Notes shall become due and payable prior to stated maturity upon the happening of an Event of

	Default as contemplated in Condition 12 of these Terms and Conditions.
Payment at redemption date	Payment of redemption monies due on a Note will be in the stated redemption date in respect of Uncertificated registered Notes.
Selling and Transfer Restrictions	There are selling restrictions in relation to the United States of America, the United Kingdom and the Republic of South Africa and such other restrictions as may be required in relation to an offering or sale of a particular Tranche of Notes which may be included in the Applicable Pricing Supplement.
Sponsoring Broker	Motswedi Securities Limited, further specification as to which is set out in the definitions contained in the Terms and Conditions.
Transfer Secretary	As the context requires, the CSDB in relation to maintaining the register in respect of Uncertificated Notes and DPS Consulting Services (Proprietary) Limited as the nominated transfer secretary, or such other person specified in the Applicable Pricing Supplement.
Registrar	The CSDB
Trustee	A Trustee has been appointed and a Trust established with the aim, inter alia, of providing for the protection and enforcement of the rights and entitlements of Noteholders. The Issuer has appointed Sipho Alec Ziga Partner, of Armstrongs Attorneys of Gaborone as the Trustee in respect of all Notes to be issued out from under the Programme. Further specification as to the Trustee is set out in the definitions contained in the Terms and Conditions.
Taxation	The Issuer is a Botswana resident for tax purposes. All payments of principal and interest in respect of the Notes will be made in compliance with the income tax laws of Botswana. Currently, the Issuer, in terms of Section 58 as read with the Seventh Schedule to the Income Tax Act CAP 52:01 of the laws of

	<p>Botswana, as amended, is obliged to withhold 15% on all interest payments to non-resident Noteholders. The percentage of tax to be withheld from interest payments to non-resident Noteholders maybe be varied pursuant to the terms of a double taxation avoidance agreement that may exist between Botswana and the country of jurisdiction of the non-resident Noteholder. It will be for a non-resident Noteholder, to prove relief in respect of withholding tax, and the existence of a double taxation avoidance agreement that provides the same. Currently the Issuer, pursuant to Section 58 as read with the Seventh Schedule to the Income Tax Act CAP 52:01 of the laws of Botswana, as amended, is obliged to withhold 10% on all interest payments to resident Noteholders. Certain resident Noteholders are exempted from the application of the obligation to withhold tax on interest payable to such Noteholders. It would be for the Noteholder averring relief and exemption, to prove the exemption.</p>
Use of Proceeds	<p>The Issuer will use the proceeds of the Notes issued and subscribed for, to fund the ongoing normal operations of the Issuer, which include but are not limited to the growth of the Issuer's loan book through the extension of loan facilities in pursuit of the objects of the Issuer.</p>

3. DOCUMENTS INCORPORATED BY REFERENCE

Unless the context otherwise requires, defined terms and expressions used herein shall bear the same meaning ascribed to them in the Terms and Conditions or elsewhere in this Programme Memorandum.

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

- (a) in respect of any issue of Notes, the audited annual financial statements and notes thereto, of the Issuer, for the five financial years prior to such issue (copies of which shall be available upon request, free of charge, at the registered office or principal place of business of the Issuer);

- (b) the Applicable Pricing Supplement relating to the particular Tranche or Series of Notes that is being subscribed for;
- (c) the Trust Deed which establishes the Trust and appoints the Trustee for the Noteholders, entered into by the Issuer and the Trustee on the date of this Programme Memorandum (the terms "Trust Deed", "Trust" and "Trustee" being defined in the Terms and Conditions); and
- (d) where applicable, any Supplementary Trust Deed executed between the Trustee and the Issuer in respect of a particular Tranche or Series of Notes that is being subscribed for;

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

The Issuer will, in connection with the listing of any of the Notes on the BSEL, or on such other or further exchange or exchanges as may be agreed between the Issuer and the Placing Agent, so long as any Note remains outstanding and listed on such exchange, in the event of a material adverse change in the condition (financial or otherwise) of the Issuer which is not reflected in this Programme Memorandum, prepare a further supplementary Programme Memorandum or publish a new Programme Memorandum for use in connection with such Notes. If the Terms and Conditions of the Programme are modified or amended in a manner which would make this Programme Memorandum, as supplemented, inaccurate or misleading, a new Programme Memorandum will be prepared. If the material change relates to Notes outstanding thus the Supplementary Programme Memorandum or new Programme Memorandum will only relate to Notes outstanding.

The Issuer will provide, free of charge, to each person to whom a copy of the Supplementary Programme Memorandum has been delivered, upon request of such person, a copy of any of the documents deemed to be incorporated herein by reference, and which relate to a Tranche of Notes being subscribed for by such person, unless such documents have been modified or superseded. Request for such documents should be directed to the Issuer at its registered office as set out herein.

4. RISK FACTORS

ECONOMIC, LEGAL AND POLITICAL FACTORS FACING THE ISSUER AND ITS BUSINESS

Economic Risk

Economic risk is exposure to the possibility of financial loss as a result of adverse changes of macroeconomic factors such as the change of fiscal, monetary and other national policies.

Inflation Risk

The risk of the deterioration of purchasing power that may adversely affect the Issuer's performance including the ability, by its clients, to consume its products and solutions. Inflation is managed through



monetary policy interventions as executed by Bank of Botswana and is monitored regularly by the Treasury team at BSB.

Political Risk

This is the risk that may negatively impact the financial and operational performance. As a state-owned entity, the Issuer's susceptibility to this risk is heightened and has the potential of extending to its strategic objectives.

Legal Risk

This is the risk of financial losses being incurred by the Issuer from either unintentional or negligent failure to meet contractual/legal obligation. BSB has an inhouse legal department to advise the bank, furthermore BSB has external attorneys on contractual items. The board of directors provide oversight to the operations of the bank.

Capital Management Risk

The risk of the Issuer not meeting its Capital Adequacy requirements in line with the with the prescriptions of the central bank pronounced from time to time. The bank has an annual budget to support implementation of the strategic plan furthermore internal capital adequacy assessments are carried out monthly.

Credit Risk

Due to the nature of the Issuer's business activities, there is a risk of financial loss by BSB due to the failure of fulfilling the contractual obligations by its customers. To manage this risk, the Issuer applies rigorous measures including but not limited to the assessment and monitoring of loan book quality, the application of risk appetite limits and deduction at source of loan facilities. Ultimately, all loan facility applications are assessed and approved by a duly appointed credit committee with any non-performing loans being monitored by the collections department. The bank also has attorneys to ensure that defaulting clients are followed up for legal recovery.

Concentration Risk

BSB is susceptible to this risk mainly due to its lending activities where there is the potential of extending, at high levels, loan facilities to individual clients, a group of connected clients, a specific market segment and sector. The Issuer continues to monitor this risk by imposing credit risk concentration caps and these caps are directly linked to the board-approved risk capacity, appetite, and tolerance thresholds, and are managed as part of the risk management process. The credit concentration risk is also further assessed using stress testing and scenario analyses quantitative models.

Information Technology Risk

The ICT Continuity Steering Committee has been formed to participate in ICT Continuity program policy, planning, and governance. The purpose of the committee is to ensure that ICT Continuity capability is aligned to BSB Corporate objectives, ensures ISO 22301 compliance in all activities, discuss



ICT Continuity risks, and make appropriate recommendations regarding treatment and also receive and discuss ICT Continuity test and drill outcomes/ reports. The committee meets every 6 months.

Information Security Management Policy- The information stored in manual and electronic systems used by BSB represents an extremely valuable asset. The increasing reliance on IT that processes and delivers BSB's information makes it necessary to ensure that these ICT systems are developed, operated, used and maintained in a safe and secure fashion. The purpose of the Information security Management Policy is to ensure that adequate security controls are in place that will help protect BSB's information from information security threats that could compromise confidentiality, integrity and availability of vital information. This will help in managing the risk of security threats to the organization's information resources.

Conduct Risk

Conduct risk includes the risk of knowingly, or unknowingly, executing transactions that will result in the conversion of illegally obtained funds into legal funds as well as the financing of terrorist activities. To mitigate this risk, the Issuer has implemented the Enterprise Risk Management Department that assesses, monitors and implements Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) measures.

Post Covid-19 Risk

During the outbreak of the pandemic the bank extended loan repayment holidays to customers and affected sectors such as the hospitality sector, some of these industries have not fully recovered, with some of the facilities suffering default. Some sectors may permanently close down due to covid 19 complications, adversely impacting the loan book.

Governance Risk

The risk of failure to provide statutory functions or oversight in the running of the operations of the bank. The Issuer has a board of directors that meet quarterly supported by committees and various participants. BSB is supervised by the Central Bank, under the Botswana Savings Bank Act and the Banking Act.

Liquidity Risk

Liquidity risk is the risk that the Issuer is unable to meet its financial liabilities normally caused by mismatches between maturities of assets and liabilities. The liquidity risks of BSB are assessed on a daily basis and regular liquidity stress testing is conducted according to policies and procedures approved by Asset and Liabilities Committee ("ALCO").

Market Risk

This is the risk that would result in the deterioration of the financial position of the Issuer and it is caused by adverse market price, such as interest rates, movements. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored regularly by ALCO.



Operational Risk

Operational risk is the potential for loss resulting from the inadequacy of, or a failure in, internal processes, people, systems or external events. The Issuer recognises the significance of operational risk and has an approved Operational Risk Management Framework premised on ISO 31000 and COSO Framework.

Strategic Risk

Strategic risk is the risk of adverse outcomes resulting from a weak competitive position or from a choice of strategy, markets, products, activities or structures. Major potential sources of strategic risk include revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing, and structural inefficiencies.

Reputational Risk

Reputational risks can arise from social, ethical or environmental issues, or as a consequence of operational risk events. The Issuer's reputation is largely dependent upon the way it conducts its business, but it can also be affected by the way in which its clients, to whom it provides financial services, conduct themselves.

5. FORM OF THE NOTES

The Notes shall be in registered form. This shall be in Uncertificated form and held on the CSDB. No certificated or unlisted Notes will be issued out under this Programme. Noteholders holding any Uncertificated Notes issued, will be registered in the electronic register as maintained by the CSDB.

Listed Notes will only be issued in Uncertificated form. Where Uncertificated Notes are issued, the issuance will be recorded in the Register as maintained by the CSDB with the name of the Registered Holder, Tranche name and ISIN number reflected on the entry in the Register.

Further particulars as to the form of the Notes are set out in Condition 3 of the Terms and Conditions.

6. 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. Capitalised expressions used in these Terms and Conditions and not here defined shall bear the meaning assigned to them in the Applicable Pricing Supplement. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The Applicable Pricing Supplement will be attached to each Note.

1. CONDITION 1 - INTERPRETATION

In these Terms and Conditions and the Applicable Pricing Supplement, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the meaning ascribed to them hereunder:



Act	the Botswana Savings Bank Act, CAP 56:03 of the Laws of Botswana, as amended;
Agency Agreement	the revised and updated agreement for the appointment of a transfer secretary, calculation and paying agent, executed between the Issuer and the Transfer Secretary, Calculation and Paying Agent dated [INSERT] 2022;
Applicable Procedures	the rules and operating procedures for the time being of the BSEL and the CSDB, as the case may be;
Applicant	a person to whom this Programme Memorandum has been sent by the Issuer or Issue Manager on behalf of the Issuer;
Botswana	The Republic of Botswana
BSEL	the Botswana Stock Exchange Limited, a stock exchange established in terms of the Botswana Stock Exchange Act CAP 56:08, and a company limited by shares registered in terms of the Companies Act, CAP 42:01 of the Laws of Botswana or any exchange which operates as a successor exchange to the BSEL;
Bond Market of the BSEL	The separate platform or sub-market of the BSEL designated as the “Bond Market”, on which notes (and other debt securities) may be listed;
Books Closed Period	10 days prior to each Interest Payment Date each year until the Redemption Date, or such other period(s) as the Issuer may determine in the Applicable Pricing Supplement;
Business Day	a day (other than a Saturday or Sunday or public holiday in Botswana), which is a day on which commercial banks in Botswana are open for business, if the Applicable Pricing Supplement so provides, “Business Day” shall include a Saturday;
BWP or Pula	the lawful currency of Botswana, being Botswana Pula;
Calculation Agent	DPS Consulting Services (Proprietary) Limited or any successor or such other calculation agent as may be specified in the Applicable Pricing Supplement;
Concurrent Claims	all unsubordinated, unsecured claims of creditors of the Issuer;
CSDB	the Central Securities Depository of Botswana Limited, the central securities depository of the Botswana Stock Exchange Limited, which will act as registrar in respect of all Uncertificated Notes.
CSDB Participant	a registered stockbroker, custodian bank or other CSDB approved entity that can open CSDB accounts on behalf of individuals, corporations and other legal entities;
Day Count Fraction	means, in respect of the calculation of an amount of interest for any Fixed Rate Interest Period: If “Actual/Actual (ICMA)” is specified in the Applicable Pricing Supplement: In the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to, or shorter than the Determination

