



Access Bank Botswana Limited

(a public company incorporated in Botswana under registration number UIN BW00001089931)

BWP 2,000,000,000

Domestic Medium Term Note Programme

Under this Domestic Medium Term Note Programme (the "**Programme**") Access Bank Botswana Limited (the "**Issuer**" or "**Access Bank Botswana**" or "**Access Botswana**") may from time to time issue Tranches of notes ("**Notes**") denominated in Botswana Pula ("**BWP**") or United States Dollar ("**USD**"), up to a value of BWP 2,000,000,000 (or the United States Dollar equivalent) subject to the terms and conditions in this Programme Memorandum ("**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 Arranger, set out in an Applicable Pricing Supplement issued in respect of each Tranche of Notes, and the Notes shall be listed on the Botswana Stock Exchange (the "**BSE**"), or its successor, and/or such other exchange or exchanges as may be agreed between the Issuer and the Arranger.

The Notes shall be listed provided that the maximum aggregate nominal amount of all Notes issued under this Programme will not exceed BWP 2,000,000,000 (or the United States Dollar equivalent). All payments in respect of the Notes will be made, subject to any deduction for or on account of the Republic of Botswana taxes, as described in Condition 8 of the Terms and Conditions.

Issuer

Access Bank Botswana Limited



Sponsoring Broker

Motswedi Securities Proprietary Limited



Calculation and Paying Agent

Transaction Management Services Proprietary
Limited t/a Corpserve Botswana

**Trustee**

Olivia Maria Britz, N.O.



Desert Secretarial Services (Pty) Limited
Stevens Fricker & Associates

Legal Advisor to the Issuer

Bookbinder Business Law

**Appointed Auditors to the Issuer**

PricewaterhouseCoopers

**Arranger and Placing Agent**

Standard Chartered Bank Botswana Limited



Date of BSE Approval: **16 June 2023**

The Programme has been approved by the BSE. Notes will be listed on the BSE or on such other or further exchange or exchanges as may be agreed between the Issuer and the Arranger. 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). The Applicable Pricing Supplement will be delivered to the BSE, not later than the time specified for such delivery by the BSE.

Prospective investors in the Notes of the Issuer, as with any other listed securities, should ensure that they fully understand the nature of the Issuer's operations, its valuation, and the extent of their exposure to risks, and that they consider the suitability of the Issuer's Notes as an investment in light of their own circumstances and financial position. The BSE's approval of the Programme Memorandum should not be taken in any way as an indication of the merits of the Issuer. The BSE has not verified the accuracy and truth of the contents of the documentation submitted to it and, the BSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the said instrument.

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

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

The Bank of Botswana ("**BoB**"), being the regulatory authority that regulates the activities of the Issuer, has no objection to the establishment of this Programme nor the issuance of Notes in terms hereof.

RESPONSIBILITY

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

The 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.

VERIFICATION

The professional advisers recorded herein 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 said 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 said 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.

REPRESENTATIONS

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 and/or other professional advisers.

INDEPENDENT INVESTIGATIONS

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 Arranger that any recipient of this Programme Memorandum or any other information supplied in connection with this Programme should purchase any Notes.

Each investor contemplating the 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 Arranger 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 professional advisors expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

This Programme Memorandum does not constitute an offer to sell or the solicitation of an offer to buy 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 Arranger, Placing Agent and 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 Arranger 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 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 Arranger and Placing Agent has represented that all offers and sales by it will be made on the same terms.

The Notes will be sold by private placement, and as such the offer is not open to the general public. Applications will only be accepted from those select investors that the Issuer has, through the Arranger, sent this Programme Memorandum to. Applications to subscribe for Notes will not be accepted from the general public.

Persons into whose possession this Programme Memorandum or any Notes 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, European Union 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.

All references in this document to “**Pula**”, “**BWP**” and “**Botswana Pula**,” refer to the currency of the Republic of Botswana.

All references in this document to “**Dollar**”, “**USD**”, and “**United States Dollar**” refer to the currency of the United States of America.

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 supplements to this Programme Memorandum which do not themselves contain their own definitions.

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DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) all Supplements to this Programme Memorandum circulated by the Issuer from time to time;
- (b) in respect of any issue of Notes, the audited annual financial statements and notes thereto, of the Issuer, for the three financial years prior to such issue (copies of which shall be available free of charge at the registered office or principal place of business of the Issuer and on the website of the Issuer – <https://botswana.accessbankplc.com>);
- (c) the Applicable Pricing Supplement relating to the particular Tranche of Notes that is being subscribed for;
- (d) 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
- (e) where applicable, any Supplementary Trust Deed executed between the Trustee and the Issuer in respect of a particular Tranche 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).

If documents which are incorporated by reference to Programme Memorandum themselves incorporate any information or documents therein, either expressly or implicitly, such information or other documents will not form part of this Programme Memorandum except where such information or other documents are specifically incorporated by reference to the Programme Memorandum.

The Issuer will, in connection with the listing of any of the Notes on the BSE, or on such other or further exchange or exchanges as may be agreed between the Issuer and the Arranger, and approved by the BSE, 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 that is not reflected in this Programme Memorandum, prepare a further Supplement to the Programme Memorandum or publish a new Programme Memorandum for use in connection with 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. The material adverse change relates to Notes outstanding thus the Supplement 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 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.

GENERAL DESCRIPTION OF THE PROGRAMME

Under this Programme, the Issuer may, from time to time, issue Notes denominated in Pula (or the United States Dollar equivalent) having such period of maturity(ies) as may be agreed between the Issuer and the Arranger, and approved by the BSE 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 Arranger 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). The applicable terms will be noted on the register of Noteholders as maintained by the Transfer Secretary.

This Programme Memorandum, and any Supplement, will only be valid for Notes issued under the Programme in an aggregate Nominal Amount (as defined in the Terms and Conditions) which, when added to the aggregate Nominal Amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed BWP 2,000,000,000 (or the United States Dollar equivalent). 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.

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, 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	Access Bank Botswana Limited, further specification as to which is set out in the definitions contained in the Terms and Conditions.
Description of Programme	Access Bank Botswana Limited's BWP 2,000,000,000 Domestic Medium Term Note Programme.
Size of Programme	Up to BWP 2,000,000,000 (or the United States Dollar equivalent) outstanding at any time.
Arranger and Placing Agent	In relation to the first Tranche of Notes, Standard Chartered Bank Botswana Limited, further specification as to which is set out in the definitions contained in the Terms and Conditions, and in relation to any subsequent Tranches of Notes, such person as may be specified in the Applicable Pricing Supplement as the Arranger and Placing Agent.
Calculation and Paying Agent	In relation to the first Tranche of Notes, Transaction Management Services Proprietary Limited t/a Corpserve Botswana Transfer Secretaries and in relation to subsequent Tranches of Notes, such person or entity specified in the Applicable Pricing Supplement as the Calculation and Paying Agent. The Calculation and Paying Agent will maintain mirror Registers.

Currency	Botswana Pula or the United States Dollar equivalent thereof.
Denomination of Notes	Notes will be issued throughout the Programme, subject to a minimum denomination, in consistent and equal denominations as may be agreed between the Issuer and the Arranger as indicated in the Applicable Pricing Supplement.
Distribution	Notes may be distributed by way of private placement or any other means permitted by Botswana law and in each case on a syndicated or non-syndicated basis as determined by the Issuer and the Arranger and as reflected in the Applicable Pricing Supplement.
Form of Notes	The Notes will be issued in uncertificated registered form and held by the Central Securities Depository of Botswana (" CSDB "), the securities depository of the BSE and being the Transfer Secretary.
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of the Republic 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 Arranger 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 BSE. Notes issued under the Programme shall be listed on the BSE (or on a successor exchange to the BSE) and may then be traded on the BSE (or on a successor exchange to the BSE). Notes shall be issued in uncertificated registered form and held and settled through the CSDB, being the Transfer Secretary. This Programme Memorandum and any Supplement will be valid for listing and trading Notes on the BSE (or on a successor exchange to the BSE).
Market Maker	It is not expected that a market maker shall be appointed to the Issue. In the event that a market maker will be appointed for a particular Tranche, details shall be as indicated in the Applicable Pricing Supplement.
Maturity(ies) of Notes	Such maturities as may be agreed between the Issuer and the Arranger, as specified in the Applicable Pricing Supplement.
Status and Characteristics of Notes	Unless otherwise specified in the Applicable Pricing Supplement, the Notes to be issued under the Programme will either be Senior Notes (which will be unsecured) or Subordinated Notes, in each case as specified under Condition 4 of the Terms and Conditions and the Applicable Pricing Supplement;
Characteristics of Notes	The Notes may comprise: Fixed Rate Notes , which will bear interest at a fixed rate, as indicated in the Applicable Pricing Supplement;

	<p>Floating Rate Notes, which will bear interest determined with reference to the rate specified in the Applicable Pricing Supplement;</p> <p>Indexed Interest Notes, which will bear interest determined by reference to such index and/or formula, as specified in the Applicable Pricing Supplement;</p> <p>Zero Coupon Notes, which will be offered and sold at a discount to their Nominal Amount and will not bear interest other than in the case of late payment as further indicated in the Applicable Pricing Supplement;</p> <p>Instalment Notes, which shall be redeemable in instalments by the Issuer on an amortised basis on different repayment dates, as specified in the Applicable Pricing Supplement;</p> <p>Indexed Redemption Amount Notes, in respect of which the Final Redemption Amount is calculated by reference to an index and/or formula, as specified in the Applicable Pricing Supplement;</p> <p>Mixed Rate 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 Interest Notes, each indicated in the Applicable Pricing Supplement;</p> <p>Partly Paid Notes, which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Note holder in instalments (and as specified in the Applicable Pricing Supplement); or</p>
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	<p>Dual Currency Notes, in respect of which payments (whether in respect of principal or interest, or whether at maturity or otherwise) will be made in such currencies, and based on such rates of exchange, as the Issuer and/or the Arranger may agree, as specified in the Applicable Pricing Supplement,</p> <p>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.</p>
Rating	<p>As at the date of this Programme Memorandum, this Programme has not been rated by any rating agency. However, the Issuer may, at any time, obtain a rating by a rating agency for this Programme or any Tranche of Notes issued pursuant to this Programme.</p>
Redemption	<p>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 contemplated in Condition 7.2 or at the option of the Issuer as contemplated in Condition 7.3 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 Clause 10 of the Trust Deed and Condition 10.</p>

Payment at redemption date	Payment of redemption monies will be against the advice from the Transfer Secretary that the redemption of the Notes has been reflected in the appropriate Register.
Selling and Transfer Restrictions	There are selling restrictions in relation to the United States of America, the United Kingdom, the European Union 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 Proprietary Limited, further specification as to which is set out in the definitions contained in the Terms and Conditions.
Transfer Secretary	Central Securities Depository Company of Botswana Proprietary Limited (" CSDB "). The Transfer Secretary will maintain the Registers.
Trustee	A Trustee has been appointed and a Trust established with the aim, <i>inter alia</i> , of providing for the protection and enforcement of the rights and entitlements of Noteholders. The Trustee is Desert Secretarial Services Proprietary Limited, further specification as to whom is set out in the definitions contained in the Terms and Conditions.
Underwriting and/or guarantees	In the event that a Tranche is underwritten and/or guaranteed, particulars of such underwriting agreement and/or guarantee shall be as indicated in the Applicable Pricing Supplement.
Use of Proceeds	The Issuer will use the proceeds of the Notes issued and subscribed for, to fund the ongoing normal

	operations of the Issuer unless otherwise recorded in an Applicable Pricing Supplement.
Withholding Tax	All payments in respect of the Notes will be made with deduction for or on account of taxes in accordance with Botswana law.

FORM OF THE NOTES

Notes shall be issued in registered uncertificated form and in accordance with Applicable Procedures.

UNCERTIFICATED NOTES

The Non-Bank Financial Institutions Regulatory Authority ("**NBFIRA**") is the regulatory authority established under the authority of the Non-Bank Financial Institutions Regulatory Authority Act [CAP 46:08] and the Securities Act [CAP 56:08], to safeguard the stability, fairness and efficiency of the non-bank financial sector in Botswana, which includes the capital markets of which the BSE and the CSDB are regulated participants. NBFIRA issued directive no. 1 of 2014 (the "**Directive**") that requires all securities listed on the BSE to be held in dematerialised form on the CSDB.

A Tranche of Notes, as issued and listed on the BSE, must be issued in uncertificated form in terms of the Directive and held by the CSDB.

Notes will not be represented by any certificate or written instrument. A Tranche of Notes will be recorded by the CSDB as being owned by the Noteholder, and the Noteholder will be named in the Register as the registered Noteholder of that Tranche of Notes.

The Noteholders will hold each Tranche of Notes subject to the Applicable Procedures of the CSDB in force from time to time. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSDB will be paid to and may be exercised only by the Noteholders.

The CSDB opens central securities accounts only through the auspices of CSDB Participants. As at the date of this Programme Memorandum, CSDB Participants are Imara Capital Securities Proprietary Limited, Motswedi Securities Proprietary Limited, Stockbrokers Botswana Proprietary Limited, First National Bank of Botswana Limited, Standard Chartered Bank Botswana Limited and Stanbic Bank Botswana Limited.

The CSDB Participants are in turn required to maintain securities accounts for their clients. In relation to each Noteholder shown in the records of the CSDB as the holder of Notes in a particular outstanding Nominal Amount of Notes, a certificate or other document issued by the CSDB or the relevant CSDB Participant, as the case may be, as to the outstanding Nominal Amount of such

Notes standing to the account of any person shall be *prima facie* proof of the value of such Nominal Amount of Notes.

Title to Notes held through the CSDB will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSDB for Noteholders in their capacity as Transfer Secretary and in accordance with the Applicable Procedures of the CSDB.



PRO FORMA PRICING SUPPLEMENT

Pricing Supplement dated []*

Access Bank Botswana Limited

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

Under the BWP 2,000,000,000 Domestic Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Memorandum dated 15 September 2022 which constitutes a programme memorandum for the purposes of this issue (the “**Note Programme Memorandum**”). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Note Programme Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Note Programme Memorandum. The Programme Memorandum, the Trust Deed and the Supplementary Trust Deed are available for viewing at the registered office of the Issuer and the Transfer Secretary.