	<p>Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period (2) the number of Determination Dates (as specified in the Applicable Pricing Supplement) that would occur in one calendar year; or</p> <p>In the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:</p> <p>The number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period; and (y) the number of Determination Dates (as specified in the Applicable Pricing Supplement) that would occur in one calendar year; and</p> <p>The number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and</p> <p>If "30/360" is specified in the Applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.</p> <p>means, in respect of the calculation of an amount of interest for any Floating Rate Interest Period:</p> <p>If "Actual/365", "Act/365", "Actual/Actual" or "Act/Act" is specified in the Applicable Pricing Supplement, 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 that 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); or</p> <p>If "Actual/365 (Fixed)", "Act/365 (Fixed)", "A/365 (Fixed)" or "A/365F" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or</p> <p>such other calculation method as is specified in the Applicable Pricing Supplement.</p>
Default Rate	the rate at which interest will continue to accrue in the event that upon due presentation of a Note on the Redemption Date, the payment of principal is improperly held or refused. Such rate, if applicable, will be specified in the Applicable Pricing Supplement;
Determination Period	The period from (and including) a Determination Date to (but excluding) the next Determination Date (Including, where either the Interest

	Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);
Early Redemption Amount	the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 9.2 and Condition 9.4 and/or Condition 12 as set out in Condition 9.9;
Event of Default	an event of default by the Issuer as set out in Condition 12;
Extraordinary Resolution	a resolution having the meaning set out in Condition 19.4;
Exchange	as specified in an Applicable Pricing Supplement, means the BSEL or its successor, or any further financial exchange or financial exchanges on which any Notes may be listed, and references in this Programme Memorandum to the relevant Exchange(s) shall, in relation to any Notes, be references to the financial exchange(s) or stock exchange(s) on which such Notes are from time to time, or are intended to be, listed;
Exchange Period	In respect 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	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	The securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
Exchangeable Notes	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
Extraordinary Resolution	A resolution passed at a duly convened meeting of Noteholders or, as the case may be, by a majority consisting of not less than 75% (seventy-five 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 75% (seventy-five per cent) of the votes given on such poll;
Final Redemption Amount	the amount of principal payable in respect of each Note, upon final redemption thereof, as specified in, or determined in the manner specified in, the Applicable Pricing Supplement upon the Maturity Date;
Fixed Rate Notes	Notes which bear interest at a fixed rate of interest as specified in the Applicable Pricing Supplement as more fully described in Condition 6;
Fixed Interest Payment Date	the fixed 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 Fixed Interest

	Period, or, in the case of the first Fixed Interest Payment Date, commencing on the Interest Commencement Date;
Fixed Rate Interest Period	the interest period relating to Fixed Rate Notes as more fully described in Condition 6;
Floating Rate Notes	Notes which bear interest at a floating rate of interest as specified in the Applicable Pricing Supplement as more fully described in Condition 7
Implied Yield	The yield accruing on the Issue Price of Zero-Coupon Notes, as specified in the Applicable Pricing Supplement;
Indexed Interest Notes	Notes in respect of which the Interest Amount is calculated by reference to an index and/or formula 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 formula as may be indicated in the Applicable Pricing Supplement;
Index-Linked Notes	An Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
Instalment Amount	The amount expressed 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;
Interest Commencement Date(s)	the date on which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
Interest Payment Date(s)	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	each period specified in the Applicable Pricing Supplement commencing on and including the day of any Interest Payment Date and ending on and excluding the following Interest Payment Date;
Interest Rate or Rate of Interest	The rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
Interest Rate Determination Date	as specified in an Applicable Pricing Supplement, or where not specified, the day falling on the first day of each Interest Period and, if such a day is not a Business Day then the date as determined by following the applicable Business Day Convention. ;
Issue Date	the date of issuance of a Note, as specified in the Applicable Pricing Supplement;
Issue Price	the price at which a Note is issued, either at its Nominal Amount or at a discount or premium to its Nominal Amount, as specified in the applicable Pricing Supplement;

Issue Manager	Stanbic Bank Botswana Limited, (Company Registration Number; 91/1343), acting as arranger, having its principal place of business at Plot 50672 Stanbic House, Fairgrounds, Gaborone, Botswana;
Issuer	Botswana Savings Bank, a statutory corporation established by and under the Botswana Savings Bank Act, CAP 56:03 of the Laws of Botswana;
Last Day to Register	the date or dates immediately preceding the date in respect of Notes on which the Register is closed for further transfer or entries until the payment date. Noteholders reflected in the Register on the relevant Last Day to Register shall be entitled to payments of interest and principal. The Last Day to Register shall always be a Friday, or the next Business Day, where the Friday is a public holiday in Botswana;
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 or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 7.10;
Nominal Amount	in relation to any Note, the total amount, excluding interest and any adjustment on account of any formula, owing by the Issuer under the Note;
Nominated Transfer Secretary	DPS Consulting (Proprietary) Limited or such other party as may be specified in the Applicable Pricing Supplement.
Notes	the Notes issued or to be issued by the Issuer under the Programme and issued in Uncertificated Form;
Noteholders	the holders of the Notes as recorded in the Register in terms of these Terms and Conditions;
Optional Redemption Amount	the amount payable on early Redemption of a Note pursuant to Condition 9.4, and specified in the Applicable Pricing Supplement;
Optional Redemption Date	the date for redemption of Notes by the Issuer exercising its option to redeem the relevant Notes as provided for by Condition 9.4, and as specified in the Applicable Pricing Supplement;
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);
Placing Agent	the Placing Agent set forth in the Applicable Pricing Supplement;
Programme	the BWP 1 000 000 000 Domestic Note Programme established in terms of this Programme Memorandum, as amended from time to time, under which the Issuer may from time to time issue Notes denominated in and having such maturity as may be agreed between the Issuer and the Placing Agent as specified in the Applicable Pricing Supplement and, if listed, as approved by the BSEL or its successor and/or any other exchange or exchanges on which the Notes are to be listed;

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 BWP 1 000 000 000;
Programme Memorandum	This Programme Memorandum that is issued by the Issuer to provide for the Terms and Conditions in relation to Notes issued out from under the Programme;
Rate of Interest or Interest Rate	the rate of interest applicable to Notes, as set out in the Applicable Pricing Supplement;
Redemption Date	the date upon which Notes are redeemed by the Issuer in terms of Condition 9;
Reference Banks	for the purpose of any “BWP-BOBC”, “BWP-PRIME”, or “BWP-DEPOSIT” Interest Rate, three major banks in the Gaborone interbank market;
Register	the electronic register maintained by the CSDB;
Relevant Date	In respect of any payment relating to the Notes, the date on which such payment first becomes due;
Series	a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or non-listing) from the date on which such consolidation is expressed to take effect, except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
Specified Denomination	Such minimum denominations as specified in the Applicable Pricing Supplement, as may be agreed between the Issuer and the Placing Agent;
Sponsoring Broker	Motswedi Securities Limited, a Member of the BSEL;
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;
Supplementary Trust Deed	any Supplementary Trust Deed entered into between the Trustee and the Issuer in respect of an issue of a different Tranche or Series of Notes. Any Supplementary Trust Deed will be a supplement to the Trust Deed;
Terms and Conditions	the terms and conditions incorporated in this section headed “Terms and Conditions of the Notes” and in accordance with which the Notes will be issued;
Tranche	all Notes which are identical in all respects (including as to listing, interest payment dates, interest rates and dates of redemption);
Transfer Secretaries	As the context requires, the CSDB in relation to listed Uncertificated Notes and DPS Consulting Services (Proprietary) Limited as the Nominated Transfer Secretary, or such other person specified in the Applicable Pricing Supplement as the Transfer Secretaries who will act as the transfer secretaries;
Trust	the Trust established by the Trust Deed, appointing the Trustee, with the aim of providing for the protection and enforcement of the rights and entitlements of Noteholders;

Trustee	The Trustee, Siphon Alec Ziga Partner, of Armstrongs Attorneys of Gaborone;
Trust Deed	The Trust Deed entered into between the Issuer and the Trustee dated [] 2021;
Uncertificated Note	a registered Note issued by the Issuer in accordance with these Terms and Conditions and issued in the form of a dematerialised security held on the CSDB, and listed on the Botswana Stock Exchange Limited;
Zero – Coupon Notes	Notes which will be offered and sold at a discount to their Nominal Value or at par and will not bear interest other than in the case of late payment.

2. CONDITION 2 – ISSUE OF NOTES

- 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 are issued by the Issuer in Series and each Series may comprise one or more Tranches. Each Tranche will be the subject of an Applicable Pricing Supplement.
- 2.3 The Noteholders are deemed to have knowledge of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.
- 2.4 The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes.
- 2.5 Copies of the Applicable Pricing Supplement are available for inspection at the registered office of the Issuer.
- 2.6 A tranche of Notes may be issued only in the form of listed registered Notes, as specified in the Applicable Pricing Supplement.

3. CONDITION 3 - FORM AND DENOMINATION

- 3.1 Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed 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 Applicable Pricing Supplement.
- 3.2 All payments in relation to the Notes will be made in the currency of the particular Series/Tranche as specified in the Applicable Pricing Supplement.

- 3.3 A Tranche of Notes may be listed on the Bond Market of the BSEL or on such other further financial exchange(s) as may be determined by the Issuer, subject to any applicable laws.
- 3.4 The Notes shall be issued in registered form only. All registered Notes shall be serially numbered with an identifying number that will be recorded in the Register and issued without interest coupons attached.
- 3.5 In the case of Uncertificated Notes, the interest of a holder in the Note will be evidenced by entry on the electronic register as maintained by the CSDB.
- 3.6 Notes will be issued in such Specified Denominations as may be agreed between the Issuer and the Placing Agent and as indicated in the Applicable Pricing Supplement.

4. CONDITION 4 - TITLE

- 4.1 Title to Uncertificated Notes shall pass by registration in the electronic register maintained by the CSDB in accordance with these Terms and Conditions.
- 4.2 The Issuer may deem and treat the person reflected in the Register as the registered holder of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and 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 Note may be subject.

5. CONDITION 5 - STATUS OF NOTES

The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank pari passu among themselves, and save for certain debts preferred by law, equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding, unless otherwise indicated in the Applicable Pricing Supplement. The Notes may be issued on a short, medium- or long-term basis as indicated in the Applicable Pricing Supplement.

6. CONDITION 6 - INTEREST ON FIXED RATE NOTES

- 6.1 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 Fixed Interest Payment Dates in each year, up to and including, the Maturity Date.
- 6.2 The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.
- 6.3 Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Rate Interest Period

ending on (but excluding) such date will amount to the Fixed Coupon Amount (as specified in the Applicable Pricing Supplement), provided that:

- 6.3.1 in 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
 - 6.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 6.4 If interest is required to be calculated for a period other than a Fixed Rate 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.

7. CONDITION 7 - INTEREST ON FLOATING RATE NOTES AND INDEXED INTEREST NOTES

INTEREST PAYMENT DATES

- 7.1 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

- 7.2 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

- 7.3 If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any 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

- 7.4 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 FALL-BACK PROVISIONS

- 7.5 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:

- 7.5.1 if the Relevant Screen Page is available:

7.5.1.1 the offered quotation (if only one quotation appears on the screen page); or

7.5.1.2 the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being decimal rounded upwards) of the offered quotation.

(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) Gaborone time) 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

- 7.5.2 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 Gaborone office 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 (Gaborone time) 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

- 7.5.3 if the Rate of Interest cannot be determined by applying the provisions of 7.5.1 and 7.5.2 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 (Gaborone time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amounts 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 Gaborone inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provided the Calculation Agent with such offered rates, the Rate of Interest for the mean (rounded as provided above) of the rates for deposits in an amount approximately equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Gaborone time) 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.

NOTIFICATION OF RATE OF INTEREST AMOUNT

- 7.6 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 BSEL and the CSDB and/or every other relevant exchange or authority after their determination. 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 notified to



the BSEL, the CSDB and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 18 (Notices).

CERTIFICATES TO BE FINAL

- 7.7 All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph 7 by the Calculation Agent shall (in 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.

MIXED RATE NOTES

- 7.8 The Interest Rate payable from time to time on Mixed Rate shall be the Interest Rate payable on the form of interest-bearing Note (be it Fixed Rate Note, Floating Rate Note Indexed Note or other) 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, Indexed Notes or other Note, as the case may be.

ACCRUAL OF INTEREST

- 7.9 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, in respect of Uncertified Notes, the date on which the full amount of the money payable has been received by the CSDB and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 18 (Notices).

BUSINESS DAY CONVENTION

- 7.10 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:
- 7.10.1 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 preceding applicable Interest Payment date (or other date) has occurred; or

- 7.10.2 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
- 7.10.3 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
- 7.10.4 the "Preceding Business Day Convention", such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

8. CONDITION 8 - PAYMENTS.

GENERAL

- 8.1 Payments of principal and/or interest in respect of Uncertificated Notes will be made to Noteholders through the CSDB Participants, as shown in the Register on the Last Day to Register and the Issuer will be discharged by proper payment to the CSDB Participant accounts, in respect of each amount so paid.
- 8.2 Interest and redemption monies shall only be payable:
 - 8.2.1 in respect of interest, to Noteholders registered as such on the Last Day to Register immediately preceding the Interest Payment Date in question and, in respect of redemption monies, to Noteholders registered as such on the Last Day to Register prior to the Redemption Date;
 - 8.2.2 to holders of Notes registered as such after the relevant Last Day to Register if duly completed documents of transfer were delivered to the Transfer Secretaries before the relevant Last Day to Register or were posted to and received by the Transfer Secretaries not more than 5 days after the relevant Last Day to Register in an envelope postmarked prior to the relevant Last Day to Register.
- 8.3 The Register will be closed on the Last Day to Register to determine Noteholders entitled to receive interest or redemption monies, as the case may be. On the Last Day to Register the Nominated Transfer Secretary will in accordance with the provisions of the Agency Agreement update and reconcile the entitlement schedule to reflect the Register maintained by the CSDB, and to resolve any discrepancies. It shall be the responsibility of the Nominated Transfer Secretary as Calculation and Paying Agent in terms of the provisions of the Agency Agreement to ensure the calculation and payment of interest



and redemption monies of all Noteholders, This is notwithstanding that payment of interest and redemption monies for Noteholders holding Uncertificated Notes may be implemented by the Nominated Transfer Secretary through the CSDB.

- 8.4 Payment of interest and redemption monies shall be made via electronic funds transfer to the account designated for the purpose by the Noteholder, which designation has been made at least 3 Business days prior to any Interest Payment Date or Redemption Date. In the event that, for any reason, payment by means of electronic funds transfer is not possible, payment will be made by cheque in the manner set out in the remainder of this Condition 8.

METHOD OF PAYMENT

- 8.5 Payments will be made in the currency specified in the Applicable Pricing Supplement by credit or transfer, by means of electronic settlement, to the Noteholder.
- 8.6 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 10 (Taxation).
- 8.7 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, 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 payments 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.
- 8.8 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 8.2 (Method of Payment).
- 8.9 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.
- 8.10 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 10 (Taxation).

PAYMENT DAY

- 8.11 If the date for payment of any amount in respect of any Note is not a Business Day, 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.

INTERPRETATION OF PRINCIPAL AND INTEREST

- 8.12 Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
- 8.12.1 any additional amounts which may be payable with respect to principal under Condition 10 (Taxation);
 - 8.12.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
 - 8.12.3 the Optional Redemption Amount(s) (if any) of the Notes;
 - 8.12.4 in relation to Instalment Notes, the Instalment Amounts;
 - 8.12.5 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 9.9.3); and
 - 8.12.6 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.
- 8.13 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 10 (Taxation).

9. CONDITION 9 - REDEMPTION AND PURCHASE

AT MATURITY

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

REDEMPTION FOR TAX REASONS

- 9.2 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 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 nor more than 60 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:

- 9.2.1 as a result of any change in, or amendment to, the laws or regulations of Botswana or any political sub-division of, or any authority in, or of, Botswana having power to tax, or any change or amendment which becomes effective after the relevant Issuer Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 10 (Taxation); and
- 9.2.2 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 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.

- 9.3 Notes may be redeemed by the Issuer in accordance with this Condition 9.2 (Redemption for Tax Reasons) in whole or in part. A redemption in part may be effected by the Issuer:

- 9.3.1 notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 10 (Taxation); and
- 9.3.2 mutatis mutandis in the manner described in Condition 9.4 (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 therein shall be disregarded for such purposes.

- 9.4 Notes redeemed for tax reasons pursuant to this Condition 9.2 (Redemption for Tax Reasons) will be redeemed at their Early Redemption Amount referred to in Condition 9.9 (Early Redemption Amounts), 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.

REDEMPTION AT THE OPTION OF THE ISSUER

- 9.5 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 nor more than 60 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).
- 9.6 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.

- 9.7 In the case of a partial redemption of Notes to be redeemed ("Redeemed Notes") will be in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertified, and each case not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date").
- 9.8 In respect of any Series of Uncertificated Notes under which there is to be a partial redemption, the aggregate Nominal Amount of all Redeemed Notes shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denominations and the aggregate Nominal Amounts of the Notes outstanding, shall also, if necessary be rounded downwards to the nearest integral multiple of the Specified Denominations on the Selection Date. Any basis of selection of Notes to be redeemed by way of partial redemption of a Series of Uncertificated Notes shall be determined by the Issuer or shall be on a pro-rata basis and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 (Notices) at least 10 days prior to the Selection Date.

EARLY REDEMPTION AMOUNTS

- 9.9 For the purpose of Condition 9.2 (Redemption for Tax Reasons) and Condition 12 (Events of Default), the Notes will be redeemed at the Early Redemption Amount calculated as follows:
- 9.9.1 in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 9.9.2 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
- 9.9.3 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 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.
- 9.10 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, or such other calculation basis as may be specified in the Applicable Pricing Supplement.



INSTALMENT NOTES

- 9.11 Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Condition 9.2 (Redemption and Purchase), the Early Redemption Amount will be determined pursuant to Condition 9.9 (Early Redemption Amounts).

PARTLY PAID NOTES

- 9.12 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 9 (Redemption and Purchase) and the Applicable Pricing Supplement. In the case of early redemption in accordance with Condition 9.2 (Redemption for Tax Reasons) or 12 (Events of Default), the Early Redemption Amount will be determined pursuant to Condition 9.9 (Early Redemption Amounts).

EXCHANGEABLE NOTES

- 9.13 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 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.

PURCHASES

- 9.14 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, at the option of the Issuer, surrendered to the Transfer Agent for cancellation.

CANCELLATION

- 9.15 All Notes which have been redeemed will forthwith be cancelled.

LATE PAYMENT ON ZERO COUPON NOTES

- 9.16 If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 9 (Redemption and Purchase) or upon its becoming due and repayable as provided in Condition 12 (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 9.9.3 as though the reference 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 earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; (ii) 5 days after the date on which the full amount of the moneys payable has been received by the CSDB, and notice to that effect has been given to the Noteholder in accordance with Condition 18 (Notices).

10. CONDITION 10 - TAXATION

- 10.1 The Issuer is a Botswana resident for tax purposes.
- 10.2 All payments of principal and interest in respect of the Notes will be made in compliance with income tax laws of Botswana. Currently, the Issuer, in terms of Section 58 as read with the Seventh Schedule to the Income Tax Act CAP 52:01 of the Laws of Botswana, as amended, is obliged to withhold 15% on all interest payments to non-resident Noteholders. The percentage of tax to be withheld from interest payments to non-resident Noteholders maybe be varied pursuant to the terms of a double taxation avoidance agreement that may exist between Botswana and the country of jurisdiction of the non-resident Noteholder. It will be for a non-resident Noteholder, to prove relief in respect of withholding tax, and the existence of a double taxation avoidance agreement which provides the same.
- 10.3 Currently the Issuer, pursuant to Section 58 as read with the Seventh Schedule to the Income Tax Act CAP 52:01 of the Laws of Botswana as amended, is obliged to withhold 10% on all interest payments to resident Noteholders. Certain resident Noteholders are exempted from the application of the obligation to withhold tax on interest payable to such Noteholders. It would be for the Noteholder averring relief and exemption, to prove the exemption.

11. CONDITION 11 - PRESCRIPTION

- 11.1 In respect of Certificates Notes, the Notes will become void unless presented for payment of principal and interest within a period of three years after the Relevant Date. In respect of Uncertificated Notes, payments of principal and/or interest in respect of Uncertificated Notes will be made to Noteholders through the CSDB Participants, as shown in the Register on the Last Day to Register and the Issuer will be discharged by proper payment to the CSDB Participant accounts, in respect of each amount so paid.

12. CONDITION 12 - EVENTS OF DEFAULT

- 12.1 If any one or more of the following events (each an "Event of Default") shall have occurred after the date of this Programme Memorandum and be continuing:
 - 12.1.1 the Issuer fails to pay any interest or principal in respect of any of the Notes on due date for payment and the failure to pay continues for more than ten days;
or



- 12.1.2 the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of thirty days following the service on the Issuer of a notice requiring the same to be remedied; or
- 12.1.3 the Issuer defaults in the payment of the principal or interest or any obligations in respect of Borrowed Money (as defined below) of, assumed or guaranteed by, the Issuer as and when the same shall become due and payable or where notice has been given to the Issuer, 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 has not been effectively extended or if any such obligations of, or assumed or guaranteed by, the Issuer 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 there under; or
- 12.1.4 any action, condition or thing including the obtaining of any consent, licence, approval or authorisation now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme is not taken, fulfilled or done, or any such consent, license, approval or authorisation, shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect resulting in the Issuer being unable to perform any of its respective payment or other obligations in terms of any Notes or the Programme and the Issuer fails to remedy such circumstances (if capable of remedy) within thirty Business Days of receiving written notice from Noteholders demanding such remedy; or
- 12.1.5 the Issuer is placed in liquidation, dissolved or is wound-up, whether provisionally or finally, or is placed under judicial management, whether provisionally or finally, or any process similar thereto, or the corporation is dissolved by an Act of Parliament, or an order is made or an effective resolution is passed for the winding-up, dissolution or liquidation of the Issuer save for the purpose of a merger, amalgamation, consolidation, reconstruction or reorganisation within the Issuer on terms approved by an Extraordinary Resolution; or
- 12.1.6 any mortgage, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer in respect of Borrowed Money becomes enforceable and the holder thereof takes any steps to enforce it; or
- 12.1.7 the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, other than in terms of a merger, amalgamation, consolidation, reconstruction or re-organisation within the Issuer on terms approved by Extraordinary Resolution, or if the Issuer stops or threatens to stop payment of, or is unable to, or admits to being unable to pay its debts (or any class of its debts); or
- 12.1.8 any step is taken by or under any authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of the Issuer or any of



the securities issued by the Issuer or any material part of the assets of the Issuer;
or

12.1.9 the Issuer initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up 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 to consider a proposal for an arrangement of compromise with its creditors generally (or any significant class of its creditors); or

12.1.10 if proceedings are initiated against the Issuer such that a person takes possession of the whole or a material part of the undertaking or assets of the Issuer, or an execution or attachment or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of it and such is not discharged within 30 days;

12.2 then the Trustee at its discretion may, and if so requested in writing by the Noteholders of not less than 100% of the Nominal Amount of the Notes then outstanding (or if so directed by an Extraordinary Resolution at a properly convened and quorate meeting of Noteholders (subject in each case to being indemnified and/or secured to its satisfaction) shall, give notice to the Issuer that an Event of Default has taken place, and that any affected Notes are, and they shall immediately become, due and repayable shall become forthwith due and payable at the Early Redemption Amount (as described in 9.9), together with accrued interest (if any) to the date of payment, provided that no such action may be taken by the Trustee if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of Botswana or to comply with any order of a court of competent jurisdiction.

12.3 For the purposes of this Condition 12, "Borrowed Money" means any indebtedness or liability, whether present or future, in any currency, actual or contingent, for or in respect of money borrowed or raised by whatever means, amounting in aggregate to not less than of USD 5,000,000 (or its equivalent in Pula at all relevant times) but excluding deposits in the normal course of business.

REGISTER AND TRANSFER OF NOTES

13. CONDITION 13 - REGISTER

13.1 The Register of Noteholders:

13.1.1 shall be kept at the office of the CSDB as Registrar;

13.1.2 shall contain the names, address and bank account numbers of the Noteholders;

13.1.3 shall show the total Nominal Amount of the Notes held by the Noteholders;



- 13.1.4 shall show the dates upon which each of the Noteholders was registered as such;
 - 13.1.5 shall show the ISIN of any Uncertificated Notes 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;
 - 13.1.7 shall be closed during the period as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, or such shorter period as the Issuer may decide during which transfer of Notes will not be registered in order to determine those Noteholders entitled to receive interest ("Books Closed Period").
- 13.2 The CSDB 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 by a CSDB Participant or through the Nominated Transfer Secretary.
- 13.3 Except as provided for in these Terms and Conditions or as required by law, the Issuer:
- 13.3.1 will only recognise a Noteholder as the owner of the Notes registered in that Noteholders name as per the Register; and
 - 13.3.2 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. CONDITION 16 - TRANSFER OF UNCERTIFICATED NOTES

- 14.1 In order for any transfer of Uncertificated Notes to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Note, must be by way of a completed CSDB prescribed transfer form that requests the CSDB Participant with whom the Noteholder maintains a CSDB securities account to transfer the Uncertificated Notes to another designated CSDB securities account.
- 14.2 Subject to 14.6 below, the CSDB will then effect the transfer of Notes between CSDB securities accounts.
- 14.3 It is for the Noteholder and the transferee to check and ensure the accuracy and completeness of any transfer request through the CSDB Participants with which they hold CSDB securities accounts.
- 14.4 The transferor of any Uncertificated Notes will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof. Should the transferor and transferee of Uncertificated Notes seek to confirm any details on the Register before the quarterly reconciliation, the parties must inform the Nominated Transfer Secretary separately of the transfer once they have confirmation from the CSDB Participant that it has been effected. The Nominated Transfer Secretary will then



reconcile the entitlement schedule against the electronic Register as maintained by the CSDB and ensure that the Register is updated.