[Include whichever of the following apply or specify as “**Not Applicable**” (N/A). Note that the numbering should remain as set out below, even if “**Not Applicable**” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

1.		Issuer	 Access Bank Botswana Limited
2.		Arranger and Placing Agent	 Standard Chartered Bank Botswana Limited
3.		BSE Sponsor	 Motswedi Securities Proprietary Limited
4.		Paying Agent	 Transaction Management Services Proprietary Limited t/a Corpserve Botswana Transfer Secretaries
5.		Specified Office	Unit 206, Second Floor Plot 64516, Showgrounds Close Fairgrounds, Gaborone, Botswana
6.		Calculation Agent	 Transaction Management Services Proprietary Limited t/a Corpserve Botswana Transfer Secretaries
7.		Specified Office	Unit 206, Second Floor Plot 64516, Showgrounds Close Fairgrounds, Gaborone, Botswana
8.		Transfer Agent	 Central Securities Depository Company of Botswana Proprietary Limited ("CSDB")
		Specified Office	4 th Floor, Fairscape Precinct Plot 70667, Fairgrounds Gaborone, Botswana
9.	(i)	Series Number	[●]

10.	(ii)	Tranche	[●]
		(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).	
11.		Aggregate Nominal Amount of Notes admitted to trading	[●]
	(i)	Series	[●]
	(ii)	Tranche	[●]
12.		Issue Price	[●] per cent of the Aggregate Nominated Amount [plus accrued interest from [insert date] (if applicable)].
13.		Specified Denominations:	[●] [●]
14.	(i)	Issue Date	[●]
	(ii)	Interest Commencement Date	[●]
15.		Maturity Date	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
16.		Interest Basis	[1● per cent. Fixed Rate] [[specify reference rate] +/- 1● per cent. Floating Rate] [Other (specify)] (further particulars specified below)
17.		Redemption/Payment Basis	[Redemption at par] [Other (specify)]
18.		Change of Interest or Redemption/Payment Basis	[Specify details of any provision for convertibility of Notes into another interest or redemption / payment basis]
19.		Put	[Issuer Call] [(further particulars specified below)]
20.	(i)	Status of the Notes:	[Secured / Unsecured / Senior / Subordinated]
	(ii)	[Date of Board approval for issuance of Notes obtained]	[[●] and [●], respectively]
			(NB: Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)

21.		Method of distribution	[Syndicated/Non-syndicated]
22.		Method of sale	[Private Placement / Offer to Public]
21.		Books Closed Period/Last Day to Register	
23.		Offer Opening Date/Closing Date Private Placement	
24.		Offer Opening Date/Closing Date/Offer to Public	
25.		Settlement Date	
26.		Minimum Subscription	
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE			
27.	Fixed Rate Note Provisions		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Rate[(s)] of Interest	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s)	[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of " Business Day "]/not adjusted]
	(iii)	Fixed Coupon Amount(s)	[●] per [●] in Nominal Amount
	(iv)	Broken Amount(s)	[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
	(v)	Day Count Fraction	[30/360 / Actual/Actual (ICMA/ISDA) / other]
	(vi)	Determination Dates	[●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA/Other))
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes	[Not Applicable/give details]
28.	Floating Rate Note Provisions		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Interest Period(s)	[●]

	(ii)	Specified Interest Payment Dates	[●]
	(iii)	Business Day Convention	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
	(iv)	Business Centre(s)	[●]
	(v)	Manner in which the Rate(s) of Interest is/are to be determined	[Screen Rate Determination/ISDA Determination/other (give details)]
	(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent)	[●]
	(vii)	Screen Rate Determination	
		– Reference Rate:	[●]
		–Interest Determination Date(s)	[●]
		– Relevant Screen Page	[●]
	(viii)	ISDA Determination	
		– Floating Rate Option	[●]
		– Designated Maturity	[●]
		– Reset Date	[●]
	(ix)	Margin(s)	[+/-][●] per cent per annum
	(x)	Minimum Rate of Interest	[●] per cent per annum
	(xi)	Maximum Rate of Interest	[●] per cent per annum
	(xii)	Day Count Fraction	[●]
29.	Call Option		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub- paragraphs of this paragraph)</i>
	(i)	Optional Redemption Date(s)	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s)	[●] per Note of [●] specified denomination
	(iii)	If redeemable in part	
		(a) Minimum Redemption Amount	[●]

		(b) Maximum Redemption Amount	[•]
	(iv)	Notice period	[•]
30.	Final Redemption Amount of each Note		[[•] per Note of [•] specified denomination/other/ see Appendix]
	(i)	Calculation Agent responsible for calculating the Final Redemption Amount	[•]
	(ii)	Determination Date(s)	[•]
	(iii)	Payment Date	[•]
31.	Early Redemption Amount		
	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or regulatory intervention or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions).		[•]
GENERAL PROVISIONS APPLICABLE TO THE NOTES			
32.	Form of Notes		Registered Notes/Uncertificated Notes
33.	Review of Programme Memorandum		[Not Applicable/give details] <i>The Issuer shall review the Note Programme Memorandum on an annual basis and consider as to whether or not a significant new factor occurred in the preceding twelve months which may require a Supplemental Note Programme Memorandum.</i>
DISTRIBUTION			
34.		If syndicated, names of Managers	[Not Applicable/give names]
35.	Name of Dealer		[Not Applicable/give name]
36.	Additional selling restrictions		[Not Applicable/give details]
PART B – OTHER INFORMATION 1.		LISTING	

		This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading the issue of Notes described herein, pursuant to the BWP 2,000,000,000 Note Programme of Access Bank Botswana Limited.	
	(i)	Listing	[BSE/ other (<i>specify</i>)/None]
	(ii)	Admission to trading	[Application has been made for the Notes to be admitted to trading on the BSE [other stock exchange (<i>specify</i>)] with effect from [●].] [Not Applicable.]
	(iii)	Estimate of total expenses related to admission to trading	[●].
	(iv)	Value of total notes in issue under the Programme Memorandum	[●].
	(v)	Date of approval of Note Programme Memorandum and Supplement to BSE or other Stock Exchange	[●].
	(vi)	Date of approval of BSE or other Stock Exchange to Listing and admission to trade	[●].
2.	RATINGS		
	Ratings		<p>The Notes to be issued have been rated:</p> <p>[S & P: [●]]</p> <p>[Moody's: [●]]</p> <p>[[Other]: [●]]</p> <p><i>(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)</i></p>
3.	OFFER TO THE PUBLIC		[Applicable/Not Applicable]

(i)	Additional information required to render the Note Programme Memorandum compliant with the provisions for a prospectus under the Companies Act [CAP 42:01] of Botswana		[To be specified]
(ii)	Date on which the Note Programme Memorandum and this Pricing Supplement was registered by the Companies and Intellectual Property Authority as a Prospectus		[•].
(iii)	Date Offer opens		[To be specified]
(iv)	Date Offer closes		[To be specified]
4.	[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER] So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer [Need to include a description of any interest, including conflicting ones, that is material to the issue/ offer, detailing the persons involved and the nature of the interest.]		
5.	REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES		
	(i)	Reasons for the offer	[•] <i>(See “Use of Proceeds” wording in Programme Memorandum – if reasons for offer differ from making profit and/or hedging certain risks will need to include those reasons here.)</i>
	(ii)	Estimated net proceeds:	[•] <i>(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)</i>
	(iii)	Estimated total expenses:	[•]. <i>[Include breakdown of expenses.]</i> <i>(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)</i>
6.	YIELD – (Fixed Rate Notes only)		
	Indication of yield		[•] <i>[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]</i>
7.	OPERATIONAL INFORMATION		
	BSE Code		[•]

	ISIN Code	[●]
	Loan Code	[●]
	Clearing system(s)	CSDB
	Delivery	Delivery [against/free of] payment [●]
	Names and addresses of additional Paying Agent(s) (if any)	[●]

RESPONSIBILITY

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

Signed on behalf of Access Bank Botswana Limited:

By:

Duly authorised



Access Bank Botswana Limited
Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes]
Under the BWP 2,000,000,000 Note Programme

APPLICATION FORM

For the private placement of **Access Bank Botswana Notes** due [•] ("**Access Botswana Notes**") pursuant to the Pricing Supplement issued on **[INSERT DATE]**

This completed form should be forwarded by facsimile or by hand to [•] at the following address:

Note Issue Fax number: [•]

For attention: [•]

[•]

[•]

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 P O Box address)	
Contact name	
CSSD number (if Applicant is registered with the CSDB)	
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 and capacity to contract on behalf of the Applicant, and, irrevocably and unconditionally apply for and agree to take up the nominal value of Access Botswana 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 Access Botswana 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 Access Botswana 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 [•].

Full names

Capacity

Signature

Date

BLOCK D

Interest Payment Instructions

Interest is to be paid

To:

into current account number _____

at the (branch) _____ of (bank) _____

Address _____

Notes:

1. Applications will only be considered from persons to whom this Programme Memorandum and this application form have been sent by the Arranger. Such persons may not sell, transfer, cede, assign, or renounce the right to make application in favour of any other person.
2. All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by applicants.
3. 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.

Issuer

Access Bank Botswana Limited

Access House

Plot 62433

Fairgrounds Office Park

Gaborone, Botswana

Tel: +267 367 4300

Fax: +267 390 1583

Contacts: Ratang Icho Molebatsi

[Ratang.Icho-](mailto:Ratang.Icho-Molebatsi@ACCESSBANKPLC.com)

Molebatsi@ACCESSBANKPLC.com

Arranger and Placing Agent

Standard Chartered Bank

Botswana Limited

5th Floor, Standard House

The Mall

P O Box 496

Gaborone, Botswana

Tel: +267 360 1500

Fax: +267 390 0915

Contacts: Luzibo Benza

Luzibo.Benza@sc.com

Appointed Auditors to the Issuer

PricewaterhouseCoopers

Plot 64289, Tlokweng Road

P O Box 294, Gaborone, Botswana

Tel: +267 370 9700

Contacts: Arup Kumar Kar

kar.arup@pwc.com

Legal Advisor to the Issuer

Bookbinder Business Law

9th Floor, iTowers North

Plot 54368, New CBD

Gaborone, Botswana

Telephone: + 267 3912397

Fax: +267 3912395

Contacts: Jeffrey Bookbinder

jeffrey@bookbinderlaw.co.bw

Obakeng Lebotse

obakeng@bookbinderlaw.co.bw

Sponsoring Broker

Motswedi Securities

Proprietary Limited

Plot 113, Unit 30, Kgale Mews

Gaborone P/Bag 00223,

Gaborone, Botswana

Telephone: +267 3188627

Fax: +267 3188629

Contacts: Martin Makgatthe

martin@motswedi.co.bw

Calculation and Paying Agent

Transaction Management Services

Proprietary Limited t/a Corpserve

Botswana Transfer Secretaries

Unit 206, Second Floor

Plot 64516, Showgrounds Close

Fairgrounds, Gaborone, Botswana

Tel: +267 393 2244

Fax: +267 393 2243

Contacts: Stephen Pezarro

stephen@corpservebotswana.com

Trustee

Olivia Maria Britz, N.O.

c/o Desert Secretarial Services

Proprietary Limited

Plot 64518, Fairgrounds Office Park

Tel: +267 395 2474

Fax: +267 395 2478

Contacts: Olivia Britz

olivia@dss.co.bw

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.

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:

“Access Bank Botswana” or “Issuer”	Access Bank Botswana Limited, a limited liability company duly established in accordance with the Act;
“Access Bank Group” or “Group”	Access Bank Botswana Limited, its subsidiaries and its parent(s);
“Act”	Companies Act [CAP 42:01], as amended from time to time;
“Additional Conditions”	in relation to any issue of Notes, the proceeds of which are intended by the Issuer to qualify in terms of the Capital, such conditions in addition to the conditions specified in the applicable Capital Regulations, as may be prescribed by BoB for the proceeds of the issue of such Notes to qualify as Capital Notes, as specified in the relevant Applicable Pricing Supplement;

“Agency Agreement”	the agreement for the appointment of a Calculation and Paying Agent executed between the Issuer and Transaction Management Services Proprietary Limited t/a Corpserve Botswana Transfer Secretaries;
“Applicable Pricing Supplement”	the Pricing Supplement issued in relation to each Tranche of Notes, substantially in the form set out in this Programme Memorandum. This will be issued as an annexure to this Programme Memorandum and will give details of the particular Tranche and the Terms and Conditions applicable to each Note in the Tranche in so far as the Terms and Conditions are different from these Terms and Conditions;
“Applicable Laws”	in relation to a party, all and any: (i) statutes and subordinate legislation and common law; (ii) regulations; (iii) ordinances and by-laws; (iv) directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and (v) other similar provisions; from time to time, compliance with which is mandatory for that party;
“Applicable Procedures”	the rules, listing requirements and operating procedures from time to time of the CSDB and the BSE;
“Applicant”	a person to whom this Programme Memorandum has been sent by the Issuer or Arranger on behalf of the Issuer;

“Arranger”	the Arranger set forth in the Applicable Pricing Supplement;
“Board” or “Board of Directors” or “Directors”	the board of directors of the Issuer;
“BoB”	Bank of Botswana, being the central bank of the Republic of Botswana and as constituted in terms of the Bank of Botswana Act [CAP 55:01];
“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;
“BSE”	the Botswana Stock Exchange, the securities exchange established in terms of the Botswana Stock Exchange Act [CAP 56:08], or any exchange which operates as a successor securities exchange to the BSE;
“Business Day”	a day (other than a Saturday or Sunday or public holiday in Botswana) which is a day on which commercial banks settle BWP payments in Botswana save that, if the Applicable Pricing Supplement so provides, Business Day shall include a Saturday;
“BWP”	the lawful currency of the Republic of Botswana, being Botswana Pula;
“Calculation Agent”	in relation to the first Tranche of Notes, Transaction Management Services Proprietary Limited t/a Corpserve Botswana Transfer Secretaries and in relation to subsequent Tranches of Notes, such person or entity

	specified in the Applicable Pricing Supplement as the Calculation Agent;
“Capital Notes”	Notes issued which comply with the provisions of the Capital Regulations and any Additional Conditions from time to time;
“Capital Regulations”	means, at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Botswana in relation to banks registered under the BoB and licensed to conduct the business of a commercial bank in Botswana (or if the Issuer becomes domiciled in a jurisdiction other than Botswana, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in such other jurisdiction in relation to banks registered in, and licensed to conduct the business of a bank in, such other jurisdiction);
“Concurrent claims”	all unsubordinated, unsecured claims of creditors of the Issuer;
“Cross-Default Event”	in respect of the Issuer, any one or more of the following events: (i) if any Indebtedness is not paid when due or within any originally applicable grace period; (ii) if any Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, as the case may be, or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or; (iii) the Issuer fails to

	pay when due any amount payable by it under any guarantee of any Indebtedness; provided that the amount of Indebtedness referred to in paragraph (i) and/or paragraph (ii) above, and/or the amount payable under any guarantee referred to in paragraph (iii) above individually or in the aggregate exceeds 5 percent of the Total Assets of the Issuer, as the case may be, as published in its latest audited financial statements (or its equivalent in any other currency or currencies);
"CSDB"	the Central Securities Depository Company of Botswana Proprietary Limited, the central securities depository of the BSE and being the Transfer Secretary;
"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;
"Dual Currency Notes"	Notes which pay interest and/or principal in a base currency and in a non-base currency, as specified in the Applicable Pricing Supplement;
"Early Redemption Amount"	the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 7.2 and/or Condition 10, as set out in Condition 7.4;
"Event of Default"	an event of default by the Issuer as set out in Condition 10;