- 14.5 Before any transfer of Uncertificated Notes is registered in the Register all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Secretary and the Nominated Transfer Secretary may reasonably require as to the identity and title of the transferor and the transferee.
- 14.6 No transfer will be registered whilst the Register is closed. The Nominated Transfer Secretary will inform the CSDB of any Books closed Period as defined in the Applicable Pricing Supplement in respect of a Tranche of Notes and the CSDB will not process any transfers during such period.

15. CONDITION 15 - CALCULATION AND OTHER AGENTS

- 15.1 Any third party appointed by the Issuer as Arranger, Placing Agent, Calculation Agent, Sponsoring Broker, Transfer Secretaries or otherwise shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders.
- 15.2 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 agent, provided that there will at all times be a Placing Agent, Calculation Agent and in respect of Notes listed on the BSEL, a Sponsoring Broker with a specified office in such place as may be required by the rules and regulations of the BSEL.

16. CONDITION 16 - NOTICES

- 16.1 All notices to Noteholders shall be sent by registered mail, or email to their respective addresses appearing in the Register, provided that any notice that is emailed shall be combined with publication on the X-News service of the BSEL. Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed if sent by registered mail. In addition, such notices shall also be valid if published in an English language daily newspaper of general circulation in Botswana.
- 16.2 If any notice is given to Noteholders, a copy thereof shall be delivered to the Trustee and if the Note is listed on the BSEL, to the BSEL.
- 16.3 Any notice by a Noteholder 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.

17. CONDITION 17 - AMENDMENT OF THESE TERMS AND CONDITIONS

- 17.1 These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 17, no addition, variation or



consensual cancellation of these Conditions shall be of any force or effect unless reduced to writing and signed by or on behalf of the Issuer and the BSEL.

- 17.2 These Terms and Conditions may be amended by the Issuer without the consent of the Noteholders for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein, provided that in the reasonable opinion of the Trustee, the interests of the Noteholders are not prejudiced by any such amendment. Where Notes are listed such amendment shall not require the prior written consent of the Noteholder.
- 17.3 The Issuer may, with the prior sanction of an Extraordinary Resolution or with the prior written consent of Noteholders holding not less than 75% in Nominal Amount of the Notes outstanding from time to time, amend these Conditions, provided that no such amendment shall be of any force or effect unless notice of intention to make such amendment shall have been given to all Noteholders in terms of Condition 17 above.
- 17.4 For the purposes of these Terms and Conditions, an "Extraordinary Resolution" means, in relation to all Noteholders or holders of a Tranche or Series of Notes, a resolution passed at a meeting of such Noteholders, duly convened and held in accordance with the provisions of Condition 20 below, by a majority consisting of not less than 75% of the Noteholders voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75% of the votes given on such poll.

18. CONDITION 18 - TRUST, TRUSTEE AND MEETINGS OF NOTEHOLDERS

- 18.1 It is recorded that the Trustee has been appointed and the Trust been formed with the aim, inter alia, of providing for the protection and enforcement of the rights and entitlements, and the implementation of the obligations, of the Noteholders. Accordingly, all such rights, entitlements and obligations of the Noteholders shall be protected, enforced and implemented, as the case may be, through the office of the Trustee.
- 18.2 The Issuer may at any time convene a meeting of the Noteholders or a meeting of Noteholders of any Tranche or Series of Notes, as the case may be, upon at least 21 days' prior written notice to such Noteholders. This notice is required to be given in terms of Conditions 18 above. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in Botswana.
- 18.3 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.
- 18.4 Meetings of the Noteholders or of the Noteholders of a Tranche or Series of Notes shall be convened and requisitioned in accordance with the provisions set out in the Trust Deed. The procedures (including, without limitation, as to the appointment of a chairman, the quorum and voting methodology) pertaining to the conduct of meetings of the



Noteholders or of the Noteholders of a Tranche or Series of Notes shall be as set out in the Trust Deed.

- 18.5 Notices of Meetings of the Noteholders shall be published on X-News and in at least one (1) national English language newspaper in Botswana.

19. CONDITION 19 - DOMESTIC PROGRAMME AND EXCHANGE CONTROLS

- 19.1 In operation there are no exchange controls in Botswana. There is still legislation on exchange control in the statute books, which legislation has not been repealed. However, it has not been operative since 1999 when the Minister of Finance declared that exchange controls would be abolished in the Budget Speech. The fact that the legislation has not been repealed is treated as a technicality. As such there are no restrictions on the repatriation of funds.

- 19.2 The only approvals in relation to dealings with foreign currency in Botswana concern the Central Bank, the Bank of Botswana. Where the Bank of Botswana is concerned, in respect of all foreign exchange transactions that involve the primary international reserve, the Central Bank may only transact with governments, government institutions, international institutions, financial organizations of good standing and such persons as have been approved by the Board of the Bank of Botswana.

20. CONDITION 20 - GOVERNING LAW

The provisions of these Terms and Conditions, the Programme Memorandum, the Notes, and all rights and obligations to the Notes, are governed by, and shall be construed in accordance with, the laws of Botswana in force from time to time.

21. CONDITION 21 - JURISDICTION

The Courts of Botswana have exclusive jurisdiction to settle any dispute arising out of or in connection with these Terms and Conditions.



FORM OF PRICING SUPPLEMENT

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



welcome to smooth banking

**(“BOTSWANA SAVINGS BANK” “BSB” or the “Issuer”)
(established under the Botswana Savings Bank Act CAP 56:03 Laws of Botswana)
ISSUE OF [AGGREGATE NOMINAL AMOUNT OF NOTES] NOTES UNDER ITS BWP 1 000 000 000
DOMESTIC NOTE PROGRAMME**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated 21st March 2022. The Notes described in this Applicable Pricing Supplement are subject to the Terms and Conditions in this Programme Memorandum and this Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum as read together with any further supplementary Programme Memorandum that may be issued. 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.

Subscription for the issue of Notes described herein shall constitute a private placing, hence applications will be considered only from persons to whom this Applicable Pricing Supplement has been sent by the Placing Agent, on behalf of the Issuer. Only such persons have the right to apply for the Notes hereunder in terms of this Applicable Pricing Supplement and, therefore, such persons may not sell, transfer, cede, assign or renounce the right in favour of any other person. Should the issue of Notes described herein be intended to constitute an invitation to the public to subscribe for the Notes, or should the said issue initially constitute a private placing and thereafter convert to an invitation to the public to subscribe, a further statement will be published as part of this Applicable Pricing Supplement to that effect.

A handwritten signature in black ink, appearing to be 'W. K.', is located in the bottom left corner of the page.

Arranger and Placing Agent

Legal Advisor to the Issuer and Arranger



Sponsoring Broker

KHAN CORPORATE
LAWNominated Transfer Secretary, Calculation and
Paying Agent

motswedi securities

A member of the Botswana Stock Exchange
Reporting Accountants

Trustee



DESCRIPTION OF THE NOTES		
1.	Issuer	Botswana Savings Bank
2.	Status of Notes	Unsubordinated Unsecured
3.	Form of Notes	Listed Registered Notes
4.	Series Number	[1]
5.	Tranche Number	[or N/A]
6.	Aggregate Nominal Amount:	
	(a) Series	[INSERT AGGREGATE NOMINAL AMOUNT]
	(b) Tranche	[INSERT AGGREGATE NOMINAL AMOUNT]
7.	Interest	[Interest-bearing]
8.	Interest Payment Basis	[Fixed Rate/Floating Rate]
9.	Automatic/Optional Conversion from one Interest/Redemption/ Payment Basis to another	[insert details including date for conversion]
10.	Form of Notes	Registered Notes
11.	Issue Date	[insert]
12.	Nominal Amount per Note	[insert]
13.	Minimum Denomination	[BWP 10]

14.	Issue Price	[INSERT AGGREGATE NOMINAL AMOUNT]
15.	Interest Commencement Date	[the day falling on the first day of each Interest Period]
16.	Maturity Date/ Final Redemption Date	
17.	Final Interest Determination Date	[17h00 on the last Business Day before the first day of a Books Closed Period/ the day falling on the first day of each Interest Period or, if such a day is not a Business Day then the day specified by the applicable Business Day Convention]
18.	Final Payment Date	[INSERT]
19.	Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details]
18.	Final Redemption Amount	[INSERT AGGREGATE NOMINAL AMOUNT]
19.	Last Date to Register	17h00 on the last Friday , (and where the Friday is a public holiday the next Business Day) before the first day of a Books Closed Period
20.	Books Closed Period(s)	10 days prior to each Interest Payment Date and/or the Maturity Date
21.	Default Rate	[]
PROGRAMME AMOUNT		
22.	Programme Amount as at the Issue Date	[]
23.	Aggregate outstanding Nominal Amount of all of the Notes issued under the Programme as at the Issue Date	[]
FIXED RATE NOTES		
24.	(a) Fixed Rate of Interest	[] per cent, per annum [payable [annually/semi-annually/quarterly] in arrear]
	(b) Fixed 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) Determination Date(s)	17h00 on the last Business Day before the first day of a Books Closed Period

	(g) Day Count Fraction	[]
	(h) Any other terms relating to the particular method of calculating interest	[]
FLOATING RATE NOTES		
25.	(a) Floating Interest Payment Date(s)	[]
	(b) Interest Period(s)	[Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] and the last Interest Period shall end on (but exclude) the [last Interest Payment Date]/[(Scheduled Maturity Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)]
	(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	[]
26.	Manner in which the Rate of Interest is to be determined	[Screen Rate] Determination/other - insert details
27.	Margin	[(...) basis points to be added to/subtracted from the relevant Reference Rate]
28.	If Screen Determination:	
	(a) Reference Date (including relevant period by reference to which the Rate of Interest is to be calculated)	[]

	(b) Interest Rate Determination Date(s)	[]
	(c) Relevant Screen Page and Reference Code	[]
29.	If Rate of Interest to be calculated otherwise than by Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions	[]
30.	Calculating Agent responsible for calculating amount of principal and interest	[]
OTHER NOTES		
31.	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, or Exchangeable Notes or if the Notes are a combination of any of the aforementioned, set out the relevant description and any additional Terms and Conditions relating to such Notes.	[]
PROVISIONS REGARDING REDEMPTION/MATURITY		
32.	Issuer's Optional Redemption:	[Yes/No]
	If yes:	
	(a) Optional Redemption Date(s)	[]
	(b) Optional Redemption Amount(s) and method, if any, of calculation of such amounts	[]
	(c) Minimum period of notice (<i>Redemption at the Option of the Issuer</i>)	[]
	(d) If redeemable in part:	

	Minimum Redemption Amount(s)	[]
	Higher Redemption Amount(s)	[]
	(e) Other terms applicable on Redemption	
33.	Early 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	[]
GENERAL		
34.	Date Offer Opens	
35.	Date Offer Closes	
36.	Settlement Date	
37.	Date of Application to list	
38.	Minimum Subscription	[BWP 100,000]
39.	Interests of Natural and Legal Persons involved in the Issue/ Offer	Not applicable
40.	Payment Procedures	Electronic Settlement
41.	Financial Exchange	Botswana Stock Exchange Limited
42.	Clearing System	Central Securities Depository of Botswana Limited
43.	Delivery	
44.	Naming of Rating Agency	Not applicable
45.	Credit Rating Assigned to Notes	Not applicable
46.	Registrar and Transfer Secretary	Central Securities Depository of Botswana Limited
47.	Calculating Agent	DPS Consulting Services (Pty) Limited
48.	Paying Agent	DPS Consulting Services (Pty) Limited
49.	Specified office of the Paying Agent	DPS Consulting Services (Pty) Limited
50.	Nominated Transfer Secretary	DPS Consulting Services (Pty) Limited
51.	Provisions relating to stabilisation	Not applicable
52.	Stabilising manager (if any)	Not applicable
53.	Additional selling restrictions	Not applicable
54.	ISIN	[BW]
55.	Stock Code	[]
56.	First Interest Payable	[]
57.	Method of distribution	[Private Placement]
58.	If syndicated, names of Managers	Not applicable

59.	If non-syndicated, name of Dealer	[]
60.	Governing law (if laws of Botswana) are not applicable	Laws of Botswana
61.	Use of proceeds	[]
62.	Pricing Methodology	[insert details]
63.	Date of Approval of the Programme Memorandum by the BSEL:	
64.	Other provisions	[]

RESPONSIBILITY STATEMENT

The Directors below, collectively and individually, accept full responsibility for the accuracy of the information given in the Pricing Supplement 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 Pricing Supplement as read together with the Programme Memorandum and any Supplementary Programme Memorandum that may have been issued subsequently, contain all information required by law.

BOTSWANA SAVINGS BANK

SIGNED AT GABORONE ON DAY OF

By:

[INSERT FULL NAME OF DIRECTOR]
Director, duly authorised, and
who warrants his authority hereto

By:

[INSERT FULL NAME OF DIRECTOR]
DIRECTOR, duly authorised
who warrants her authority hereto



DESCRIPTION OF THE ISSUER

HISTORY AND BUSINESS ACTIVITIES OF THE ISSUER

BSB was Established in 1992, Botswana Savings Bank is an independent, national, financial institution wholly owned by the Government of Botswana for the purpose of providing banking and financial services for all the people of Botswana under the supervision of the Bank of Botswana. BSB provides transactional banking products which include Fixed Deposits, Savings products and Transactional Accounts. It also offers consumer lending products such as Personal Loans, Car Loans and Residential Loans.

Its headquarters are based in Gaborone at Broadhurst Mall; Tshomarelo House with full branches in Gaborone (Tshomarelo House), Francistown as well as Palapye. BSB also has branches co-located with Botswana Postal Services in Railpark (Gaborone), Mahalapye, Serowe and Hukuntsi. Additional branches have been opened at Gumare, Kanye and Molepolole.

Botswana Savings Bank Services can also be accessed through Post Offices across the country.

BSB is governed by an Independent Board of Directors which reports to the Ministry of Finance and Economic Development.

BSB is supervised by the Central Bank under the custodian of Ministry of Finance and Economic Development.

BSB is also required to carry out its business according to sound commercial principles and in accordance with the Banking Act of 1995.

BSB is a member of the World Savings Bank Institute, an association of Savings Banks represented in over 90 countries worldwide.

DETAILS OF ANY MATERIAL CHANGE IN THE BUSINESS OF THE ISSUER DURING THE LAST FIVE YEARS

There has been no change in the business during the past five years.

PRINCIPAL IMMOVABLE PROPERTY HELD OR OCCUPIED BY THE ISSUER

The building owned by BSB is registered in the deeds registry office of Botswana under Deed of Fixed Period State Grant number 1264/2006 dated 05th June 2006 in favour of Botswana Savings Bank in respect of Lot 53796 Gaborone.

MATERIAL COMMITMENTS OF THE ISSUER

There are currently no plans for acquisition of any buildings or any ongoing construction.



MEMBERS OF THE BOARD OPINION ON THE PROSPECTS ON THE ISSUER

The Bank was determined to ensure that it delivers on a five-year strategic plan by end of March 2021 which has since been extended to March 2022 to enable fulfilment of pending key business initiatives. The strategic plan included implementation of the digitalization programme, to implement talent management plan, to ensure efficient and effective strategy implementation through a high-performance culture and clear strategy direction and to improve the bank's liquidity. There has been progress made on the strategic plans thus far which is evidenced by implementation of digital channels, implementation of the Core Banking System, introduction and implementation of the New organizational Structure and opening of new branches. During the Strategic period 2016-2021 a total of 8 new branches were opened and this has contributed to a growth in key areas such as total Income growing by 30% and active customer base growing by 4%. These new branches do not fall under Material Commitments because they are leased for less than 10 years. A major drawback in implementing the Bank's strategy was lack of integration of systems. The Bank is working on implementing new systems to improve the Bank's efficiency and effectiveness. We are looking forward to the phasing out of the traditional passbooks as we introduce digital channels and automate our processes for customer convenience. We remain confident that despite the rapid changes in our economic environment, our strategic priorities will enable us to drive sustainable growth for our business.

RISK FACTORS FACING THE ISSUER AND ITS BUSINESS

Interest Rate Risk - is the risk that the Bank's financial position may be adversely affected by changes in interest rate levels, yield curves and spreads. The techniques used to measure and control interest rate risk in the Banking book include repricing profiles, annual earnings at risk, DVaR and tail metrics.

Liquidity Risk – the degree to which it will be difficult for an organization to get money quickly enough to pay its obligations. This is caused by mismatches between maturities of assets and liabilities. The liquidity risks of BSB are assessed daily and regular liquidity stress testing is conducted according to policies and procedures approved by Asset and Liabilities Committee ("ALCO").

Economic conditions declining as a result Covid-19, which may have an impact default of loans issued leading to increased expected credit losses, this subsequently affecting the profitability of the Bank.

Credit Risk- the risk that the bank may fail to perform according to the terms and conditions of the contract of a financial transaction. This is mitigated by monitoring the risk appetite of the Bank to be able to determine which costs the Bank can absorb and manage.

Operational Risk -the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. BSB recognises the significance of operational risk and has an approved Operational Risk Management Framework premised on ISO 31000 and COSO Framework.

Governance Risk- The risk of failure to provide statutory functions or oversights in the running of the operations of the bank. We have a board of directors that meet quarterly supported by committees



and various participants. BSB is regulated by the Central bank, under the Botswana Savings Bank Act and the Banking Act.

THE BOARD OF THE ISSUER

The members of the Board of the Issuer as at date of publication of this Programme Memorandum are:

A handwritten signature in black ink, appearing to be 'N. Khum'.

Board of Directors	Workplace Address and Position Held	Date of First Appointment	Professional/Academic Qualifications	Nationality and Date of Birth	Other Institutions in which he/she is a Director	Nature Of Business
Mr Kealeboga Molelowatladi (R) Non-Executive Director and Board Chairman	Accountant General Ministry of Finance and Economic Development Private Bag 008 Gaborone	July 1, 2018	<ul style="list-style-type: none"> Association of Chartered Certified Accountants (ACCA) Bachelor of Commerce 	Botswana February 22, 1965	<ul style="list-style-type: none"> African Alliance Botswana Advisory (Pty) Limited African Alliance Botswana Management Company (Pty) Limited 	<ul style="list-style-type: none"> Investment Banking Investment Banking
Mrs Sarah Moatle Molale (R) Non-Executive Director	Deputy Secretary, Finance Administration Ministry of Finance and Economic Development Private Bag 008 Gaborone	July 1, 2018	<ul style="list-style-type: none"> Masters of Commerce (Finance and Accounting) Bachelors of Commerce (Accounting) Post Graduate Diploma in Financial Management Member of the National Coordinating Committee on Financial Intelligence Technical Committee Member of National Development Bank Privatisations Communications Cluster 	Botswana November 16, 1968	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
Ms Matilda Ontlametse Basinyi (R) Non-Executive	Director, Procurement Oversight Ministry of Nationality, Immigration and Gender Affairs	November 1, 2017	<ul style="list-style-type: none"> MSC Logistics and Supply Chain Management Master of Commerce (Accounting and Finance) 	Botswana July 7, 1968	<ul style="list-style-type: none"> Oretshidise Investment 	<ul style="list-style-type: none"> Holding Company- the companies it holds are dormant

Board of Directors	Workplace Address and Position Held	Date of First Appointment	Professional/Academic Qualifications	Nationality and Date of Birth	Other Institutions in which he/she is a Director	Nature Of Business
Director	Private Bag 004 Gaborone		<ul style="list-style-type: none"> • Member of Botswana Institute of Chartered Accountants • Member of the Chartered Institute of Logistics and Transport South Africa (CILTSA) • Bachelor of Commerce (Accounting) • ACCTECH • Associates Member CIPS 			
Mr Mpho Nixon Marumoloa (R) Executive Director Chief Executive Officer	Chief Executive Officer Botswana Savings Bank P O Box 1150 Gaborone E-mail: nmarumoloa@bsb.bw	April 9, 2018	<ul style="list-style-type: none"> • Bachelor of Arts (Social Sciences) • Certificate of Proficiency 	<ul style="list-style-type: none"> • Botswana September 20, 1972 	<ul style="list-style-type: none"> • Human Resource Development Council • SADC Development Finance Centre • Botswana Institution of Banking and Finance • Kaylane (Pty) Ltd 	<ul style="list-style-type: none"> • National Human Resource Development Strategy Services • Finance and investment services • Banking and financial services related training and education services • Petroleum and Commodities services

Board of Directors	Workplace Address and Position Held	Date of First Appointment	Professional/Academic Qualifications	Nationality and Date of Birth	Other Institutions in which he/she is a Director	Nature Of Business
Mrs Esther Tuelo Lemo (NR) Non-Executive Director	Pensioner P O Box 1972 Gaborone	July 1, 2018	<ul style="list-style-type: none"> Associate Diploma in Banking Licentiate Diploma in Banking Certificate in Banking Certificate in Communication Senior Certificate in Preaching (Methodist Church of Southern Africa) 	<ul style="list-style-type: none"> Botswana April 30, 1953 	<ul style="list-style-type: none"> Maiteko Enterprises A J Lemo Investments (Pty) Ltd Mosokelatsebeng Cellular (Pty) Ltd 	<ul style="list-style-type: none"> Family Property Investment Company Investment Company Mobile telecommunications Services (Holds Orange Pty Ltd shares)
Mr Cornelius Ramathlakwane (R) Non-Executive Director	Chief Executive Officer Botswana Postal Services P O Box 100 Gaborone	July 1, 2018	<ul style="list-style-type: none"> Executive Development Programme MSc Strategic Management Certificate – Management Studies AAT Membership- Intermediate Member of Institute of Directors South Africa Accredited Facilitator- Investment in Excellence 	<ul style="list-style-type: none"> Botswana April 20, 1967 	<ul style="list-style-type: none"> Wipix Holding (Pty) Ltd 	<ul style="list-style-type: none"> Consulting, Training and coaching, Agriculture, hospitality and tourism
Mrs Hilda Mocominyane-Hlanti (R)	Companies & Intellectual Property Authority Registrar	September 24, 2021	<ul style="list-style-type: none"> MSc Strategic Management LLB Member of the Law 	<ul style="list-style-type: none"> Botswana October 18, 1972 	<ul style="list-style-type: none"> NBFIRA 	<ul style="list-style-type: none"> Non-Bank Financial Institutions Regulatory Authority

Board of Directors	Workplace Address and Position Held	Date of First Appointment	Professional/Academic Qualifications	Nationality and Date of Birth	Other Institutions in which he/she is a Director	Nature Of Business
(Non-Executive Director) Board member	P O Box 102 Gaborone		Society of Botswana • Member of the International Bar Association			
Mrs Khumiso Tshephe (R) (Non-Executive Director) Board Member	Tshephe Legal Firm P O Box 80468 Managing Partner Gaborone	September 24, 2021	<ul style="list-style-type: none"> • LLB • Diploma Trial Advocacy Skills • Member of the Law Society of Botswana 	<ul style="list-style-type: none"> • Botswana • June 24, 1984 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
Ms Neo Maruapula (R) (Non-Executive Director) Board Member	EBAT Consultants (Pty) Ltd P.O. Box 40909 Finance & Operations Director Plot 4527, Main Road, Tati Siding	December 14, 2021	<ul style="list-style-type: none"> • MBA (Finance) • BSc (Computer Information Systems) • Associate Degree in Accounting & Management 	<ul style="list-style-type: none"> • Botswana • 24 April 1965 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None

BOARD MEMBERS

Mr Kealeboga Molelowatladi

(Non-Executive Director)

Board Chairman

Kealeboga is the Board Chairman of the Botswana Savings Bank Board of directors. He has been with BSB since July 2018. He holds an Association of Chartered Certified Accountants (ACCA) and Bachelor of Commerce. Mr Molelowatladi currently works as the Accountant General at the Ministry of Finance and Economic Development. He is also a director in other institutions like African Alliance.

Mrs Sarah Moatle Molale

(Non-Executive Director)

Sarah is a board member of the BSB board of directors and was appointed in July 2018. She sits as Chairperson of the Risk Compliance Committee and she is a member of the Staff, Rewards and Remuneration Committee. Sarah is a Deputy Secretary of Finance Administration (LA) at the Ministry of Finance and Economic Development. She holds a Masters Degree in Finance, Post Graduate Diploma in Financial Management and Bachelor of Commerce (Accountancy).

Ms Matilda Ontlametse Basinyi

(Non-Executive Director)

Ms Matilda Basinyi is the Director of Procurement Oversight at the Ministry of Nationality, Immigration and Gender Affairs. She has been appointed as a board member since November 2017. She sits in the Board Tender Committee as well as the Staff, Rewards and Remuneration Committee. Ms Basinyi holds an MSC in Logistics and Supply Chain Management, Masters of Commerce (Accounting and Finance), Bachelor of Commerce in Accounting and ACCTECH.