“Extraordinary Resolution”	a resolution having the meaning set out in Condition 14.4;
“Exchange”	as specified in an applicable Pricing Supplement, means the BSE 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;
“Final Broken Amount”	the final interest payment in respect of the period from (and including) the preceding Interest Payment Date, to (but excluding) the Maturity Date, not being an Interest Payment Date, in relation to any Tranche or Series of Notes issued under the Programme;
“Final Redemption Amount”	the amount of principal payable in respect of each Note upon final redemption thereof, as specified in the Applicable Pricing Supplement;
“Fixed Rate Notes”	Notes entitled to a fixed rate of interest as specified in the Applicable Pricing Supplement;
“Floating Rate Notes”	Notes entitled to a floating rate of interest as specified in the Applicable Pricing Supplement;

"IFRS"	means the International Financial Reporting Standards issued from time to time by the International Accounting Standards Board;
"Income Tax Act"	means the Income Tax Act [CAP 52:01], as amended from time to time;
"Indebtedness"	in respect of the Issuer, any indebtedness in respect of monies borrowed (including but not limited to, indebtedness in the form of bonds, notes, debentures) from any third party lender and (without double counting) guarantees (other than those given in the ordinary course of business) given by the Issuer, whether present or future, actual or contingent, excluding any intra-group indebtedness due to any subsidiary of the Issuer;
"Initial Broken Amount"	the first interest payment amount in respect of the period from (and including) the Interest Commencement Date, to (but excluding) the following Interest Payment Date, if the date of such payment is before the first Interest Payment Date;
"Insolvency Event"	in relation to the Issuer, any one or more of the following events: (i) any resolution is passed or order made for the winding up, liquidation, dissolution, administration or reorganisation of the Issuer (save in connection with an amalgamation or reconstruction previously approved in writing by secured creditors of the Issuer); (ii) the Issuer becomes subject to any insolvency, bankruptcy, administration, reorganisation, receivership, liquidation, dissolution or other similar proceedings,

	whether voluntary or involuntary (and whether or not involving insolvency) (save in connection with an amalgamation or reconstruction previously approved in writing by secured creditors of the Issuer); (iii) the Issuer assigns the whole or a substantial part of its assets, or enters into any arrangement, for the benefit of its creditors generally (other than a solvent reorganisation previously approved by secured creditors of the Issuer); or (iv) the Issuer becomes subject to any distribution of the whole or a substantial part of its assets, or if any analogous event occurs in any jurisdiction;
"Indexed Interest Notes"	Notes which will bear interest by reference to such index and/or formula, as specified 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 specified in the Applicable Pricing Supplement;
"Instalment Notes"	Notes which shall be redeemable in instalments by the Issuer on an amortised basis on different repayment dates as specified in the Applicable Pricing Supplement;
"Interest Amount"	the amount of interest payable in respect of each Nominal Amount of Notes, as specified in the Applicable Pricing Supplement;
"Interest Commencement Date(s)"	the date on which interest on a Note commences its accrual, 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, each date which occurs after a certain number of months after the preceding interest payment date (such number of months as specified in the Applicable Pricing Supplement) or such other period as specified in the Applicable Pricing Supplement after the preceding interest payment date, or, in the case of the first interest payment date, after 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 Determination Date"	as specified in an Applicable Pricing Supplement, the day falling on the first day of each Interest Period or, if such a day is not a Business Day, the first following day that is a Business Day, being the day upon which the Rate of Interest in respect of such Interest Period shall be determined by the Calculation Agent;
"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;

“Last Day to Register”	the date or dates immediately preceding a Relevant 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;
“Margin”	in relation to a Tranche of Floating Rate Notes, the margin(s) over a benchmark rate specified in the Applicable Pricing Supplement relating to that Tranche;
“Maturity Date”	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
“Maximum Rate of Interest”	the maximum Rate of Interest applicable to a Note for any Interest Period as may be specified in the Applicable Pricing Supplement. If the Applicable Pricing Supplement specifies such a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest;
“Maximum Redemption Amount”	in relation to a Tranche of Notes, the maximum redemption amount specified as such in the Applicable Pricing Supplement;
“Minimum Rate of Interest”	the minimum Rate of Interest applicable to a Note for any Interest Period as may be specified in the Applicable Pricing Supplement. If the Applicable Pricing

	Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest;
“Minimum Redemption Amount”	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
“Mixed Rate Notes”	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes as specified in the Applicable Pricing Supplement;
“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;
“Notes”	the registered Notes issued or to be issued by the Issuer under the Programme in the form of a dematerialised security held by the CSDB;
“Noteholders”	the holders of the Notes as recorded in the Registers kept by the Transfer Secretary in terms of these Terms and Conditions;
“Outstanding”	in relation to the Notes, all Notes issued other than: (i) those which have been redeemed in full; (ii) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption monies (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain

	<p>available for payment against presentation of such Notes; (iii) those which have been purchased and cancelled as provided in the Terms and Conditions; provided that for each of the following purposes, namely: (a) the determination of the right to attend and vote at any meetings of Noteholders, and the quorum for any meeting of Noteholders; (b) the determination of how many and which Notes are for the time being Outstanding for the purposes of the Terms and Conditions; (c) the exercise of any discretion, power or authority (whether contained in the Programme Memorandum or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any of them; and (d) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any of them; provided that all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding;</p>
"Partly Paid Notes"	<p>Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (and as specified in the Applicable Pricing Supplement);</p>
"Placing Agent"	<p>In relation to the first Tranche of Notes, Standard Chartered Bank Botswana Limited and in relation to subsequent Tranches of</p>

	Notes, such person or entity specified in the Applicable Pricing Supplement as the Placing Agent;
"Programme"	the BWP 2,000,000,000 Domestic Medium Term Note Programme of the Issuer as amended from time to time, under which the Issuer may from time to time issue Notes denominated in BWP and having such maturity as may be agreed between the Issuer and the Arranger as specified in the Applicable Pricing Supplement;
"Rate of Interest"	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 7;
"Reference Rate"	the reference rate for determination of Interest Amount, where applicable, as specified in the Applicable Pricing Supplement;
"Registers"	the registers maintained by the Transfer Secretary, and a mirror register of the electronic register maintained by the Calculation and Paying Agent, which registers shall be reconciled and updated on a fortnightly basis, and "Register" shall be construed accordingly;
"Relevant Date"	in respect of any payment relating to the Notes, the date on which such payment first becomes due;

"Senior Creditors"	creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer or (ii) whose claims are, or are expressed to be, unsubordinated to the claims of depositors and other unsubordinated creditors of the Issuer (whether only in the event of a winding up of the Issuer or otherwise), other than those whose claims are expressed to rank <i>pari passu</i> with or junior to the claims of the holders of Subordinated Notes and any claims ranking <i>pari passu</i> with such last mentioned claims;
"Senior Notes"	means Notes issued with the status and characteristics set out in Condition 4.1 as set out in the relevant Applicable Pricing Supplement and "Senior Note" shall be construed accordingly;
"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"	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;
"Specified Office"	the registered office of the Issuer, as specified on the last page of this Programme Memorandum;

"Sponsoring Broker"	Motswedi Securities Proprietary Limited, a member of the BSE, having its principal place of business at Plot 113, Unit 30, Kgale Mews, Gaborone, Botswana;
"Subordinated Notes"	means Notes issued with the status and other characteristics set out in Condition 4.2 as set out in the relevant Applicable Pricing Supplement and "Subordinated Note" shall be construed accordingly;
"Supplementary Programme Memorandum"	any Supplementary Programme Memorandum that is issued by the Issuer as a supplement to this Programme Memorandum in order to update the information provided to Noteholders in respect of issues of Notes under the Programme that are made in any period subsequent to the 12 month period following the issue of this Programme Memorandum;
"Supplementary Trust Deed"	any Supplementary Trust Deed entered into between the Trustee and the Issuer in respect of an issue of a different Tranche of Notes. Any Supplementary Trust Deed will be a supplement to the initial Trust Deed that established the Trust for Noteholders under the BWP 2,000,000,000 Programme, and will incorporate the terms of that 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;
"Total Assets"	the total assets of the Group as set out in the statement of financial position of the Group's most recently published consolidated audited

	financial statements as prepared in accordance with IFRS;
"Tranche"	all Notes which are identical in all respects (including as to listing, interest payment dates, interest rates and dates of redemption);
"Transfer Secretary"	Central Securities Depository Company of Botswana Proprietary Limited having its principal place of business at Fourth Floor, Fairscape Precinct, Plot 70667, Fairgrounds Office Park, Gaborone, Botswana, or such other person specified in the Applicable Pricing Supplement as the Transfer Secretary who will act as the transfer secretary and will maintain the Register;
"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"	Olivia Maria Britz, N.O. of Desert Secretarial Services Proprietary Limited, having its principal place of business at Plot 64518, Fairgrounds, Gaborone, Botswana, or failing it, its successor appointed as Trustee under the terms of the Trust Deed;
"Trust Deed"	the Trust Deed entered into between the Issuer and the Trustee for the purposes of the Programme;
"USD"	the lawful currency of the United States of America, being United States Dollar; and

<p>"Zero Coupon Notes"</p>	<p>Notes which will be offered and sold at a discount to their Nominal Amount and will not bear interest other than in the case of late payment as further indicated in the Applicable Pricing Supplement.</p>
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1. ISSUE

- 1.1 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 BWP 2,000,000,000 (or the United States Dollar equivalent).
- 1.2 Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms and Conditions of a Tranche of Notes which are the Note Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement (Notes) relating to that Tranche of Notes.
- 1.3 Copies of the Applicable Pricing Supplement (Notes) are available for inspection at the Specified Office of the Issuer.

2. FORM AND DENOMINATION

- 2.1 The Notes shall be issued in registered form only.
- 2.2 Notes will be issued in uncertificated form in terms of the Directive. Notes will be recorded by the CSDB as being owned by the Noteholder and will not be represented by any certificate or written instrument.
- 2.3 Notes will be issued in such Specified Denominations as may be agreed between the Issuer and the Arranger and as indicated in the Applicable Pricing Supplement.

3. TITLE

- 3.1 Subject as set out below, title to the Notes shall pass by registration in the applicable Registers in accordance with these Terms and Conditions, which Registers the Issuer shall procure to be kept by the CSDB in its capacity as Transfer Secretary, in accordance with the applicable regulations in respect thereof and by the Calculation and Paying Agent in accordance with the provisions of the Agency Agreement, unless any Applicable Law provides otherwise or provides for additional formalities for the transfer of title.

- 3.2 The CSDB will record that such Noteholders hold Notes in uncertificated form, subject to the Applicable Procedures.
- 3.3 Noteholders will be named in the Registers as the registered holder of each Tranche of Notes.
- 3.4 Title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 11.
- 3.5 The Noteholder (as the registered holder of such registered Notes named in the Register) will be treated by the Issuer, the Calculation and Paying Agent, and the Transfer Agent as the holder of that aggregate Nominal Amount of such Notes for all purposes.
- 3.6 In relation to each Noteholder shown in the records of the CSDB a certificate or other document issued by the CSDB, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such aggregate Nominal Amount.
- 3.7 The Issuer may deem and treat the person reflected in the Registers 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 Registers or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.

4. **STATUS OF NOTES**

- 4.1 Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without preference or priority among themselves and (save for certain debts preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

- 4.2 Subordinated Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer (i) which rank *pari passu* without preference or priority among themselves and with any other existing and outstanding unconditional, unsecured, and subordinated obligations of the Issuer, and (ii) are subordinated to the claims of Senior Creditors.
- 4.3 The proceeds of Subordinated Notes may qualify as Capital Notes. In order for such proceeds to qualify as Capital Notes, Subordinated Notes must comply with the applicable Capital Regulations and any Additional Conditions prescribed by BoB. The failure of any Subordinated Notes, whether Capital Notes or otherwise, to comply with the Capital Regulations or any Additional Conditions or to qualify as Capital Notes shall not constitute an Event of Default in respect of any Notes.
- 4.4 Subject to Applicable Law and unless an Applicable Pricing Supplement provides otherwise, the Issuer may not exercise or claim any right of set-off in respect of any amount owed by it to the Noteholders under or in connection with the Notes and the Issuer shall be deemed to have waived all such rights of set-off.

5. **INTEREST**

5.1 **Interest on Fixed Rate Notes**

- 5.1.1 Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a semi-annual basis, on Interest Payment Dates.
- 5.1.2 Each Fixed Rate Note bears interest on its Nominal Amount from (and including) the Interest Commencement Date to (but excluding) the Maturity Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate(s) of Interest specified in the Applicable Pricing Supplement. Such interest shall fall due for payment in arrears on Interest Payment Date(s) specified in the Applicable Pricing Supplement in each year and on the Maturity Date specified in the Applicable Pricing Supplement, if such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date immediately following the Interest Commencement Date.

5.1.3 Unless otherwise specified, the interest in respect of any six (6) month period shall be calculated by multiplying the Fixed Rate of Interest by the Nominal Amount and by dividing the product by 2, provided that:

5.1.3.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first interest amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and

5.1.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final interest amount shall equal the Final Broken Amount.

5.2 **Accrual of Interest on Interest on Fixed Rate Notes**

Each Note (or in the case of the redemption of only part of a Note, that part only of such Note) will cease to bear interest (if any) from the Redemption Date unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the interest rate applicable to such Note until whichever is the earlier of:

5.2.1 the date on which all amounts due in respect of such Note have been paid; and

5.2.2 the date on which the full amount of the monies payable has been received by the Calculation and Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 13.

5.3 **Interest on Floating Rate Notes**

Floating Rate Notes will bear interest on the basis of the applicable Reference Rates plus Margins as stipulated in the Applicable Pricing Supplement.

5.4 **Interest Payment Dates**

Each Floating Rate Note bears interest on its Nominal Amount from (and including) the Interest Commencement Date at the rate equal to the Floating Rate of Interest payable in arrears on the Interest Payment Date(s) specified in the Applicable Pricing Supplement.

5.5 **Rate of Interest**

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

5.6 **Minimum and/ or Maximum Rate of Interest**

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

5.7 **Determination of Rate of Interest and Calculation of Interest Amount**

The Calculation Agent, in the case of Floating Rate Notes will, at or as soon as practicable after each time at which the Floating Rate of Interest is to be determined, determine the Floating Rate of Interest and calculate the Interest Amount for the relevant Interest Period. In the case that the Paying Agent and the Calculation Agent are separate persons or entities, then the Calculation Agent shall notify the Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. Each Interest Amount shall be calculated by applying the Floating Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest thebe, half a thebe being rounded upwards. For the purposes hereof "**Day Count Fraction**" means, in respect of the calculation of an Interest Amount for any Interest Period and subject to the applicable Business Day Convention, Modified Business Day Convention or Preceding Business Day Convention as specified in the Applicable Pricing Supplement; provided that if "**Actual/365**" is specified in the Applicable Pricing Supplement, the actual number of elapsed days in the Interest Period divided by 365; or such other calculation method as specified in the Applicable Pricing Supplement.