She is a board member at Oretshidise Investment.

Mrs. Esther Tuelo Lemo

(Non-Executive Director)

Mrs Esther Lemo is a retired banker, she has been a board member since July 2018. She sits in the Risk Compliance committee as well as the Board Tender Committee. Mrs Lemo holds a 1991 Associate Diploma in Banking from The Institute of Bankers in Southern Africa in Johannesburg, Licentiate Diploma in Banking, Certificate in Banking and a 2001 Senior Certificate in Preaching EMMU Methodist Church of Southern Africa Pretoria.

She is also a director at Maiteko Enterprises Pty Ltd – Family Property Investments Company, A. J. Lemo Investments (Pty) Ltd Family Investments Company, Mosokelatsebeng Cellular (Pty) Ltd – one of the citizen owned investment companies in the mobile telecoms business.

Mr Cornelius Ramatlhakwane

(Non-Executive Director)

Cornelius has been a board member since July 2018. He is a Finance and Audit Committee member. He holds an MSc – Strategic Management (Derbyshire University) and a Certificate – Management Studies (MANCOSA) Executive Development Program (Stellenbosch University). Mr Ramatlhakwane is also a board member at Wipix Holdings (Pty) Ltd.

Mrs Hilda Mocuminyane- Hlanti

(Non-Executive Director)

Hilda is an attorney and a strategist with over 25 years' experience in the practice of Law and Management in various capacities and institutions. She sits as Chairperson of the Staff, Rewards and Remuneration Committee and is a member of the Finance and Audit Committee. She holds a Bachelor of Laws Degree from the University of Botswana and a Master of Science (MSc) in Strategic Management through the University of Derby, UK. She previously was a Head of Legal and Board Secretary and had the responsibility of advising the board and management of NBFIRA on ensuring compliance with various Labour Laws. She also set up the CEDA legal department and developed processes and procedures for recovery of delinquent loans as well as setting the strategic direction of the Company from inception, together with a team of other professionals.

Hilda has been a board member at Companies like Botswana Post, Botswana Railways, Non-Bank Financial Institutions Regulatory Authority and LEA.

Ms Khumiso Tshephe

(Non-Executive Director)

Ms. Khumiso Tshephe is an attorney in Botswana and holds an LLB from the University of Botswana and is also a member of the Law Society of Botswana. She sits as Chairperson of the Board Tender Committee and is a member of the Risk Compliance Committee. Her career in law spans over a period of 11 years with particular interest in corporate and commercial law, property law, debt recoveries, foreclosures, labour law as well as family law.

She has also drafted many commercial contracts for local businesses and has been instrumental in many successful partnerships and joint ventures locally and in the region. Ms. Tshephe is the Founding and Managing Partner of Tshephe Legal Firm and is admitted as an attorney, Notary Public and Conveyancer.

Mrs Neo Maruapula

(Non- Executive Director)

Mrs. Neo Maruapula has a Bachelor of Science – Computer Information Systems, Master of Business Administration – Finance holder with a flair for business, finance and entrepreneurial development. Mrs. Maruapula has vast tertiary education industry experience imbedded in an out-going personality, mostly acquired from cumulatively serving for 20 years as a Trainer, Consultant and Assessor at the Botswana Institute of Administration and Commerce, the Institute of Development Management, as well as regularly evaluating stalls and consistently being Chief Judge at national and international exhibitions. Her major strengths are operations, computers, business management and finance. She is EBAT Consultant's Finance & Operations Director, directly supervising daily business engagements. Neo is a former Government of Botswana employee, who has a very good understanding of, and respect for, the Government system. She is a Certified and Accredited trainer, Assessor and Mentor. She is involved in community development empowerment activities, including giving motivational talks on various aspects of life. Gender Affairs Department has recognized Mrs. Maruapula as a trainer and motivational guest speaker for their Women Entrepreneurs Expo where she had the opportunity to interact with women entrepreneurs. Her major strengths are operations, computers, business management and finance. She has also offered part-time assistance to the University of Botswana's



Francistown Campus. She is EBAT's Finance & Operations Director, directly supervising daily business engagements.

She was appointed as a board member on the 01st November 2021. She sits as Chairperson of the Finance and Audit Committee.

BOARD MEMBERS APPOINTMENT, TERM AND REMUNERATION

Chairperson BWP 2250 per sitting
Member BWP 1800 per sitting

Name	Position	First Appointed	Expiry date
Mr Kealeboga Molelowatladi	Chairman	01 07 2018	30 06 2022
Mrs Hilda Mocuminyane-Hlanti	Member	24 09 2021	23 09 2025
Mrs Khumiso Tshephe	Member	24 09 2021	23 09 2025
Mr Mpho Nixon Kgosi Marumoloa	Chief Executive Officer	01 04 2018	On conclusion of contract. *
Ms Matilda Ontlametse Basinyi	Member	01 11 2017	31 10 2024
Mr Cornelius Ramatlhakwane	Member	01 07 2018	On conclusion of his contract with Botswana Post. *
Mrs Sarah Molale	Member	01 07 2018	30 06 2022
Mrs Esther Tuelo Lemo	Member	01 07 2018	30 06 2022
Mrs Neo Maruapula	Member	01 11 2021	31 10 2025

* Mr Marumoloa is the CEO and his membership on the Board will carry for the duration of his tenure. Mr Ramatlhakwane is the CEO of Botswana Post and his membership on the BSB board is for so long as he holds this position or the BSB Act is amended

BOARD SECRETARY

Tshepang Mokhurutshe (Ag)

Ms Mokhurutshe earned her LLB (postgraduate) from Witwatersrand University. She also has a Bachelors of Arts in Political Science (with a concentration in International Relations) and a Bachelors of Arts in Human Rights, acquired from Trinity College, Hartford, CT (USA). She has also completed a Financial Services Certificate with the Chartered Institute for Securities and Investment.

Ms Mokhurutshe started her Legal career in 2017 at Armstrongs Attorneys where she worked exclusively with both banks and Non- Banking Financial Institutions, including insurance companies and pension funds. She is proficient at Company Law and has acted on behalf of Armstrongs, as company secretary to various local and international companies.

Ms Mokhurutshe joined BSB in 2019 as Board Secretary.



MANAGEMENT - BRIEF PROFILES OF EXECUTIVE MANAGEMENT AND SENIOR MANAGEMENT:

EXECUTIVE MANAGEMENT

Mpho Nixon Marumoloa

Chief Executive Officer

Nixon Marumoloa has nearly 22 years of financial business leadership and experience. His previous positions include leadership roles at Barclays Bank as a Senior Corporate Manager, BancABC as a Relationship Manager, First National Bank as a Relationship Executive and Citizen Entrepreneurial Development Agency (CEDA) as a Head of Services and Regional Manager. In addition to this Mr Marumoloa serves as a Board Member in other trading companies like HRDC, SADC Development Finance Resource and Botswana Institute of Banking Finance.

Nixon holds a B.A. (Economics & Administration) from the University of Botswana, Insurance Qualifications from the Insurance Institute of South Africa and other trainings from (amongst others) Henley Business School, Gordon Institute of Business Science (University of Pretoria), Wits Business School, etc. He is currently studying for a Master's in Business Administration (MBA)

Pedzani Tafa

Chief Operations Officer

Pedzani Tafa is a seasoned banker with 29 years of experience in Banking. To compliment her experience, she holds a Master's in Business Administration, Bachelor of Arts Degree and a Diploma in Financial Management. Pedzani is also an Associate Member of the Botswana Institute of Bankers, a membership she obtained following her successful completion of the Associate Diploma in Banking. She is responsible for managing all daily aspects of the operations team, reports to the board on operation activities toward achieving business and corporate goals, and overhaul customer service activities.

She has worked for Stanbic Bank where she held positions like Relationship Manager, Branch Manager and Head of Executive Banking. Pedzani went on to work for Standard Chartered Bank as a Head of Retail Banking.

Kabelo Ngwako

Director, IT

Kabelo Ngwako is an experienced Information Technology specialist combined with high standards of Numeracy and Literacy. He holds a BSc Computer Science from the University of Botswana and has several Professional Certifications like Management Development Programme, Foundation Certificate in IT Certificate Service, Certified Prince 2 Practitioner. He is currently acting as the Director Support Services and he is responsible for directing/ Leading a total of Four departments being IT, Enterprise Risk, Human Capital, and Finance.

Mr. Ngwako joins the BSB team having worked for Botswana Fibre Networks (BOFINET) where he held the following positions respectively, Government Data Network Project Manager, Information Technology & Billing Manager. He also worked for BPOPF as the Manager of ICT. Mr Ngwako brings to the BSB team dynamic experience in a range of Information Technology applications combined with high standards of numeracy and literacy.



Mike Dube

Chief Finance Officer

Mike Dube is an experienced accounting and finance professional with a proven track record in leadership and transformation. He has overall responsibility for a full financial function of the bank and leadership of the Finance team. He oversees the Management accounting function, Financial Accounting, Treasury Management and Reconciliations of the whole bank. He holds a Bachelor of Commerce (Accounting and Management) from the University and is also a fellow member of the Association of Chartered Certified Accountants (ACCA).

Mike joins the BSB team having worked as a Chief Executive Officer, Chief Financial Officer, Finance Manager, General manager in various organisations like Bayport Financial Services, BIHL Insurance Company.

Kagiso Balopi

Director, Risk

Kagiso is a grounded strategic leader with extensive experience in the financial services sector spanning over eighteen (18) years. His experience largely relates to leading various teams of professionals through the finance and risk management disciplines, towards the successful attainment of the strategic plans. Over the years he has handled multiplicity of functions, juggling roles of managing, leading and producing at the various levels of responsibilities. Extensive experience has been gained in stakeholder management and leading smart teams through testing environments. Mr Balopi Influences the successful attainment of the Bank's strategic plan through driving the exploitation of opportunities and managing risks within acceptable risk appetite level.

He holds a professional membership of fellow chartered accountant of the Botswana Institute of Chartered Accountants (FCA), Management Development Programme at University of Stellenbosch and Bachelor of Accountancy from the University of Botswana.

He joins the BSB team having worked for Non-Bank Financial Institutions Regulatory Authority (NBFIRA) as the Head of Enterprise Risk Management, Head of Finance, Finance and Administration Manager. He was also in the Mining Sector at Botswana Ash as the Financial Accountant.


SENIOR MANAGEMENT

Bomolemo Selaledi

Head, Marketing and Public Affairs

Bomolemo Selaledi is an experienced Marketing and Communication Specialist who holds a UK High National Diploma in TESL(teaching of English to speakers of other languages) from the University of Manchester and also a bachelor of Arts and Post graduate diploma in Education from the University of Botswana. She develops, implements, and evaluate marketing strategies and plans that support revenue generation and improved profitability across the bank's product and service offerings, and Brand management.

Bomolemo has worked for 14 years with FNB where she held the following positions Director of Client Services, Director of Marketing and Communications and Strategic Marketing and Communications Manager. She has also worked for the Debswana Diamond Company as a Corporate Communications Officer.



Beauty Bareki

Head, Banking Operations

Beauty has broad based knowledge in operations management, customer service leadership, retail banking, strategic planning, monitoring and evaluation. She develops policies, processes and procedures that supports daily oversight of different levels of operations and promotes operational performance across all the Bank's operational activities. Beauty also manages the largest team of more than 50 employees from multiple operations units in daily operations that include transactions processing, selling of loans, card management and insurance products. She holds a Bachelor of Arts in Social Sciences at the University of Botswana, and a management development Programme at the University of Stellenbosch. She is currently studying for her MSc Strategic Management.

Beauty has worked as a Manager of Credit Products, Assistant Manager Loans Retail and Branch Manager at Botswana Savings Bank before she became the head, central processing. Before joining the BSB team she has worked for Standard Chartered Bank as a Personal Financial Consultant.

Obusitswe Keabaitse

Head, Retail Banking and Sales

Obusitswe is a strong and passionate customer services practitioner who's professional acumen centres around providing innovative customer solutions, service delivery, Client relationship management, Cash Management and client satisfaction index. Mr Keabaitse holds an MBA in International Business from Amity University in India and a Bachelor of Commerce Degree at Wits University.

Obusitswe has worked as a Branch Manager and Customer Service Consultant supervising Tellers and Vault management at Botswana Building Society and then worked at Botswana Savings Bank as a Branch Manager before being the Head of Client Services.

Phenyo Tshiamiso

Acting Director, Human Capital

Phenyo holds a BA – Business Economics & Industrial Psychology and Diploma in Human Behavior Business Psychology, with work experience over 13 years. He has work experience in various economic sectors starting from Mining, Hospitality, Banking and Education. He has worked for AVANI as learning & Development Manager, Botswana Ash as Training Officer, Botswana Qualifications Authority as a compliance Specialist, Tshiamiso is certified as Trainer, Assessor, Moderator and talent Analyst.

Mooketsi Nkau

Acting Head Internal Audit

Mooketsi is an ACCA (Association of Chartered Certified Accountants) and CIA (Certified Internal Audit) qualified Internal auditor proficient at providing assurance on organizational risk management, governance and internal controls. Knowledgeable on risk based auditing and oversight of the internal audit quality assurance and improvement program (QAIP). Mooketsi has been Acting since June 2020 for this post and he is responsible for developing, implementing and monitoring of internal Annual plan and also reporting of Audit findings and recommendations directly to the banks Audit Committee.

Mooketsi has audit background as he has worked for Pricewaterhousecoppers, Botswana as an Audit Associate in 2018.



BORROWING POWERS OF THE ISSUER

The following extract from the Act explains the borrowing powers of BSB:

The Act states that: "The bank shall conduct its business according to sound commercial principles, and in accordance with the requirements of Financial Institutions Act, with the objectives in furtherance the bank may receive loans from various sources."

HEAD OFFICE AND CORPORATION SECRETARY

Botswana Savings Bank head office is located at:

Botswana Savings Bank
Plot 53796
Tshomarelo House
Letswai/Lekgarapa Road
Broadhurst Mall
P O Box 1150
Gaborone

PROPERTY ACQUIRED OR TO BE ACQUIRED

Property of Botswana Savings Bank is held at Tshomarelo House and a portion of which is held for the Bank's own use and is carried at cost. In the opinion of the directors the fair value of the land and building is P75.6 million. This value is based on a valuation conducted by an independent firm of professional valuers as at 01 April 2020 (open market basis). Land and buildings are independently valued on a regular basis and management are of the considered view that no major changes have occurred in the open market value of the property between the last date of valuation and the current period end. The land and building on Plot 53796 is held under a state grant of 50 years commencing 1 June 2006. The bank is currently undergoing renovations hence this may increase the valuation of the property.

There are currently no plans for acquisition of any buildings or any ongoing construction.

OWNERSHIP OF THE ISSUER

BSB is a wholly-owned government institution, operating under the control of a Board of Members and the Botswana Savings Bank Act (CAP 56:03) of the Laws of Botswana.

MATERIAL CONTRACTS

BSB currently has not entered any material contracts outside the normal course of its business.



MATERIAL LOANS OF THE ISSUER

Government Loan Unsecured Loan Name of Lender: Government of the Republic of Botswana Amount: P105,000,000.00 Period: 20 years (2015-2034) Interest Rate: 5.00%
BancABC Loan Facility Security : 120% cession of Lecha Loan Book Name of Lender: BancABC Amount : P100,000,000.00 Period : 5 years (2021-2026) Interest Rate : 6.75%

MATERIAL LOANS BY THE ISSUER

BSB has not made any loans outside the ordinary course of its business.

FINANCIAL INFORMATION

The following financial data has been extracted from the audited financial statements of the Issuer in respect of the years ending 31 March 2017, 2018, 2019, 2020 and 2021. The complete financial results, including the full notes to the financial statements can be viewed at the offices of the Issuer during normal working hours:



Statement of Financial Position

	2021 (P'000)	2020 (P'000)	2019 (P'000)	2018 (P'000)	2017 (P'000)
Assets					
Cash and cash equivalents	391,413	383,178	242,602	94,774	35,016
Balances with other banks	113,428	937,585	813,127	898,242	376,488
Balances with related parties	57,428	79,979	46,468	18,353	16,550
Other assets	10,653	13,974	18,212	19,017	11,506
Loans and advances to customers	2,397,099	1,413,644	1,416,359	1,480,681	1,538,020
Deferred tax	29,912	26,967	4,068	1,547	-
Property, plant and equipment	53,251	37,489	31,218	29,509	33,127
Right-of-use assets	32,078	24,709			
Intangible assets	9,828	919	2,094	4,377	6,506
Current tax receivable	486				
Total Assets	3,095,576	2,918,444	2,574,148	2,546,500	2,017,213
Equity and liabilities					
Liabilities					
Current tax payable		28,930	5,669	1,524	3,810
Borrowings	84,481	90,621	96,660	102,711	108,653
Other liabilities	78,159	101,360	80,807	82,920	64,711
Deposits due to customers	2,564,195	2,343,408	2,175,357	2,160,054	1,650,170
Deferred income			5,042	9,334	9,243
Dividend					
Government grant	99,423	101,106			
Deferred tax					850
Lease liabilities	35,367	26,220			
Dormancy Account liability	28,329	26,412	24,002	22,178	20,988
Total liability	2,889,954	2,718,057	2,387,537	2,378,721	1,858,425
Share Capital	19,721	19,721	19,721	19,721	19,721
Reserves	59,577	58,267	54,823	46,014	43,766
Retained income	126,324	122,399	112,067	102,044	95,301
Total Equity	205,622	200,387	186,611	167,779	158,788
Total Equity and Liabilities	3,095,576	2,918,444	2,574,148	2,546,500	2,017,213



Statement of Profit or Loss and Other Comprehensive Income

	2021 (P'000)	2020 (P'000)	2019 (P'000)	2018 (P'000)	2017 (P'000)
Interest income	230,543	226,421	217,318	210,524	182,551
Interest expense	-101,112	-119,741	-99,964	-101,645	-77,925
Net interest income	129,431	106,680	117,354	108,879	104,626
Fee and commission income	13,676	12,952	19,366	11,049	9,448
Fee and commission expense	-8,771	-10,117	-9,123	-8,382	-7,833
Net fee and commission income	4,905	2,835	10,243	2,667	1,615
Net operating income	134,336	109,515	127,597	111,546	106,241
Other income	10,100	7,423	6,415	2,920	2,836
Revenue from government grant	1,577	40,000		-	
Total income	146,013	156,938	134,012	114,466	109,077
Net impairment loss of financial assets	-17,532	-31,722	-975	-23,319	-9,689
Net income	128,481	125,216	133,037	91,147	99,388
Employee benefits	-57,651	-58,344	-48,652	-40,682	-40,510
Operating lease expenses			-2,296	-1,732	-2,253
Depreciation and amortisation	-11,878	-8,816	-6,847	-6,905	-7,124
Administrative and general expenses	-51,279	-38,944	-35,662	-29,900	-29,333
Profit before tax	7,673	19,112	39,580	11,928	20,168
Taxation	-2,438	-5,336	-4,342	-2,937	-4,660
Profit for the year	5,235	13,776	35,238	8,991	15,508
Other comprehensive income					
Total comprehensive income for the year	5,235	13,776	35,238	8,991	15,508

Statement of Cash Flows

	2021 (P'000)	2020 (P'000)	2019 (P'000)	2018 (P'000)	2017 (P'000)
Interest receipts	235,657	229,768	218,426	203,888	183,475
Interest payments	-112,479	-104,561	-106,887	-81,773	-64,493
Fees and commission receipts	13,676	12,952	19,366	11,049	9,448
Rent and other income received	10,025	7,303	6,416	2,828	2,704
Cash payments to employees and suppliers	-121,699	-106,220	-91,210	-83,339	-75,202
Movement in Government Grant	-	40,000			
Cash flows from operating activities before changes in operating assets and liabilities	25,180	79,242	46,111	52,653	55,932
Changes in operating assets and liabilities					
Movement in loans and advances to customers	-1,003,701	-19,906	64,432	34,892	-372,813
Movement in amounts due to customers	220,787	168,051	15,303	509,884	256,818
Movements in other assets	-1,793	891	-303	-875	72
Movements in other liabilities	-5,537	11,740	-4,292	91	1,873
Movement in Deferred Income	-106	-	-16,406		
Movement in related party balances	29,259	-48,730	-28,115	-1,803	368
Movement in dormancy account liability	1,917	2,410	1,824	1,190	3,487
Tax paid	-34,799	-4,974	-2,718	-7,620	-
Net cash generated from operating activities	-768,793	188,724	75,836	588,412	-54,263
Cash flows from investing activities					
Purchase of property, plant and equipment	-21,759	-10,962	-7,288	-923	-9,020
Sale of property, plant and equipment	75	275	-1	103	231
Proceeds from Government Grant		101,000			
Purchase of other intangible assets	-10,760	-2		-246	-79
Receipts from fixed deposits with banks	936,558	972,632			
Payments into fixed deposits with banks	-112,401	-1,097,090			
Movement in fixed deposits with banks			85,115	-521,754	87,768
Net cash (used in)/from investing activities	791,713	-34,147	77,826	-522,820	78,900
Cash flows from financing activities					
Payment of Government loan Principal	-5,833	-5,833	-5,834	-5,833	
Payment of Government loan Interest	-4,375	-4,667			
Lease liability payments - Principal	-2,252	-1,775			
Lease liability payments - Interest	-2,225	-1,726			
Dividends paid					-3,979
Net cash used in financing activities	-14,685	-14,001	-5,834	-5,833	-3,979
Net movement in cash and cash equivalents for the year	8,235	140,576	147,827	59,759	20,658
Cash and cash equivalents at the beginning of the year	383,178	242,602	94,775	35,016	14,358
Total cash and cash equivalents	391,413	383,178	242,602	94,775	35,016

Statement of Changes in Equity

	Urecallab le Capital (P'000)	Statutory reserve (P'000)	Retained Earnings (P'000)	Total Equity (P'000)
Balance at 01 April 2016 (Restated)	19,721	39,889	83,670	143,280
Comprehensive income for the year - restated			15,508	15,508
Dividends declared during the year				
Transfer of statutory reserve		3,877	-3,877	-
Balance at 01 April 2017	19,721	43,766	95,301	158,788
Profit for the year			8,991	8,991
Other comprehensive income				
Total comprehensive income for the year	-	-	8,991	8,991
Transfer between reserves		2,248	-2,248	
Total Contributions by and distributions to owners of company recognised directly in equity	-	2,248	-2,248	-
Balance at 01 April 2018	19,721	46,014	102,044	167,779
Profit for the year			35,238	35,238
Other comprehensive income				
Total comprehensive income for the year	-	-	35,238	35,238
Transfer between reserves		8,809	-8,809	-
Effects of IFRS 9 Implementation			-16,406	-16,406
Total Contributions by and distributions to owners of company recognised directly in equity	-	8,809	-25,215	-16,406
Balance at 01 April 2019	19,721	54,823	112,067	186,611
Profit for the year			13,776	13,776
Other comprehensive income				
Total comprehensive income for the year			13,776	13,776
Transfer between reserves		3,444	-3,444	-
Total Contributions by and distributions to owners of company recognised directly in equity		3,444	-3,444	-
Balance at 01 April 2020	19,721	58,267	122,399	200,387
Profit for the year			5,235	5,235
Other comprehensive income				
Total comprehensive income for the year	-	-	5,235	5,235
Transfer between reserves		1,310	-1,310	-
Total Contributions by and distributions to owners of company recognised directly in equity		1,310	-1,310	
Balance at 31 March 2021	19,721	59,577	126,324	205,622

GENERAL INFORMATION

Words when used in this section headed "General Information" shall bear the same meanings as when 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.

REPORT BY DIRECTORS ON MAJOR CHANGES

The Directors confirm that there have been no major changes in the assets or liabilities of BSB between the date of the last audited financial statements for the year ended 31 March 2021 and the date of this Programme Memorandum.

STATEMENT AS TO ADEQUACY OF CAPITAL

The Directors of BSB are of the opinion that the working capital of the Bank, including the amounts raised from time to time by the issue of Notes under the Programme, are adequate for the purposes of BSB for the foreseeable future.

STATEMENT AS TO COMPLIANCE WITH THE BSEL APPROVED CODE OF CORPORATE GOVERNANCE

BSB complies with the BSEL approved code of corporate governance, in that it has adopted King IV and has commenced working toward full implementation.

AUTHORISATION

All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of Botswana have been given for the establishment of the Programme, the issue of this Programme Memorandum and the issue of Notes and for the Issuer, the Issue Manager and Placing Agent and the Transfer Secretary, Paying and Calculation Agent to undertake and perform their respective obligations under the Programme.

ADVISORS CONSENTS

The written consents of the Reporting Accountants to the publication of their reports and references thereto in the form and context in which they are included in this Programme Memorandum have been obtained and have not been withdrawn as at the date of this Programme Memorandum.

The written consents of the Arrangers, Sponsoring Broker, Nominated Transfer Secretaries, Legal Advisors and Receiving Bank named in this Programme Memorandum to act in those capacities have been obtained and have not been withdrawn as at the date of this Programme Memorandum.

LITIGATION

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

AUDITORS

PwC, Plot 50371, Fairgrounds Office Park, Gaborone have acted as the auditors of the Issuer for the financial years ending 2021, 2020, 2019, 2018 and 2017. PwC confirm that the financial data presented



in this Programme Memorandum represents an accurate extract and summary of the audited financial accounts for the stated periods in respect of the years in which they acted as the auditors of the Issuer.