5.8 **Notification of Rate of Interest and Interest Amount**

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Floating Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the

Paying Agent (if the Paying Agent is not the Calculation Agent), the Calculation Agent and notice thereof to be published in accordance with Condition 13, as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangement made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Noteholders in accordance with Condition 13.

5.9 Reference Rate for Determination of Rate of Interest

The Reference Rate for determination of the Floating Rate of Interest will be specified in the Applicable Pricing Supplement. If the Reference Rate determined in the Applicable Pricing Supplement is no longer available or accessible, for whatever reason, then the applicable rate shall become a market-determined benchmark acceptable to both the Issuer and Noteholders and approved by an Extraordinary Resolution of the Noteholders of such Floating Rate Notes.

5.10 Certificates to be Final

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

5.11 Interest on Dual Currency Notes

The interest rate payable from time to time in respect of the Dual Currency Notes will be determined in the manner specified in the Applicable Pricing Supplement.

6. PAYMENTS

6.1 Interest and redemption monies shall only be payable:

6.1.1 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; and

6.1.2 to Noteholders registered as such after the relevant Last Day to Register if duly completed documents of transfer were delivered to the Transfer Secretary before the relevant Last Day to Register.

6.2 The Registers 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 Calculation and Paying Agent, will, in accordance with the provisions of the Agency Agreement, update and reconcile the Register to reflect the electronic register maintained by the CSDB in its capacity as Transfer Secretary. It shall be the responsibility of the Calculation and Paying Agent in terms of the provisions of the Agency Agreement to ensure the payment of interest and redemption monies of all Noteholders.

6.3 Payment of interest and redemption monies shall be made via electronic funds transfer to the account designated for the purpose by the Noteholder at least 3 Business Days prior to any Interest Payment Date or Redemption Date.

6.4 The method of payment of interest and redemption monies to a Noteholder may be varied from time to time by agreement between a Noteholder and the Transfer Secretary, with the consent of Access Bank Botswana, which consent shall not be unreasonably withheld.

7. REDEMPTION AND PURCHASE

7.1 At Maturity

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

7.2 **Redemption for Tax Reasons**

If the Issuer, immediately prior to the giving of the notice referred to below, is of the reasonable opinion that:

- 7.2.1 as a result of any change in, or amendment to, the laws or regulations or directive of the Republic of Botswana or any political sub-division of, or any authority in, or of, the Republic of Botswana having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 8; and
- 7.2.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

then the Issuer may at its option, at any time or on any Interest Payment Date, having given not less than 30 nor more than 60 days' notice to Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all Notes, and not some only, at their "**Early Redemption Amount**" referred to in Condition 7.4 below, together (if appropriate) with interest accrued to (but excluding) the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Notes due.

7.3 **Redemption at the Option of the Issuer**

- 7.3.1 If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given:
 - 7.3.1.1 not less than 15 nor more than 30 days' notice to the Noteholders in accordance with clause 13; and
 - 7.3.1.2 not less than 7 days before giving the notice referred to in 7.3.1.1 above, notice to the Calculation and Paying Agent,

(both of which notices shall be irrevocable) redeem all or some of the Notes 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).

7.3.2 Any such redemption must be of a Nominal Amount not less than the Minimum Redemption Amount(s) and not more than the Higher Redemption Amount(s), both as defined in the Applicable Pricing Supplement.

7.3.3 In the case of a partial redemption of Notes, each Noteholder shall have the same percentage of the Nominal Amount of Notes held by the Noteholder redeemed, as each other Noteholder.

7.3.4 In the case of a partial redemption of Notes, the CSDB shall ensure that Noteholders' accounts are debited only to reflect the amount so redeemed, and that the accounts reflect the unredeemed amounts accurately subsequent to the partial redemption.

7.4 **Early Redemption Amounts**

For the purpose of 7.2 and 7.3 above (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

7.4.1 in the case of Notes with a Final Redemption Amount referred to in 7.1 equal to the Issue Price, at the Final Redemption Amount thereof; or

7.4.2 in the case of Notes with either a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at their Nominal Amount.

7.5 **Purchases**

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may (subject to restrictions of any applicable law) be held by the Issuer in its own name or that of its nominee, resold or, at the option of the Issuer, surrendered to the Transfer Secretary who shall procure that the Register(s) of such Notes is amended accordingly.

7.6 Cancellation

All Notes which are redeemed will forthwith be cancelled and the Transfer Secretary will amend the Register accordingly.

8. TAXATION

As at the date of this Programme Memorandum, the applicable tax treatment is summarized in this section. This, however, is subject to change in line with amendments effected by the relevant statutory authorities in Botswana from time to time.

- 8.1 All repayments of principal in respect of the Notes by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, imposts or governmental charges of whatever nature imposed or levied by, or on behalf of, Botswana, or any political sub-division of, or any authority in, or of, Botswana having power to tax, unless such withholding or deduction is required by law.
- 8.2 Payments of interest in respect of the Notes by the Issuer will be made with deduction for, or on account of, Withholding Tax where applicable by law imposed within Botswana. (See heading "**Tax Considerations**" of this Programme Memorandum).
- 8.3 Where Withholding Tax is required to be payable on interest, the Issuer will deduct Withholding Tax at the prescribed rate on all interest payments to Noteholders other than any Noteholder who (i) is exempt or relieved from such deduction under the provisions of the Income Tax Act or under the provisions of any double taxation agreement applicable and (ii) has provided evidence of such exemption or relief to the reasonable satisfaction of the Issuer and the Calculation and Paying Agent.
- 8.4 Where interest payable to a Noteholder becomes subject to any deduction or withholding on account of tax as provided in this Condition 8, the amount of interest payment made to the Noteholder shall not in any event be increased so as to make the net amount received by the Noteholder to equal the amount which, but for such deduction or withholding, would have been received by the Noteholder.
- 8.5 In respect of any deduction or withholding made and pertaining to taxes, the Issuer or Calculation and Paying Agent (as the case may be) shall:
 - 8.5.1 promptly pay the amount deducted or withheld to the relevant authorities; and

8.5.2 deliver to the Noteholders within fourteen (14) days after it has made payment of such tax to the relevant authorities, an original tax clearance certificate (or a certified copy thereof), issued by such authorities evidencing payment to such authorities of all such tax so required to be deducted or withheld.

8.6 There is no property transfer tax on the transfer of the Notes.

9. **PRESCRIPTION**

The Notes will become void unless presented for payment of principal and interest within a period of three years after the Relevant Date.

10. **EVENTS OF DEFAULT**

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:

- 10.1 the Issuer fails to pay any interest or principal in respect of any of the Notes on the due date for payment and the failure to pay continues for more than ten (10) days; or
- 10.2 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 (30) days following the service on the Issuer of a notice requiring the same to be remedied; or
- 10.3 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 when and as 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 thereunder, which default is subject to a material threshold that the claim in respect of Borrowed Money is for a minimum of BWP 15,000,000; or

- 10.4 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; or
- 10.5 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 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
- 10.6 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
- 10.7 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
- 10.8 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
- 10.9 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

- 10.10 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 it, 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 thirty (30) days;
- 10.11 it becomes unlawful for the Issuer to perform any of its obligations under the Programme Memorandum or such obligations cease to be legal, valid, binding or enforceable obligations; or
- 10.12 a Cross Default Event occurs; or
- 10.13 an Insolvency Event occurs,

then the Trustee may, if duly authorised by Extraordinary Resolution, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Notes held by such holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in condition 7.4), 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 the Republic of Botswana or to comply with any order of a court of competent jurisdiction.

For the purposes of this Condition 10, "**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 but excluding deposits in the normal course of business.

11. REGISTRIES AND TRANSFER OF NOTES

Registers

- 11.1 Subject to the Applicable Procedures in existence from time to time, the Register:
 - 11.1.1 shall be kept by the CSDB with a mirror Register at the office of the Calculation and Paying Agent;

- 11.1.2 shall contain the names, address and bank account numbers of all persons with an interest in the Notes;
- 11.1.3 shall show the total Nominal Amount of Notes beneficially owned by the Noteholders;
- 11.1.4 shall show the dates upon which each of the Noteholders was registered as such;
- 11.1.5 shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder; and
- 11.1.6 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**").
- 11.2 The Transfer Secretary shall alter the Registers in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 11.3 Except as provided for in these Terms and Conditions or as required by law, the Issuer:
 - 11.3.1 will only recognise a Noteholder as the owner of the Notes registered in that Noteholders name as per the applicable Register; and
 - 11.3.2 shall not be bound to enter any trust in the Registers 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.

Transfer of Notes

- 11.4 In order for any transfer of a Note to be effected through the applicable 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 account to transfer the Notes to another designated CSDB securities account.
- 11.5 Subject to 11.9 below, the CSDB will then effect the transfer of the Note between CSDB securities accounts.

- 11.6 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.
- 11.7 The transferor of Notes will be deemed to remain the owner thereof until the transferee is registered in the applicable Register as the beneficial owner thereof. Should the transferor and transferee of Notes wish that the applicable Register be updated to reflect any transfer before the bi-monthly reconciliation, the parties must inform the Calculation and Paying Agent separately of the transfer once they have confirmation from the CSDB Participant that it has been effected. The Calculation and Paying Agent will then reconcile the applicable Register against the electronic Register maintained by the CSDB.
- 11.8 Before any transfer of a Note is registered in the applicable Register all relevant transfer taxes (if any) must have been paid and such evidence must be furnished (as the CSDB may reasonably require) as to the identity and title of the transferor and the transferee.
- 11.9 No transfer will be registered whilst the applicable Register is closed. To the extent required by Applicable Procedures, the Calculation and Paying Agent 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.

12. CALCULATION AND OTHER AGENTS

- 12.1 Any third party appointed by the Issuer as Arranger, Placing Agent, Calculation Agent, Sponsoring Broker, Transfer Secretary 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.
- 12.2 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 an Arranger, Calculation Agent, Paying Agent, Trustee, and a Sponsoring Broker with a specified office in such place as may be required by the rules and regulations of the BSE.

13. **NOTICES**

- 13.1 All notices to Noteholders shall be published through X-News, the BSE regulatory news distribution service. In addition, such notices shall also be published in the English language in at least 1 newspaper of general circulation in the Republic of Botswana and, if required by the Issuer, be sent by email through the offices of the Calculation and Paying Agent to the respective addresses of the Noteholders appearing in the Registers.
- 13.2 If any notice is given to Noteholders, a copy thereof shall be delivered to the Trustee and to the BSE.
- 13.3 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.

14. **AMENDMENT OF THESE TERMS AND CONDITIONS**

- 14.1 These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 14, 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 approved by the BSE.
- 14.2 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 herein, provided that the interests of the Noteholders are not prejudiced by any such amendment.
- 14.3 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 Terms and 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 13 above.
- 14.4 For the purposes of these Terms and Conditions, an “**Extraordinary Resolution**” means, in relation to all Noteholders or Noteholders 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 15 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.

15. TRUST, TRUSTEE AND MEETINGS OF NOTEHOLDERS

- 15.1 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.
- 15.2 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 twenty-one (21) days' prior written notice to such Noteholders. This notice is required to be given in terms of Condition 13 above. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in the Republic of Botswana.
- 15.3 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.
- 15.4 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.

16. DOCUMENTS

A signed copy of the Programme Memorandum, the Trust Deed, any Supplementary Trust Deed that is applicable to that Noteholder, certified copies of resolutions and authorisations, audited financial statements of the Issuer for the previous three (3) years, and letters of consent are available for inspection, on request, at the offices of the legal advisors to the Issuer and at the Sponsoring Broker during normal business hours.

17. **REGULATORY APPROVALS**

The necessary approvals from the BoB in terms of the Banking Act [CAP 46:04] (the "**Banking Act**") for the Programme and the issuance of the Notes thereunder have been obtained.

18. **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 the Republic of Botswana in force from time to time.

19. **JURISDICTION**

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

20. **USE OF PROCEEDS**

Unless otherwise described in the Applicable Pricing Supplement, the Issuer intends to use the net proceeds from the Programme for the following purposes:

I. **Retail Strategy**

Target Market

The retail market in Botswana has significant opportunity of growth. This is an opportunity to further stimulate economic growth by boosting activity in the market. Access Botswana has an opportunity to onboard more partnerships and grow the retail market. The proceeds of the Programme will be used to fund retail asset growth.

Retail Asset Growth: Access Botswana has a total BWP 5,700,000,000 in retail loans and advances after a 15% increase year-on-year from 2020 to 2021 financial year.

Customer Value Proposition

Access Botswana offers a cross section of vanilla banking products that are supported by robust technology which aim to provide efficiency service and accessibility. The hero

product of retail banking is a scheme loan product that is issued at the back of well managed payroll deduction codes. The products are sold to carefully segmented customers who are grouped in accordance with their behaviour and preferences. Customers are serviced through their preferred channels which consist of physical branches, Automated Teller Machines ("**ATMs**"), internet access and mobile banking. All the services offered are supported by a robust back office operations and risk management framework which ensures safe banking at all times.

Sales Planning

Sales are achieved through well planned activities which are anchored by:

Cross Selling – This involves the use of data analytics tools which mine data components from current customers to establish inherent behaviour in the usage of current products. The traits usually lead to the generation of new customer behaviour which result in the need to sell new products. The list of customers showing a need of new products is forwarded to our well managed call centre, and they are phoned using a carefully structured and worded script. The call centre agents arrange meetings for these customers with relationship officers who are in branches near them. The relationship officers discuss the available options to the clients and then close the sale. The outcome is then updated on a CRM database which create useful management reports that can be used in the future and reward management.

Partner Leads – Access Botswana currently has partnerships with a number of companies and employee unions (the "**Unions**") which supply a lot of customer leads. The biggest customer base are the Unions, who have entered into agreements with Access Botswana to allow their members to get loans from Access Botswana and then deduct instalments at source using their deduction codes. The Unions are then paid a market related collection commission for their effort. This can also assist the Unions to improve their membership as loans are only provided to members of Unions who have signed agreements with Access Botswana. Access Botswana benefits in that deductions at source are less risky than deductions from accounts within the bank accounts. Access Botswana also gets an opportunity to data mine these customers for cross selling of other relevant bank products which customers may need or qualify for.

Access Botswana also has a list of corporate customers who provide a source of leads which are then followed up by relationship officers to sell Access Botswana's products.

These are usually followed to their offices by relationship officers who would then provide call reports on each discussion held.

Direct Selling – Access Botswana has a team of direct sales agents who visit schools, hospitals and government departments to generate leads for a variety of Access Botswana products. These are then referred to the nearest service centre for processing.

II. Growth of Corporate and Investment Banking Business ("CIB")

The Issuer has identified key growth areas in the corporate and investment banking businesses and as such is seeking to extend these business areas. Access to additional capital will allow the Issuer to offer various loan facilities to corporate and wholesale clients. The management team of Access Botswana has a strategy to grow this side of the business to contribute a significant portion of the earnings.

The strategic focus for CIB will be on aligning growth within the department with the forecasted growth sectors in the economy. This strategic focus includes a robust asset growth pipeline, a liability led strategy and non-interest income drivers. The outcome shall be increased transactional business, cash management and trade products, bolstered by having the right platforms and managed by people with the relevant competence and experience.

The CIB team intends to be a solution-based business, completely banking our clients and their suppliers and distributors as well. This idea is encapsulated in the term 'Ecosystem Banking'. The plan is to intimately understand our client and their entire value chain and provide the right solutions for their banking needs. This desire will lead to greater transactional proceeds being channelled through Access Botswana and lowering the price of deposits. This will also make the division much more competitive when pricing for lending deals.

At the apex of the CIB strategy is the goal to raise cheaper deposits from transactional flows. This will be achieved by rolling out the various digital banking platforms and solutions to clients. These include various cash management solutions, point of sale (POS) machines, mobile banking and internet banking platforms. The payment platforms and solutions should encourage great client flows which will attract transaction fees in addition to greater account balances to facilitate the payments.

With all the above in place, ClB will be able to price competitively for clients' borrowing needs and as such an aggressive asset pipeline is in place. With the reduced funding cost and a complete banking proposition, ClB is prepared to reap the full benefit of lending to clients.

III. **Extension of the maturity profile of Botswana Pula liabilities to match assets**

The current tenor of the funding available to the Issuer is between 1 year and 5 years and is provided by Access Bank Botswana and other funders. The majority of this funding is for less than 1 year. The deposit profile is short-term and concentrated on the 3 months' funding tenor. The structure means the bank finances long-term asset from short term borrowings hence creating a maturity mismatch in the Balance Sheet. The Issuer has experienced significant demand to offer long term loans to both its retail clients, and corporate and wholesale clients. Since the majority of the funding is under one year maturity and the Issuer has issued loan products with maturity profiles which exceed the maturity profiles of the funding, the Programme will allow the Issuer to extend the maturity profile of its liabilities to better match both its current assets and its future assets. The Issuer will use the proceeds of the Notes issued and subscribed for, to fund the ongoing normal operations of the Issuer unless otherwise recorded in an Applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

HISTORY AND BUSINESS ACTIVITIES OF THE ISSUER

On 19 April 2021, Access Bank Plc ("**Access Bank Plc**"), Atlas Mara Limited ("**Atlas Mara**") and ABC Holdings Limited signed a definitive share sales agreement for the acquisition of 78.15% of the issued share capital in African Banking Corporation of Botswana Limited ("**BancABC-Botswana**") by Access Bank Plc. All conditions precedent for the conclusion of the transaction were achieved successfully. On 7 October 2021, Access Bank Plc completed the acquisition process for the majority shareholding of 78.15% in BancABC-Botswana.

All material aspects on regularization have been concluded, primarily with respect to effecting the official name change which was approved by the Companies and Intellectual Property Authority ("**CIPA**") on 4 November 2021, changing the entity name from African Banking Corporation of Botswana Limited to Access Bank Botswana Limited ("**Access Botswana**"). Against this, a new certificate of incorporation was issued on same date. On 8 November 2021, the Bank of Botswana

("BoB"), the central bank of Botswana, issued Access Botswana a Commercial Banking License reflecting the new name.

Access Botswana is now part of the Access Holdings Plc group. In respect of the ownership structure of Access Botswana, Access Bank Plc is its parent company. Access Bank Plc is in turn a wholly owned subsidiary of Access Holdings Plc. As such, Access Botswana (indirectly) has an ultimate holding company (being Access Holdings Plc) who is the parent company of Access Botswana's intermediate parent company, Access Bank Plc. Indirectly (through the ownership corporate structure), Access Holdings Plc indirectly controls 78.15% of Access Botswana.

Access Botswana's integration into the Access Holdings Plc group is substantially complete and Access Botswana now operates as an indirect subsidiary of Access Holdings Plc. Access Botswana is now focussed on the execution of its 5-year strategy, which is centred around further enhancements of our customer value proposition and expansion strategy, particularly balance sheet optimization and increases to our distribution channels and product offering to our customers. Access Botswana's focus is to rapidly expand and diversify its business.

Access Holdings Plc, together with its subsidiaries, is a leading full-service commercial bank operating through a network of more than 700 branches and service outlets, spanning 3 continents, 32 countries, 17 markets and 52 million customers. Access Holdings Plc employs, directly and indirectly, 28,000 people through its operations in Nigeria and has subsidiaries in sub-Saharan Africa and the United Kingdom; a branch in Dubai, United Arab Emirates; as well as representative offices in China, Lebanon, and India.

Access Holdings Plc has been listed on the Nigerian Exchange Group ("NGX") since 1990 and has over 900,000 shareholders. Its market capitalisation currently stands at NGN 391.8 billion (approximately USD 852 million). As at 30 June 2022, the total assets of the Access Holdings Plc group were NGN13.2 trillion (approximately USD28.7 billion).

Access Holdings Plc believes in the African economic potential and that the multi-faceted drivers of Africa's growth will support a bright, sustained future. Access Holdings Plc also believes that access to financial services and competitive banking sectors can improve people's lives and that it can be a positive disruptive force in the markets it operates. Access Holdings Plc's strategy is to create an African premier financial institution, which envisions to be the world's most respected African bank. This audacious goal is aimed to be achieved through:

- combining global institution knowledge with extensive local insights and experience;

- harnessing access to capital, liquidity and funding to support growth;
- competitiveness of our existing operations;
- leveraging technology to provide innovation and differentiated products offering and excellent customer service; and
- counting to attract and retain top talent-people who share the passion for Africa and a mission to effect change.

Access Holdings Plc's corporate philosophy, is comprised of a vision statement, mission statement and a list of streamlined core values:

◆ **Vision Statement:**

To be the world's most respected African bank.

◆ **Mission Statement:**

Setting standards for sustainable business practices that unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve.

◆ **Core values:**

- Leadership;
- Excellence;
- Empowered employees;
- Passion for customers;
- Professionalism; and
- Innovation.

OVERVIEW OF THE ISSUER

Access Botswana forms part of the Access Holdings Plc group, to which the latter is, indirectly a 78.15% shareholder. Access Botswana offers a range of personal, business and wholesale banking products to Botswana customers. Access Botswana has been in operation in Botswana for approximately 30 years and has 9 full service branches / banking halls throughout Botswana, 9 cashless service centres (with a working target of a total of 13 by the end of the year), 58 ATMs (38 upgraded with cash depositing capability, 18 are still cash dispensers).

Access Botswana has been listed on the BSE since December 2018 and has over 435 public shareholders.

Since its acquisition by Access Bank Plc, Access Botswana has upgraded its core banking software systems, launched 55 new ATMs, and opened 6 new Sales and Service Centres to bring banking closer to its current and future customers. Access Botswana has also rolled out 700 point of sales terminals, launched refreshed products aimed at customer acquisition and adding critical value proposition enhancements to its digital channels. Access Botswana has also partnered with Orange Money to launch the first ever mobile money loan, the Orange Money N'stakolle loan service.

New products, further enhancements, and new services such as agency banking are expected to be rolled out over the 2022/2023 calendar years.

Access Botswana offers retail, wholesale and corporate banking services and products, as discussed in more detail below.

AREAS OF OPERATION

Personal Banking

Personal/ retail banking is the significant contributor to the bank's balance sheet and profitability. The Issuer offers a full range of personal banking products and services, such as:

Current account: a transactional account ideal for frequent and unlimited transactions, and offering cheque book facilities, overdrafts, standing orders, online payments and loan facilities. This account is offered to individuals with a regular income. Characteristics include cheque books, monthly statements, overdraft facilities, zero account maintenance balance and some transaction/ maintenance fees;

Savings account: a liability product allowing for savings for a planned occasion at a future date but with an opportunity to draw at any time using all delivery channels defined by the Issuer. A minimum balance of BWP50 is required and there are monthly interest payments with access to funds through four withdrawals a month;

Fixed deposit: where an amount is deposited for a period of time to earn interest at competitive rates. A substantial investment amount is required, and investors are given a guaranteed return on products. There are no maintenance fees or account charges and interest is fixed over an agreed period of time; and

Internet banking: internet banking services are offered to clients, with easy and convenient access to personal and business accounts online anytime and from anywhere. Services offered online include account information (such as statements, account history and transaction history), online payments (payment of accounts with utilities or retailers, payments to friends or family and creation of debit orders), loan management (loan account activity, schedule and details), and applying for other products such as deposit accounts. The Issuer has a support team available for users and advanced security features to protect users and their information.

Corporate and Business Banking

Business banking products and services are similar to those offered to retail clients and include the following:

Current account: a transactional account ideal for frequent and unlimited transactions and offering cheque book facilities, overdrafts, standing orders, online payments and loan facilities. Opening a current account requires a number of statutory documents, including certificate of incorporation, memorandum and articles of association, tax certificates, directors' resolution, and tax certificate amongst others.

Savings account: there is a wide range of savings products. These will accord the financial growth stage mostly ignored in economic empowerment.

Fixed deposit: similar to retail banking, a fixed deposit allows for an amount deposited for a period of time to earn interest at competitive rates.

Corporate account: Access Botswana offers a comprehensive range of lending products that provide financial solutions customized to meet customer needs. These products include the following:

Botswana Pula Current Accounts;
Foreign Currency Current Accounts;
Overdrafts / Cash Advances;
Bankers Acceptances;
Commercial Paper;
Premium Finance;
Guarantees;
Structured Arrangements;

Order Financing; and
Leasing.

Treasury services: the Access Botswana treasury team provides a range of treasury services to both retail and corporate customers, including:

Government securities secondary trading;
Treasury term deposit;
Foreign exchange trading; and
Market Research.

STAFF

The Issuer currently has approximately 428 staff members in Botswana. The staff are located across the 9 branches and 6 service centres, with the largest staff complement being at the head office at Access House, Plot 62433, Fairgrounds Office Park, Gaborone, Botswana.

FINANCIAL PERFORMANCE

Net interest income for 2021 reduced marginally by 5% compared to the prior year. The reduction was largely attributed to BoB reducing the bank rate in the latter part of 2020, as well as increased interest expense as a result of higher deposit pricing. This was offset partially by the overall loan book increase year-on-year.

Access Botswana's aim has been to introduce digital channels that would allow us to become a transactional bank in order to grow non-interest revenue. In 2021, total non-interest revenue grew by 14%, as compared to the corresponding period. The solid performance was mainly driven by a strong foreign exchange income performance, and improvement on the revenues earned from the digital platforms such as Sarumoney, as well as introduction of digital products such as the FastCash cashless withdrawal, increased roll out of point of sale terminals, and better fee collection.

Expenses increased in 2021 due to once off impairment of financial assets as well as some transition costs. Access Botswana incurred costs to implement and manage the Access Bank transition during the reporting period. These included integration consultancies, rebranding, and associated works to complete the corporate transition in an accelerated manner. The integration costs are evident from increases in the following expense lines: uniforms increased by BWP 2,700,000; staff

bonuses increased by BWP 4,000,000, marketing and branding increased by BWP 8,100,000, consultancy costs increased by BWP 2,400,000; and stationery and retail CVP increased by BWP 2,700,000.

Once-off costs included a write-off of Visa incoming items (BWP 21,200,000), write-off of prepaid card control items (BWP 9,000,000), write-off of obsolete PPE items (BWP 9,400,000), amongst other individually immaterial expenses. Overall, during the year there was also an elevated increase in inflation which also increased operating expenses.

Loans and advances reflect an increase of BWP 500,000,000 year-on-year. This increase is as result of growth in the commercial loan book of approximately 59%. The retail loan book also increased by 6%. Total deposits increased by 5% year on year.

Access Botswana Income Statement for the period ending 31 December 2022:

Income Statement	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000
	Audited	Audited	Audited	Audited	Audited*	Audited*	Audited	Audited
Interest income	710,581	812,187	767,181	748,923	744,306	712,173	700,284	810,717
Interest expense	(335,529)	(268,276)	(278,230)	(330,931)	(332,381)	(290,118)	(299,554)	(407,566)
Net interest income	375,052	543,911	488,951	417,992	411,925	422,055	400,730	403,151
Loan provisions	(5,518)	(74,899)	(48,697)	18,906	15,658	(3,725)	(21,391)	20,002
Income from lending activities	369,534	469,012	440,254	436,898	427,584	418,330	379,339	423,153
Other income	147,683	139,558	112,908	133,003	124,280	122,666	139,306	152,304
Fees & commissions	111,003	87,183	76,476	118,138	111,420	95,126	100,974	119,744
Foreign exchange	36,680	52,375	36,432	14,865	12,860	27,540	38,332	32,560
Total income	517,217	608,570	553,162	569,901	551,863	540,997	518,645	575,457
Operating expenditure	(364,133)	(390,287)	(374,040)	(404,485)	(401,248)	(422,134)	(497,800)	(505,258)
Staff costs	(98,851)	(112,054)	(126,598)	(144,981)	(155,238)	(153,789)	(164,742)	(182,991)
Other expenses	(265,282)	(278,233)	(247,442)	(259,504)	(246,010)	(268,345)	(333,058)	(322,267)
Net income before taxation	153,084	218,283	179,122	165,416	150,614	118,863	20,844	70,199
Income tax expense	(32,885)	(48,010)	(39,960)	(37,234)	(29,737)	(30,465)	(4,089)	(61,991)
Profit for the period	120,199	170,273	139,162	128,182	120,877	88,398	16,755	8,208

Access Botswana Balance sheet for the period ending 31 December 2022:

Balance Sheet	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Assets	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000	BWP'000
	Audited	Audited	Audited	Audited	Audited*	Audited*	Audited	Audited
Cash and short term funds	980,825	733,693	794,605	1,270,522	981,675	1,279,793	1,650,684	1,438,425
Financial instruments	519,310	1,091,577	696,640	1,162,700	642,818	680,142	567,960	876,333
Loans & advances	5,715,399	5,678,033	5,795,372	5,809,123	6,436,064	6,000,970	6,508,695	6,618,195
Other interest	617,225	658,694	628,403	528,780	633,118	548,754	68,890	20,838

earning assets								
Net Fixed assets	84,610	76,848	68,033	180,538	234,207	222,160	178,332	234,688
Other assets	45,457	78,760	144,666	178,952	197,162	126,229	136,097	122,395
Total assets	7,962,826	8,317,605	8,127,719	9,130,615	9,125,044	8,858,048	9,110,659	9,310,875
Due to depositors	6,593,882	6,869,210	6,190,638	7,208,773	7,040,736	6,634,761	6,971,902	7,468,283
Subordinated loans	143,647	193,558	185,469	211,230	205,867	315,723	325,467	486,626
Other borrowings	91,552	103,245	498,437	531,650	557,305	443,395	360,557	131,395
Balances with related parties	307,734	109,542	32,686	54,201	17,662	14,226	5,680	6,097
Other liabilities	68,971	114,737	155,184	151,960	221,641	279,712	260,917	189,965
Share Capital and reserves	757,040	927,313	1,065,304	972,801	1,081,833	1,170,231	1,186,136	1,028,509
Total Equity and Liabilities	7,962,826	8,317,605	8,127,718	9,130,615	9,125,044	8,858,048	9,110,659	9,310,875
*Restated								

Access Botswana Key Ratios for the period ending 31 December 2022:

Key ratios	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22
Cost-to-Income Ratio	69.7%	57.1%	62.1%	71.5%	74.8%	76.4%	92.20%	90.96%
Credit Loss Ratio	0.10%	1.3%	0.8%	-0.3%	-0.2%	0.1%	0.33%	-0.30%
Net interest margin	6.02%	8.03%	7.53%	5.95%	5.77%	6.26%	5.66%	5.38%
Return on assets	1.51%	2.1%	1.7%	1.6%	1.3%	1.0%	0.19%	0.09%
Return on equity	15.9%	20.2%	14.0%	13.1%	11.7%	8.2%	1.40%	0.74%
Loan-to-Deposit Ratio	86.7%	82.7%	93.6%	80.5%	91.4%	90.4%	98.50%	90.95%

MARKET SHARE AND COMPETITION

There are currently nine licensed commercial banks in Botswana and Access Botswana is the fifth largest bank in the market in terms of asset size, loan book and deposit size. The market is dominated by four commercial banks, namely First National Bank of Botswana Limited ("**FNB**"), Standard Chartered Bank Botswana Limited ("**Standard Chartered**"), Absa Bank Botswana Limited ("**ABSA**"), Stanbic Bank Botswana Limited ("**Stanbic**"), and BBS Bank Limited (formerly Botswana Building Society) ("**BBS**"). Stanbic, ABSA and FNB are headquartered in South Africa, whilst BBS is

headquartered in Botswana and Standard Chartered is headquartered in the United Kingdom. The top four banks by market share dominate the market and control over 80% of the market share on deposits, loans and advances as well as customer base. Competition is intense with most commercial banks continuously reviewing their value proposition to cater for an increasingly discerning customer.