CAPITAL GAINS

Disposal of the Notes will not be subject to capital gains tax in Botswana in terms of section 1 (d) (ii) of the Tenth Schedule of the Income Tax Act CAP 52:01 and have been held for at least a year by the Noteholder prior to disposal.

LISTING

The Programme has been approved by the BSEL. The Issuer will seek to list certain Notes issued under the Programme on the BSEL or such other or further exchange or exchanges as may be agreed between the Issuer and the Placing Agent and approved by the BSEL or any successor exchange to the BSE.

In the event that Notes that are intended to be listed are issued twelve (12) months after the date of the Programme Memorandum or any Supplementary Programme Memorandum, the Issuer undertakes to prepare and publish a further Supplementary Programme Memorandum in compliance with the Botswana Stock Exchange Listings Requirements, unless exempted from such Requirements.

PROGRAMME MEMORANDUM AND PRICING SUPPLEMENTS

A signed copy of the Programme Memorandum and Pricing Supplements in respect of the Notes on offer as at the date hereof, certified copies of resolutions and authorisations of the Board of the Issuer in respect of the issue of the Notes, the Act establishing the Issuer, audited financial accounts of the Issuer for the previous three years, the confirmatory letter from the auditor of the Issuer and advisors letters of consent are available for inspection, on request, at the principal place of business of the Issuer and the Transfer Secretaries, during normal business hours.

DOCUMENTS AVAILABLE

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

- (a) 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.
- (b) a copy of this Programme Memorandum; and
- (c) any future prospectuses, 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.

RESPONSIBILITY STATEMENT OF MEMBERS OF THE BOARD

The Members of the Board, whose names are given on pages 53-56 of this document 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 contains all information required by law.

The Members of the Board confirm that the Programme Memorandum includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as

investors and that 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 relates.

FOR AND ON BEHALF OF THE ISSUER ON THIS 21st DAY OF MARCH 2022



CHAIRMAN



CHIEF EXECUTIVE OFFICER

ADVISORS TO THE NOTE PROGRAMME

Issuer	Receiving Bank	Issue Manager and Placing Agent	Compliance Officer of the Issuer
<p>Botswana Savings Bank BSB Tshomarelo House Plot 53796, Kagiso Mall P O Box 1150, Gaborone Botswana t :+267 391 2555 f :+267 395 2608 e :mdube@bsb.bw w : www.bsb.bw</p> <p>Contact: Mike Dube</p> <p>Legal Advisor to the Issuer and Arranger Khan Corporate Law 5th Floor, North Wing, Exponential Building, Plot 54351, New CBD, Postal Address: PO Box1561, Gaborone, Botswana</p> <p>Tel: +267 3911694 Fax: +267 3911690 www.kcl.co.bw</p> <p>Contact: Shakila Khan</p>	<p>Stanbic Bank Botswana Limited Plot 50672 Stanbic House off Machel Drive Fairgrounds, Gaborone Private Bag 00168, Gaborone Contact Person: Blessing Machibe Designation: Manager, Client Coverage: Financial Institutions Group, Corporate and Investment Banking Division Email: MachibeB@Stanbic.com</p> <p>Sponsoring Broker Plot 113, Unit 30, Kgale Mews, Gaborone P/Bag 00223, Gaborone, Botswana. Tel: 267-3188627 Cell: (+267) 72108088 Fax: 267-3188629 Email: motswedi@motswedi.co.bw Contact: Garry Juma</p>	<p>Stanbic Bank Botswana Limited Plot 50672 Stanbic House off Machel Drive Fairgrounds Gaborone Telephone: +267 3618195 Contact: Onalenna Keseabetswe</p> <p>Auditors PwC Office: +267 395 2011 Mobile: +267 713 19468 Fax: +267 397 3901 Email: rudi.binedell@pwc.com PricewaterhouseCoopers Plot 50371, Fairground Office Park, Gaborone http://www.pwc.com/za</p> <p>Contact Rudi Binedell</p>	<p>Mpho Mathiba Manager, Compliance Botswana Savings Bank BSB Tshomarelo House Plot 53796, Kagiso Mall P O Box 1150, Gaborone Botswana t :+267 391 2555 Email; mmathiba@bsb.bw</p>



Nominated Transfer Secretary	Registrar and Transfer Secretary	Trustee	
DPS Consulting Services (Proprietary) Limited Plot 54513, Unit 6A, Courtyard Village, Gaborone, Botswana Gaborone, Botswana Telephone: +267 316 2062	The Central Securities Depository Botswana 4th Floor, Fairscape Precinct, Plot 70667 Fairgrounds, Gaborone Private Bag 00417	Sipho Ziga Armstrongs Attorneys 2nd Floor, Acacia House, Plot 74538, Prime Plaza Cnr Khama Crescent Ext & PG Matante Rd, New CBD P.O. Box 1368, Gaborone, Botswana +267 395 3481 +267 395 2757	
Contact: Fadhili Kiravu			

AUDITOR'S REPORT




Report of factual findings

To the Shareholder of Botswana Savings Bank

We have performed the procedures agreed with you and enumerated below with respect to assisting the directors of Botswana Savings Bank (the "Bank") in connection with issuance of a BWP 1,000,000,000 Note Programme (the "Note programme") and for the purpose of meeting certain Botswana Stock Exchange Listing Rules (as it relates to EFTs and Special Types of Issuers) (the "BSE Rules") related to the listing thereof.

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in meeting the requirements of BSE Rules to confirm certain historical information contained in the Note programme and are summarised as follows:

We obtained the Note programme and performed the procedures listed below specifically on the financial information contained on Pages 65 to 68 thereof.

For clarity, the financial information includes the following over which the procedures will be performed, together referred to as "Botswana Savings Bank historical financial information":

- Botswana Savings Bank's statements of financial position as at 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021;
- Botswana Savings Bank's statements of profit or loss and other comprehensive income in respect of the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021;
- Botswana Savings Bank's statements of changes in equity in respect of the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021; and
- Botswana Savings Bank's statements of cash flows in respect of the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021.

We compared the respective Botswana Savings Bank historical financial information with:

- the financial information included in the Statements of Financial Position as at 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021, which form part of the Botswana Savings Bank Annual Financial Statements for the years then ended;
- the financial information included in the Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021, which form part of the Botswana Savings Bank Annual Financial Statements for the years then ended;
- the financial information included in the Statements of Changes in Equity for the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021.

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 370 9700, www.pwc.com/bw

Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena

March 2021, which form part of the Botswana Savings Bank Annual Financial Statements for the years then ended; and

- the financial information included in the Statements of Cash Flows for the years ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021, which form part of the Botswana Savings Bank Annual Financial Statements for the years then ended

and found no differences, with exception of Interest Income and Fee and Commission Income for the year ended 31 March 2019 as included in the financial information do not agree to the respective amounts included in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2019 by BWP7,021,000 and BWP7,020,000, respectively. These differences result from a reclassification to include loan arrangement fees in Interest Income rather than Fee and Commission Income effected from the financial year ended 31 March 2020, with retrospective effect to the financial year ended 31 March 2019.

We report the net asset position, defined "Total Equity" in the Statements of Financial Position, as at 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021, as reflected in the Botswana Savings Bank Annual Financial Statements for the years then ended as follows:

	BWP '000
Net assets as at 31 March 2017	158,788
Net assets as at 31 March 2018	167,779
Net assets as at 31 March 2019	186,611
Net assets as at 31 March 2020	200,387
Net assets as at 31 March 2021	205,622

Because the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the following information included in the 'Financial Information' section of the Note programme.

Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement on the Botswana Savings Bank historical financial information in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

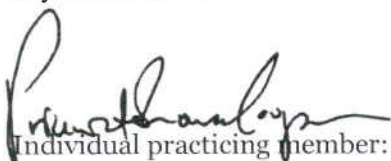
The report is supplied on the basis that it is for the sole use of the parties to whom it is addressed and exclusively for the purposes set out herein. No party other than those to whom it is addressed may rely upon this report for any purpose whatsoever.



Copies of our report may be made available to the Botswana Stock Exchange provided that it is clearly understood by the recipients that they enjoy such receipt for information only and that we accept no duty of care to them in respect of our reports and letters.

Furthermore, the reports and letters are to be used by them only for the purposes stated herein. The report must not be made available or copied in whole or in part to any other party without our prior written consent, which consent may be given or withheld at our absolute discretion. This limitation will obviously not apply to the provision of this report in compliance with any order or court, subpoena or other judicially enforceable directive.

This report relates only to the accounts and items specified above and does not extend to any financial statements of Botswana Savings Bank, taken as a whole.



Individual practicing member: Rudi Binedell

Registration number: 20040091

18 March 2022
Gaborone

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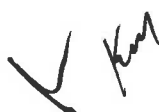
SELLING RESTRICTIONS

This Supplementary Programme Memorandum does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Programme Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Placing Agent or the other professional advisers 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 Placing Agent or the other professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction outside of Botswana where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Supplementary Programme Memorandum nor any advertisement or 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, and the Placing Agent has represented that all offers and sales by it will be made on the same terms.

The Notes may be sold by private placement or by offer to the public as indicated on the Applicable Pricing Supplement. Where the Notes are sold by private placement, the offer will not be open to the general public. In the event of sale by private placement, applications will only be accepted from those select investors that the Issuer has, through the Placing Agent, sent this Programme Memorandum to, and applications to subscribe for Notes will not be solicited from the general public, nor will applications be accepted from the general public.

Persons into whose possession this Programme Memorandum or any Notes may come must inform themselves about and observe any such restrictions on the offer or sale of Notes in their particular jurisdiction. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom and the Republic of South Africa.

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



APPLICATION FORM



welcome to smooth banking

(“BOTSWANA SAVINGS BANK” “BSB” or the “Issuer”)

(Established under the Botswana Savings Bank Act CAP 56:03 Laws of Botswana)

**ISSUE OF [AGGREGATE NOMINAL AMOUNT OF NOTES] NOTES UNDER ITS BWP 1 000 000 000
DOMESTIC NOTE PROGRAMME**

**ISSUE OF [AGGREGATE NOMINAL AMOUNT OF NOTES] NOTES UNDER ITS BWP 1 000 000 000 DOMESTIC
NOTE PROGRAMME**

APPLICATION FORM

for the private placement of [BSB] Notes due [] (“BSB ”) pursuant to the Pricing Supplement
issued out on [INSERT DATE] (“the Pricing Supplement”)

This completed form should be forwarded by facsimile or by hand to Stanbic Bank Botswana Limited
at the following address:

Note Issue Fax number: +267 361 8111
For attention: Tumi Mmolawa
Stanbic Bank Botswana Limited
Stanbic House off Machel Drive
Fairgrounds
Gaborone
Botswana

Applicants must complete all blocks. Please read the Notes overleaf before completing this form.

Application lists will close at 12h00 on []. No payment is required at the time of application.

BLOCK A

Name of Applicant	
Postal address (Preferably PO Box address)	

✓ km

Contact name	
Telephone number and code	
Facsimile number and code	

BLOCK B

	Column 1 Nominal Value BWP	Column 2 Issue Price %	Column 3 Total consideration BWP (Column 1 x Column 2)
Amount applied for			

BLOCK C

To: The Board of Directors of the Issuer.

I, the undersigned, warrant that the Applicant stated in Block A ("the Applicant") is duly authorised and has capacity to make this application and I have the full authority capacity to contract on behalf of the Applicant and on behalf of the Applicant, irrevocably and unconditionally apply for and agree to take up the nominal value of [BSB] Notes stated in Column 1 in Block B above at the price stated in Column 2 in Block B above. Where a lesser nominal value of BSB Notes is allotted to the Applicant, I agree that the relevant amount payable by the applicant in terms of Column 3 in Block B above will be reduced pro-rata to the lesser nominal value so allotted. I acknowledge that the Applicant will be unconditionally liable for payment in respect of [BSB] Notes allotted to it and that such payment will be made in full accordance with the payment procedures set out in the Pricing Supplement by 12h00 on [] 2021. I further acknowledge that I undertake to be bound by the Terms and Conditions of the Note Programme to which this application form relates, and the Trust Deed as defined therein. I expressly agree that the Trustee is to act on my behalf pursuant to the terms and conditions of the Trust Deed.

Full names:

Capacity:

Signature:

Date:

BLOCK D


Interest Payment Instructions

Interest is to be paid

To

(a) into my current account number

at the (branch) _____ of (bank) _____

Address _____

Notes:

Applications will only be considered from persons to whom this Programme Memorandum and this application form have been sent by the Issue Manager. Such persons may not sell, transfer, cede, assign, or renounce the right to make application in favour of any other person.

All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by applicants. Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid. Applications are made subject to the provisions of the Programme Memorandum with which this form is enclosed. Applications are irrevocable and may not be withdrawn or amended without the written consent of the Issuer.

✓ KM