In addition to the nine commercial banks, customers have access to financial services from other various financial services providers such as Botswana Savings Bank ("**BSB**") and National Development Bank ("**NDB**"), which are both government owned, as well as micro finance institutions such as Letshego Holdings Limited and Bayport Financial Services.

Market Share Total Assets

Assets	2015	2016	2017	2018	2019	2020	2021
	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000
Access Bank Botswana	7,962,826	8,317,605	8,127,719	9,148,273	9,124,095	8,861,113	9,110,658
Standard Chartered Bank	13,130,003	13,875,204	15,033,462	16,603,773	15,730,327	14,064,705	15,536,969
ABSA Bank	14,654,285	15,387,894	15,158,687	17,024,912	18,821,959	20,567,869	21,521,051
First National Bank**	20,510,165	22,372,414	23,863,151	24,868,428	26,271,622	27,875,099	26,423,112
Stanbic	11,993,360	11,998,838	12,331,732	14,477,595	16,404,119	18,791,046	21,217,348
Total top 5	68,250,639	71,951,955	74,514,751	82,122,981	86,352,122	90,159,832	93,809,138
Access Bank share	12%	12%	11%	11%	11%	10%	10%

sources: <https://www.sc.com/bw/about-us/investor-relations/>
<https://www.absa.co.bw/bank-reports/>
<https://www.fnbbotswana.co.bw/about-fnb/news-and-insight.html#slide4>
<https://www.stanbicbank.co.bw/botswana/personal>

Access Botswana is ranked 5th in terms of asset size, with 10% market share as of December 2021.

Market Share Loans and Advances

Total Loans and advances	2015	2016	2017	2018	2019	2020	2021
	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000
Access Bank Botswana	5,715,399	5,678,033	5,795,372	5,802,300	6,436,064	6,000,970	6,508,695
Standard Chartered Bank	7,188,009	7,659,996	7,589,863	7,485,235	7,919,227	8,115,680	7,715,967
ABSA Bank	9,783,163	9,375,981	10,720,556	11,834,679	13,362,427	13,904,310	14,924,321
First National Bank**	13,391,954	15,098,818	15,091,733	15,478,937	15,939,047	14,406,560	13,993,613
Stanbic	9,153,550	8,856,531	6,892,911	8,168,885	8,609,075	11,745,148	13,056,384
Total top 5	45,232,075	46,669,359	46,090,435	48,770,036	52,265,840	54,172,668	56,198,980
Access Bank share	13%	12%	13%	12%	12%	11%	12%

sources: <https://www.sc.com/bw/about-us/investor-relations/>
<https://www.absa.co.bw/bank-reports/>
<https://www.fnbbotswana.co.bw/about-fnb/news-and-insight.html#slide4>
<https://www.stanbicbank.co.bw/botswana/personal>

Access Botswana is ranked 5th in terms of loans and advances a 12% share, as of December 2021 of the total to 5 contributors.

Market Share Customer Deposits

Deposits	2015	2016	2017	2018	2019	2020	2021
	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000
Access Bank Botswana	6,593,882	6,869,210	6,190,638	7,208,773	7,040,736	6,634,761	6,607,881
Standard Chartered Bank	11,150,523	11,975,928	13,347,301	13,095,090	13,896,733	12,286,081	13,271,347
ABSA Bank	11,481,875	11,623,856	11,498,460	12,212,592	14,680,514	16,456,770	17,193,283
First National Bank**	16,723,783	17,804,010	18,911,484	19,564,445	20,172,652	21,750,517	20,966,528
Stanbic	9,541,617	9,521,569	9,825,713	11,951,786	13,767,170	15,855,480	18,164,128
Total top 5	55,491,680	57,794,573	59,773,596	64,032,686	69,557,805	72,983,609	76,203,167
Access Bank share	12%	12%	10%	11%	10%	9%	9%

sources: <https://www.sc.com/bw/about-us/investor-relations/>
<https://www.absa.co.bw/bank-reports/>
<https://www.fnbbotswana.co.bw/about-fnb/news-and-insight.html#slide4>
<https://www.stanbicbank.co.bw/botswana/personal>

Access Botswana is ranked 5th on customer deposits with a market share of 9% as at December 2021.

PROFITABILITY

Access Botswana is ranked 4th on profitability with a market share of 7% as at December 2021.

Profitability	2015	2016	2017	2018	2019	2020	2021
	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000	BWP '000
Access Bank Botswana	120,199	170,273	139,162	134,466	120,877	93,096	16,756
Standard Chartered Bank	47,391	79,718	-188,024	23,844	54,845	49,723	60,311
ABSA Bank	260,501	389,244	432,101	454,544	520,608	296,746	502,592
First National Bank**	290,828	317,769	346,377	648,055	732,536	597,636	808,783
Stanbic	131,633	195,493	242,602	251,551	139,726	302,424	203,670
Total top 5	850,552	1,152,497	972,218	1,512,460	1,568,592	1,339,625	1,592,112
Access Bank share	14%	15%	14%	9%	8%	7%	1%

Note FNB** half year results

sources: <https://www.sc.com/bw/about-us/investor-relations/>

<https://www.absa.co.bw/bank-reports/>

<https://www.fnbbotswana.co.bw/about-fnb/news-and-insight.html#slide4>

<https://www.stanbicbank.co.bw/botswana/personal>

RISK MANAGEMENT

As a banking institution, the Issuer has strict risk management policies in place and is in compliance with risk management procedures which are required by the Access Bank Group as well as the central bank. The Issuer recognises that effective risk management is fundamental to the sustainability of its business. A comprehensive risk management process is in place through the Group and all its subsidiaries.

The Issuer is exposed to various risks which are inherent in providing financial services. The primary risks include, but are not limited to the following (and a detailed examination of such risks is set out below:

Market Risk: the Issuer may be adversely affected by global markets and economic conditions that can lead to fluctuations in interest and exchange rates, as well as equity and commodity prices. It may also be adversely impacted by significant holdings of financial assets, or significant loans or commitments to extend loans;

Credit Risk: the Issuer may be adversely affected by an increase in its credit exposure related to trading, lending and other business activities. Potential credit –related losses can result from an individual, counterparty or issuer being unable or unwilling to honour their contractual obligations;

Liquidity Risk: the financial condition of the Issuer may be impacted by an inability to borrow funds or sell assets to meet its obligations;

Operational Risk: the Issuer may incur losses due to the failure of its people, internal processes or systems, or as a result of external events;

Legal Risk: legal proceedings against the Issuer or insufficient legal protection could adversely affect its operating results for a particular period; and

Regulatory and Legislative Risk: the Issuer is currently regulated by the BoB and as such could be impacted by regulatory and legislative initiatives.

TECHNOLOGY

Oracle FLEXCUBE Universal Banking Solution (“**FC UBS**”) is a business solution that addresses corporate, retail and investment banking needs. FC UBS’ application architecture supports agile and business processes management using Business Process Execution Language (“**BPEL**”), service-oriented architecture (“**SOA**”), and a Web services-based model. It enables integration of third-party applications to facilitate business processes. The current version of FC UBS in use is FC UBS 11.0.

FLEXCUBE UBS Technical architecture

User Interface tier

The user interface of the application is lightweight in nature and based on JavaScript and XML. The communication between the browser and the web server uses XML. The rendering is done on the client using XSLT.

Process tier

Oracle FLEXCUBE provides for processes to be developed around the natively provided application.

Application and Integration tier

The Application and Integration tier provides the message handling, session management (for the native user interface) and transaction management in the application.

Database tier

The back end is a relational database management system and ensures integrity of data and also provides business logic written mainly in Oracle PL/SQL from the Oracle database.

Hardware / Software Details

Operating System Name	Linux
Operating System Version	Red-hat 5
Database Name	Oracle Enterprise Edition Release
Database Version	11.2.0.2.0
Middle Ware Details	Oracle Weblogic
Weblogic version	10.3.2

SOCIAL RESPONSIBILITY

Corporate social responsibility is very important to the Access Holdings Plc Group and the Group acknowledges that as an African organisation, it has a duty to act responsibly to its shareholders, business partners, employees and society. The Group also recognises the importance of giving back to communities by enriching the lives of those who are economically or socially disadvantaged.

Access Botswana recognises that it has a responsibility to uplift and play an active role in the communities in which it operates by supporting four pillars it has identified for action, namely:

Women and Children - by assisting with the economic upliftment of these groups, presently the most vulnerable groups on the African continent;

Arts and Culture - vibrant arts and culture are a vital expression of Africa's identity and as such, deserve to be nurtured and celebrated;

Education - Access Botswana understands the vital role education plays in the upliftment of communities in Africa and so supports educational projects and initiatives that improve the quality of education and widen access among rural and disadvantage communities; and

Health and Disability - HIV and Aids, Malaria and disabilities remain a focus of concern in our communities and a pillar of focus for Access Bank.

Access Bank Botswana strives to invest in sustainable projects and, through the involvement of our staff, actively demonstrate goodwill and commitment to enhancing the lives of the disadvantaged through involvement in community-based initiatives.

PROJECTS

Some of the notable projects and engagements for 2019 - 2021 included:

Blood Drive

Over the years, Access Botswana and the National Blood Transfusion Services have had a successful partnership aimed at sensitizing the public on the need for blood in the national blood bank and the importance of blood donation.

#LoveMYTeacher BW

#LoveMYteacher BW is a teacher appreciation campaign that encourages all Batswana regardless of age, to take a moment to show their appreciation for their teachers, past and present, as education and skills development are essential for development of a strong economy.

Access Botswana is committed to operating in an eco-friendly environment. The Issuer takes responsibility for the area they operate in and beyond and encourages staff to be mindful and responsible to the environment.

FUTURE PROSPECTS

Overview of Access Bank Botswana Prospects

Access Botswana has set its focus on growing its presence in the Botswana market. In line with the new vision of Atlas Mara to create a premier bank in Sub-Saharan Africa, Access Bank is targeting to grow both its corporate and retail business by increasing access to finance through offering various products and enhancing delivery channels.

Enhancing Delivery Channel

The bank is in a growth and transformation phase which requires a lot of resources to meet the ever-increasing demands of its customers. The bank has identified technology as a key differentiator and will invest a significant amount of resources in improving the existing delivery channels as well as introducing new channels such as POS and deposit-taking ATM's amongst others.

Mid-Sized companies and Small and Medium Enterprises ("SME's")

Access Bank Botswana has identified growth opportunities in the mid-sized caps and SME's and will strive to be an active and relevant player within the key industry sectors driving the country's gross domestic product by ensuring an unwavering focus on market leading business clients, mid-corporates, business banking and SME customers. This market generally faces challenges in accessing funding and Access Bank Botswana has developed an attractive value proposition to target this market. The strategy will be underpinned by Access Bank Botswana's ecosystem model which involves identifying anchor clients in the country's growth economic sectors and banking the entire value chain.

PRINCIPAL IMMOVABLE PROPERTY HELD OR OCCUPIED BY THE ISSUER

The Issuer's head office is situated at Access House, Plot 62433, Office Park, Fairgrounds, Gaborone, Botswana. The acquisition of the property was financed by BBS and remains pledged to BBS as security in the form of a mortgage bond. The building was last revalued by Knight Frank on 31 December 2020 at BWP 34,600,000. As at 31 December 2021, the outstanding balance on the BBS loan was BWP 4,272,000.

MATERIAL COMMITMENTS OF THE ISSUER

The following constitutes the material commitments of the Issuer as at 31 December 2021:

Institution	Facility	Outstanding Balance (BWP)	Designation
Overseas Private Investment Corporation ("OPIC")	Secured Debt	236,382,000	Principal plus interest
Société De Promotion Et De Participation Pour La	Tier II	119,587,000	Principal plus interest

Coopératio Économique S.A. ("Proparco")			
Microfinance Enhancement Facility SA, SICAV-SIF ("MEF")	Unsecured	119,903,000	Principal plus interest
Botswana Development Corporation Limited-subordinated debt	Tier II	150,000,000	Principal plus interest
Kgori Capital Proprietary Limited	Subordinated debt	22,352,000	Principal plus interest
Morula Capital	Subordinated debt	32,512,000	Principal plus interest
Botswana Insurance Fund Management Proprietary Limited	Subordinated debt	609,600	Principal plus interest
	Subordinated debt	406,400	Principal plus interest
BBS Bank Limited	Property Loan	4,272,000	Principal plus interest

**matured and fully paid in January 2022*

MEMBERS OF THE BOARD OPINION ON THE PROSPECTS OF THE ISSUER

The Board of Directors are confident that the business and financial integrity of the Issuer shall remain sound.

RISK FACTORS FACING THE ISSUER AND ITS BUSINESS

Investments in the Notes involve a degree of risk. The Issuer believes that the factors summarized below may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does

not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read detailed information set out elsewhere in this Programme Memorandum (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

GENERAL CAUTION

The financial performance of the Issuer and the risks associated with the Issuer's business are important when making a decision on whether to invest in the Notes. A number of factors influence and could influence the Issuer's operations and financial performance, and ultimately the Issuer's ability to make interest payments and payments of principal.

Potential investors should carefully consider, taking into account their own circumstances and investment objectives, the risk factors below and other information in this Programme Memorandum before deciding on making an investment in the Notes. Additional risks and uncertainties not known to the Issuer as at the date of this Programme Memorandum or that the Issuer currently deems to be immaterial, may also materially and adversely affect its business, results of operations and financial condition. Accordingly, prospective investors should make their own independent assessment of the risks related to any investment in the Notes and of the economic and regulatory environment in which the Issuer operates.

POLITICAL AND ECONOMIC CONSIDERATIONS

As with any transitional economy, political disruptions could adversely impact on the Republic of Botswana's business community for all sectors of the economy.

The Republic of Botswana has, however, benefitted from a relatively stable political environment. Continuity of the Republic of Botswana's market based economic reforms will be a key component of sustainable future growth.

RISKS RELATING TO THE BUSINESS OPERATIONS OF THE ISSUER

Introduction

Access Botswana recognizes that effective risk management is fundamental to good banking practice. Pursuant to this, Access Botswana has established guidelines for managing risk in each

area of its business to ensure that its risk management system will be in line with international practice standards in accordance with the guidelines under Basel II.

Access Botswana's Risk Management Committee plays a significant role in prescribing the risk management policy which has been approved by the Board of Directors based on the Risk Management Committee's recommendation. The objectives are to manage the relevant risks within designated parameters, including the maintenance of capital in accordance with the revised capital adequacy requirements under the Basel II rules and the management of business to achieve an appropriate rate of return.

Major risks that may affect the operations of Access Bank Botswana include:

- credit risk;
- market risk;
- liquidity risk;
- capital adequacy risk; and
- operational risk.

CREDIT RISK

Definition

Credit Risk is the risk that the borrower may be unable or unwilling to repay any debt owed to Access Botswana, or to honour other contractual commitments.

Credit Risk Factors

These are the factors that may affect the ability of borrowers to fully repay loans and include factors which may affect Access Botswana's ability to resolve non-performing loans.

Credit Risk Management

In managing credit risk, Access Botswana has clearly specified the processes for credit approval which include the formulation of credit policy, the credit risk rating for customers, and the establishment of different levels of delegation of authority for credit approval depending upon the type of business and/or the size of the credit line.

Access Botswana has implemented the following structural process to monitor Credit Risk:

- risk management through analysing and reporting to management on the status of risks in various areas of Access Botswana, as well as providing recommendations for the review of the overall risk policy of Access Botswana in anticipation of, and in compliance with new rules, regulations and international standards;
- credit management through supervising and monitoring credit extensions in accordance with Access Botswana's credit policies as follows:
- to co-ordinate the improvement and adjustment of the credit policy, and to disseminate the credit policy, credit standards and credit processes; to monitor and to oversee exceptional cases which are inconsistent with the credit policy;
- to oversee the quality of credit extensions to ensure they are in line with the credit policy and credit underwriting standards, review the appropriateness of loan structures as well as the results of customers' credit risk ratings, promote the development of a good credit culture, and maintain a systematic and reliable credit extension process;
- to analyse and make recommendations for adjustments to the portfolio structure, recommend the appropriate portfolio composition and the provision of reserves for losses at the portfolio level, develop and oversee credit risk management tools and methodologies, construct credit databases and oversee related management standards;
- to review credit quality and credit management processes, assess the adequacy of loan loss reserves, and evaluate compliance with credit policy, regulations and credit underwriting standards;
- to manage non-performing loans, and determine and execute strategies for the resolution and restructuring of troubled loans: and
- to initiate legal action, negotiate loan settlements, or seize collateral and to manage and dispose of such foreclosed assets obtained from loan recovery processes and from legal actions.

MARKET RISK

Definition

Market Risk is the risk that arises from fluctuations in interest rates, exchange rates and the prices of instruments used in the money and capital markets, all of which may affect the financial performance of Access Botswana.

Market Risk Factors

Interest rate risk is a major factor in determining Access Botswana's interest income from assets and interest expenses on liabilities. Access Botswana is exposed to interest rate risk as interest rates for its assets and liabilities may be adjusted at different times, or assets and liabilities may be subject to different contractual maturities, or movements of the benchmark interest rates on assets and liabilities may be inconsistent with one another, thus having an impact on Access Botswana's net interest income.

Major interest rate risk factors include the monetary policy adopted by BoB to maintain the balance between economic growth and pricing stability, as well as to maintain interest rates at an appropriate level in light of prevailing global economic conditions. Furthermore, competition among banks for market share in Botswana, especially with regard to deposits which are Access Botswana's primary source of funding and credit extension, may narrow the spread between deposit and lending interest rates which could affect Access Botswana's net interest income.

Foreign exchange rate risk may arise if and when Access Botswana executes transactions in foreign currencies which may in turn lead to an overbought or oversold position in a particular currency. These transactions include foreign currency exchange, investments, loans, borrowings, contractual commitments, and the use of financial derivatives in foreign currencies. Access Botswana may incur gains or losses as a result of movements in exchange rates.

Foreign exchange rate risk factors include the increasing volatility of foreign exchange rates as a result of imbalances in global trade.

Market Risk Management

The Asset and Liability Management Committee ("**ALCO**") is responsible for establishing guidelines for the management of assets and liabilities. ALCO is also responsible for monitoring and managing

interest rate risks at an acceptable level with minimal fluctuations, and in compliance with the policies set by the Risk and Audit Committee, and the Board of Directors. ALCO is concerned with identifying, assessing, monitoring, reporting and controlling Access Botswana's market risk.

The treasury division manages and controls day-to-day trading of foreign currencies and manages Access Botswana's liquidity portfolio in line with Access Botswana's policy. The treasury division's activities are monitored by ALCO to determine whether the risks taken are in line with the relevant monitoring references and ALCO reviews the appropriateness of the overall position and the limits of the monitoring references on a regular basis. In addition, Access Botswana may enter into interest rate and currency derivative transactions with the purpose of managing Access Botswana's position against imbalances in interest rate and foreign exchange positions, or of providing limited derivative services to certain selected major corporate customers and/or large domestic and international financial institutions. Such financial derivatives may include foreign exchange forward transactions as well as currency rate and interest rate swaps.

LIQUIDITY RISK

Definition

Liquidity Risk is the risk that Access Botswana may not be able to meet cash flow obligations within a stipulated timeframe. The purpose of Access Botswana's liquidity risk management is to maintain suitable and sufficient funds to meet present and future liquidity obligations while managing the use of the funds to generate an appropriate return in light of prevailing market conditions.

Liquidity Risk Factors

Access Botswana manages its liquidity risk by diversifying its source of funds. Liquidity management is done through domestic money and capital markets including swap and repurchase markets, and through international money and capital markets in such currencies as US dollar and Euro. Access Botswana seeks to minimize its liquidity costs and risks in line with market conditions by closely managing its liquidity position on a short-term and long-term basis, as well as exercising due care in using short-term and medium-term borrowings from overseas to fund foreign currency loans extended to domestic and overseas customers. Access Botswana also considers raising long-term funding as market conditions permit.

Liquidity and funding risk is mainly identified through financial analysis of the balance sheet, and comparison of various metrics against regulatory as well as industry. A liquidity report is produced

on a daily basis and shared with management. Metrics tracked include movements in deposits, changes in deposit mix, deposit concentration, liquid asset ratio, loan deposit ratio, extent of reliance on interbank and liquidity coverage ratio. A rating is produced in line with the risk rating matrix ranging from minor to extreme. A rating of moderate or better is preferred.

Liquidity Risk Management

Access Botswana manages its liquidity risk by diversifying its source of funds. Liquidity management is done through domestic money and capital markets including swap and repurchase markets, and through international money and capital markets in such currencies as US dollar and Euro. Access Botswana seeks to minimize its liquidity costs and risks in line with market conditions by closely managing its liquidity position on a short-term and long-term basis, as well as exercising due care in using short-term and medium-term borrowings from overseas to fund foreign currency loans extended to domestic and overseas customers. Access Botswana also considers raising long-term funding as market conditions permit.

CAPITAL ADEQUACY RISK

Definition

Capital Adequacy Risk is the risk that Access Botswana may not have sufficient capital reserves to operate its business or to absorb unexpected losses arising from credit, market and operational risks.

Capital Adequacy Risk Factors

Commercial banks in Botswana are required to comply with the BoB's rules for capital adequacy. The Basel II framework has established new risk weightings for different types of assets and imposes minimum capital requirements for market risks and operational risks, all of which have had a direct impact on Access Botswana's capital adequacy ratio and the provisioning for doubtful accounts. Access Botswana is fully compliant with and exceeds the Basel II requirements.

Capital Adequacy Risk Management

The objective of Access Bank Botswana's capital management policy is to maintain an adequate level of capital to support growth strategies under an acceptable risk framework, and to meet regulatory requirements and market expectations. Access Botswana produces a three year

capital plan which factors anticipated growth in risk weighted assets at the beginning of every year and is approved by the board of directors.

Access Botswana has sufficient capital to cover the risk assets in full and submits monthly capital adequacy reports as required. There is no certainty that the current requirements will not be increased or decreased in the future and Access Botswana may need to respond to any changes accordingly.

OPERATIONAL RISK

Definition

Operational Risk is the risk of loss from failed or inadequate internal processes, people and systems or from external events. This includes legal risks but does not include strategic risks and reputational risks.

Operational Risk Factors

Significant operational risk factors include internal factors such as the efficiency of internal processes and internal control systems, including operational processes, supporting business operations, and processes for taking care of personnel. Factors related to personnel include appropriate staffing levels, staff qualifications and efficiency.

Factors related to the operating systems of Access Botswana include the capability to support business operations, the complexity of systems which may cause risks, the issue of data security, the accuracy of data processing, and the development of and changes in technologies.

Operational Risk Factors also include external factors outside Access Botswana's control including actions by outsiders such as theft or embezzlement of assets or data, and catastrophic or natural disasters that damage Access Botswana's assets.

Operational Risk Management

Access Botswana understands that good operational risk management is vital to long-term and sustainable business success in the face of global and domestic economic factors, political factors, terrorism, natural disasters and pandemics.

Access Botswana's operational risk management includes defining, assessing, and monitoring, mitigating and controlling risk.

A key principle underlying Access Botswana's operational risk management is to educate staff throughout the organization by providing them with a consistent understanding of operational risks, so that they are able to accurately and completely identify the operational risks, assess the significance of each potential risk, analyse details to find appropriate solutions to mitigate risks, and implement the selected solutions to minimize risks.

Access Botswana is prepared to comply with all three principles of the Basel II framework, namely readiness in maintaining capital adequacy to cover operational risk, readiness in establishing a good risk management system by implementing processes for managing operational risk throughout the organization, and readiness in terms of information to support concerned parties in assessing the risks surrounding Access Botswana.

RISKS RELATING TO THE NOTES GENERALLY

Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact that such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that an Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the

rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than prevailing rates on its Notes.

Notes issued at a substantial discount or Margin

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

An investor in the Notes may also need to consider the following additional risks:

Legal Risk

Legal Risk refers to the possibility that an investor in the Notes may be unable to enforce its rights or judgement in a court of law, in relation to the Conditions of the Notes.

Market Risk

Market Risk refers to the systematic risk that is inherent in the market as a whole, largely driven by general macro-economic factors including inflation and the level of interest rates.

Emerging markets are subject to risks, and financial turmoil in any emerging market could disrupt business as well as cause the price of the Notes to suffer. There can be no assurance that investors' interests in the Notes will not be negatively affected by events in the Republic of Botswana, other emerging markets or the global economy in general, and investors in the Notes should be aware that past performance of any investment or the economy in general may not necessarily be an indication of future expected performance.

Default Risk

Default Risk is the risk that the Issuer may not meet its debt repayment obligations. In order to assess the level of default risk associated with the Notes, an investor needs to carefully consider the Issuer's operating history, track record and profitability, as well as the level of subscribed and callable shareholder capital available to the Issuer.

Interest Rate Risk

Interest rate risk consists of two components, namely price risk and reinvestment risk. Price risk refers to the risk that when interest rates (bond yields) rise, the value or price of a bond will fall, and the converse will occur when interest rates fall. The degree to which this will occur depends upon the interest rate sensitivity and the duration of the bond. This is particularly true for a Fixed Rate Note issue, but less so for a Floating Rate Note or instrument.

Reinvestment risk is the risk that if interest rates fall and an issuer exercises its Call option prior to the maturity date of the bonds, the investor may have to reinvest its cash flows at a lower rate of interest, resulting in a lower total return or holding period return than that originally envisaged.

An investor in the Notes may need to carefully consider the potential fall in value of its investment arising from price risk and also the potential loss of reinvestment income resulting from reinvestment risk prior to investing in any Notes.

THE BOARD OF THE ISSUER

Board of Directors	Workplace Address and Position Held	Experience/ Professional/ Academic Qualification	Other Institutions in which He/she is a Director
INDEPENDENT NON – EXECUTIVE DIRECTORS			
<p>Mrs Lorato Nthando Mosefihanyane</p> <p>Board Chairperson</p> <p>Nationality - Motswana</p> <p>Risk Management and Compliance Committee (Member)</p> <p>Governance, Nomination and Remuneration Committee (Member)</p> <p>Appointment Date: July 01, 2014</p> <p>Appointed Chairperson on March 19, 2019</p> <p>Shares held in issuer: NIL</p>	<p>Managing Director</p> <p>PinnaLead (Pty) Limited</p> <p>Plot 74769</p> <p>1st Floor Mowana Mews</p> <p>Central Business District</p> <p>P O Box 47306</p> <p>Gaborone</p>	<ul style="list-style-type: none"> • Association of Chartered Certified Accountants (ACCA) • Master of Arts (Business Administration) • Bachelor of Commerce • Associate Coaching Certificate • Professional Coaching Course 	<ul style="list-style-type: none"> • PinnaLead (Pty) Limited • G4S Botswana • Kingdom Arts Academy
<p>Mr Jacob Mooketsi Motlhabane</p> <p>Nationality – Motswana</p> <p>Audit Committee (Chairperson)</p> <p>Credit and Finance Committee</p>	<p>Managing Director</p> <p>CNCF Investments (Pty) Limited</p> <p>Plot 15326, Phiring Broadhurst</p> <p>P O Box 2973</p> <p>Gaborone</p>	<ul style="list-style-type: none"> • Bachelor of Commerce (Accounting) • Chartered Institute of Management Accounting (Ongoing) • Master of Business Administration (Ongoing) 	<ul style="list-style-type: none"> • CNCF Investments • Eastbourne (Pty) Limited • Botswana Society for the Arts • Spring Trends Holdings

Board of Directors	Workplace Address and Position Held	Experience/ Professional/ Academic Qualification	Other Institutions in which He/she is a Director
<p>(Member)</p> <p>Appointed September 29, 2014</p> <p>Shares held in issuer: NIL</p>			
<p>Mr Joshua Benjamin Galeforolwe</p> <p>Nationality – Motswana</p> <p>Governance, Nomination and Remuneration Committee (Chairperson)</p> <p>Risk Management and Compliance (Member)</p> <p>Appointment Date: April 01, 2018</p> <p>Shares held in issuer: NIL</p>	<p>Managing Consultant Westcliff Capital (Pty) Limited</p> <p>P O Box 601944 Gaborone</p>	<ul style="list-style-type: none"> • Bachelor of Commerce (Accounting) • Part 1 of Bachelor of Arts (Economics) • Management and Development Programme • Institute of Accountants (Stage 1) 	<ul style="list-style-type: none"> • Orange Botswana (Pty) Limited • Mosokelatseng Cellular (Pty) Limited • Julius Klein Diamonds (Pty) Limited • Westcliff Capital (Pty) Limited • Gold Heir (Pty) Limited • St Peter's Day Care Centre Mogoditshane – Anglican Church
<p>Mr Boiki Matema Wabo Tema</p> <p>Nationality – Motswana</p> <p>Non-Executive Director</p> <p>Audit Committee (Member)</p> <p>Credit and Finance Committee (Chairperson)</p> <p>Appointment Date: October 03, 2018</p>	<p>Per Square Meter Investments</p> <p>P O Box 1929 Gaborone</p>	<ul style="list-style-type: none"> • Master of Science (Strategic Management) • Bachelor of Arts – Economics • Diploma in Financial Management • Diploma in Banking (Stage 1) 	<ul style="list-style-type: none"> • Mesure Botswana (Pty) Limited • Timeland (Pty) Ltd • Per Square Meter Investments

Board of Directors	Workplace Address and Position Held	Experience/ Professional/ Academic Qualification	Other Institutions in which He/she is a Director
Shares held in issuer: NIL			
<p>Mrs Ntoti Moseitlhe</p> <p>Nationality – Motswana</p> <p>Non-Executive Director</p> <p>Governance, Nomination and Remuneration Committee (Member)</p> <p>Risk Management & Compliance Committee (Chairperson)</p> <p>Appointed November 01, 2018</p> <p>Shares held in issuer: NIL</p>	<p>NM Complete Solutions</p> <p>P O Box 2045</p> <p>Gaborone</p>	<ul style="list-style-type: none"> • Master of Business Administration • Bachelor of Administration (Politics and Administration) • Certificate in Manpower Planning • Strategic Management of Service • Executive Program in International Management 	<ul style="list-style-type: none"> • Mantapole Investment • NM Complete People Solutions • Complete Insurance Brokers
<p>Mr John Bosco Sebabi</p> <p>Nationality - Rwandan</p> <p>Credit and Finance Committee (Member)</p> <p>Audit Committee (Member)</p> <p>Non-Executive Director</p> <p>Appointment Date: June 03, 2020</p> <p>Shares held in issuer: NIL</p>	<p>Chief Executive and Founder</p> <p>Fortis Consult</p> <p>KG 14 Ave 208, Kigali</p> <p>Rwanda</p>	<ul style="list-style-type: none"> • Master of International Economics, Banking and Finance • Bachelor of Economics • Associate Degree in Economics 	<ul style="list-style-type: none"> • Fortis Consult • BRALIRWA

Board of Directors	Workplace Address and Position Held	Experience/ Professional/ Academic Qualification	Other Institutions in which He/she is a Director
<p>Ms Lynda Mataka</p> <p>Nationality – Zambian</p> <p>Committees – TO BE ALLOCATED</p> <p>Appointment Date: 25 July 2022</p> <p>Shares held in issuer: NIL</p>	<p>Managing Partner</p> <p>TMS Legal Practitioners</p> <p>Apt No 7, No.13</p> <p>Reedbuck Road</p> <p>Kabulonga</p> <p>P O Box 35564, Lusaka, Zambia</p>	<ul style="list-style-type: none"> • LLB degree. • Postgraduate Diploma in Legal Drafting. • Master's Degree in International Business Law (LLM). 	<ul style="list-style-type: none"> • Dangote Cement (Zambia) Limited • Dangote Quarries (Zambia) Limited • Airtel Networks Zambia Plc • The Industrial Development Corporation.
Non – Independent Directors			
<p>Mr Oluseyi Kolawole Kumapeyi (R)</p> <p>Nationality - Nigerian</p> <p>Non-Executive Director</p> <p>Governance Nomination & Remuneration Committee (Member)</p> <p>Audit Committee (Member)</p> <p>Appointment Date: November 5, 2021</p> <p>Shares held in issuer: NIL</p>	<p>Executive Director – Access Bank plc</p> <p>Plot 14/15 Prince Alaba</p> <p>Oniru Str, Victoria Island</p> <p>Lagos Nigeria</p>	<ul style="list-style-type: none"> • University of Ibadan: Bachelor's degree in Agricultural Engineering, 1994 • University of Lagos: Master's in Mechanical Engineering, 1997 • Harvard Business School General Management Program, 2015 • Fellow Institute of Chartered Accountants (FCA) 2014 • Global Association of Risk Professionals (GARP) Member 2009 • Chartered Institute of Bankers (CIBN) 2009 • Chartered Institute of Taxation (CITN) 2012 	<ul style="list-style-type: none"> • Access Bank plc

Board of Directors	Workplace Address and Position Held	Experience/ Professional/ Academic Qualification	Other Institutions in which He/she is a Director
<p>Robert Michael Yorwerth Giles (R)</p> <p>Nationality - British</p> <p>Credit and Finance Committee (Member)</p> <p>Risk Management and Compliance Committee (Member)</p> <p>Shares held in issuer: NIL</p>	<p>Senior Banking Adviser – Retail Banking Access Bank plc</p> <p>14/15 Prince Alaba Oniru Victoria Island</p>	<ul style="list-style-type: none"> • Bachelor of Science, Geography • Postgraduate Diploma in Management • London Business School – Innovating in the Digital World • Wharton Business School (Bespoke programme with Women's World banking 2017) • Leadership for Cutting Edge – University of Pretoria 	<ul style="list-style-type: none"> • Sparkle Nigeria
Executive Directors			
<p>Mrs Ratang Icho – Molebatsi</p> <p>Nationality - Motswana</p> <p>Risk and Compliance Committee</p> <p>Loans Review Committee</p> <p>Audit Committee</p> <p>Credit Committee</p> <p>Appointment Date: September 10, 2019</p> <p>Shares held in issuer: NIL</p>	<p>Finance Director Access Bank House Plot 62433 Fairgrounds Office Park Private Bag 00303 Gaborone</p> <p>Tel: (267) 367 4 300</p> <p>Fax: (267) 390 5 857</p>	<ul style="list-style-type: none"> • MSc Strategic Management • Institute of Chartered Management Accountancy (CIMA) • BA Economics & Accounting 	<p>NIL</p>

Board Meetings

The Board of Directors ("**Board**") of the Issuer meets at least once a quarter and all directors are expected to attend those meetings.

Board Committees

The following committees exist in line with regulatory requirements to assist the Board in discharging its responsibilities:

Risk Management and Compliance Committee

The committee is chaired by Mrs Ntoti Mosetlhe, a non-executive director. Its fundamental mandate is to assist the Board in overseeing Access Botswana's full adherence to the management of the overall risk framework. In fulfilling this mandate, it oversees the maintenance and implementation of appropriate compliance systems, policies, procedures, regulatory or statutory requirements across Access Botswana. Under the same mandate, it further provides close guidance for the monitoring of Access Botswana's risk appetite and capital management.

Credit and Finance Committee

The committee is chaired by Mr Boiki Matema Wabo Tema, a non-executive director. The committee's principal functions are two pronged. The first one concerns the review of Access Botswana's annual and half-yearly reports, prospectuses, trading updates, interim management statements, and any other formal announcement relating to its financial performance, reviewing, and reporting to the Board on significant financial reporting issues. Under this function, the Credit and Finance Committee focuses on monitoring financial controls, accounting systems, shareholder reporting, and adherence to appropriate accounting standards in line with the KING IV Code corporate governance best practice.

The second function is in connection with the review and report to the Board on Access Botswana's loan portfolio on at least a quarterly basis. The committee places specific emphasis on ensuring conformity of the loan portfolio and lending function to a sound documented lending policy. The committee is further tasked with the quarterly review of the adequacy of provisions made with respect to loans and makes recommendations to the Board in this regard. It also reviews facilities for write offs and recommends to the Board.

Audit committee

The Audit Committee, guided by its written Terms of Reference which are reviewed annually by the Board, and are in compliance with the Banking Act, meets at least four (4) times per year to monitor the integrity of the financial statements of Access Botswana.

Governance, Nomination and Remuneration Committee

The Governance, Nomination and Remuneration Committee convenes four (4) times annually. This Committee is tasked with the mandate of discussing and making recommendations on the appointment of new executive and non-executive directors, including making recommendations to the composition of the Board generally and the balance between executive and non-executive directors appointed to the Board, as well as regularly reviewing the Board structure, size and composition, and making recommendations with regards to any adjustments that are deemed necessary. The Governance, Nomination and Remuneration Committee is chaired by a senior independent director, Mr. Joshua Benjamin Galeforolwe.

APPOINTMENT AND REMUNERATION OF THE BOARD

Directors fees paid to Non-Executive Directors for the year ended 31 December 2021 amounted to BWP 3,877,700.

No contracts relating to royalties, secretarial and technical fees existed for the period under review.

CORPORATE GOVERNANCE

The role and responsibility of the Board is to set the strategic direction and guide the implementation of Access Botswana's strategy. In line with, amongst others, the BSE Equity Listings Requirements, the Board must discharge its responsibilities in line with the King IV Code on Corporate Governance ("**King IV**").

The Board continues to adhere to the principles of King IV; this includes ensuring that the Board comprises the appropriate balance of knowledge, skills, experience, diversity, and independence to enable the Board, individually and collectively, to discharge their governance role responsibly, objectively, and effectively.

For the year ended 31 December 2021, the Board was compliant with 16 King IV principles, out of a total of 17, as principle 17 relates to institutional investors and governing bodies. The table below reflects the King IV principles and the level of the Access Botswana's compliance:

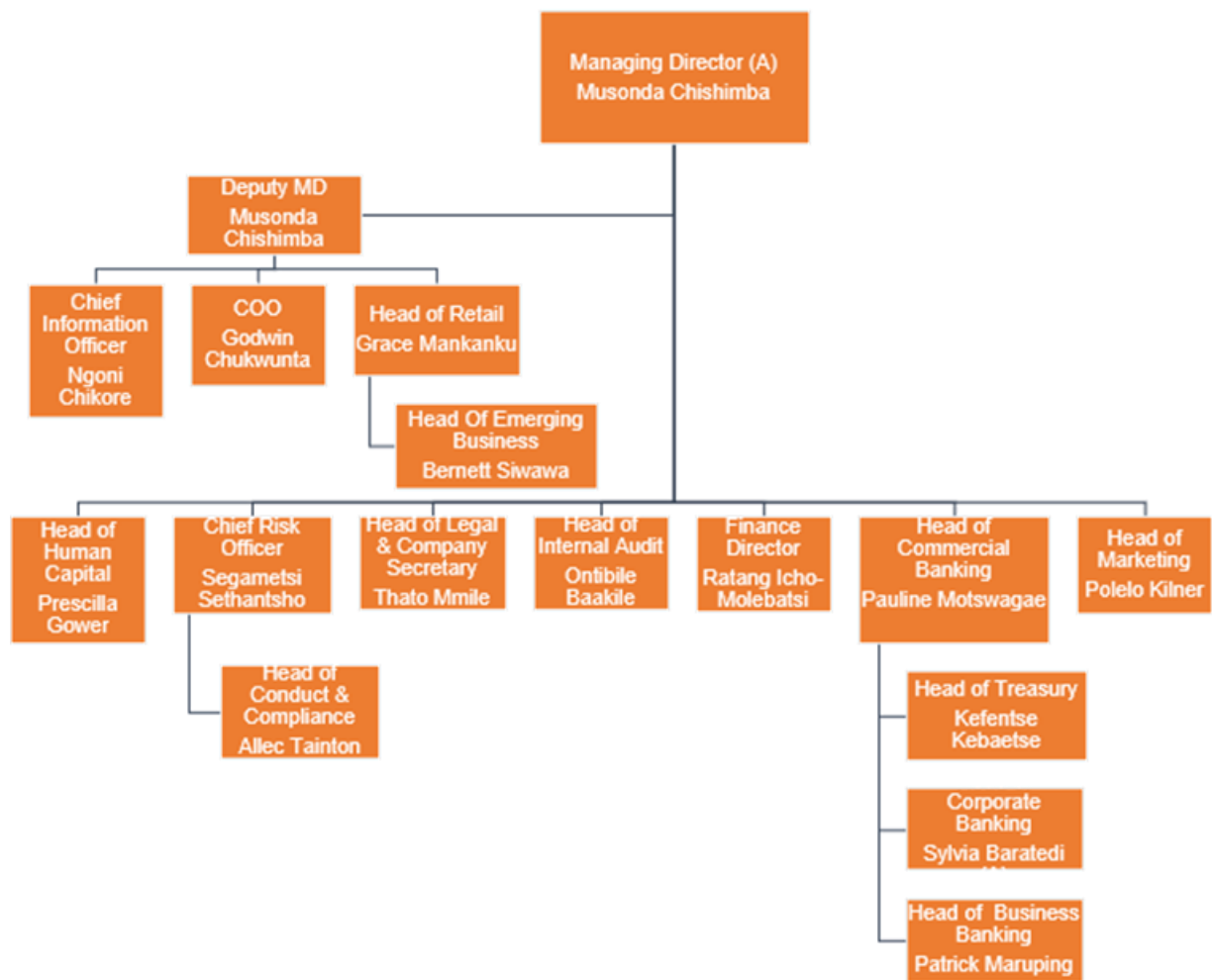
Principle	Explanation	Status
Principle 1	Access Botswana has adopted a Code of Conduct for its Board, which sets out basic principles to guide the actions of members of the Board in matters of professional ethics and behaviour.	Compliant
Principle 2	Access Botswana has adopted a Code of Conduct for all employees. This Code of Conduct covers all areas of business practices, procedures and sets out basic principles to guide the actions and conduct of employees in matters of professional ethics and behaviour.	Compliant
Principle 3	The Board has approved a Corporate Social Responsibility ("CSR") strategy. A CSR Committee has been introduced.	Compliant
Principle 4	Access Botswana's strategy has been approved by the Board. Access Botswana's management provides regular updates to the Board on the execution of the strategy.	Compliant
Principle 5	Access Botswana's internal auditors review management reports for accuracy and completeness. The internal auditors report to the Board through the Audit Committee.	Compliant
Principle 6	The Board discharges its functions in leading Access Botswana's strategic direction in full compliance of the applicable laws, rules and the principles of King IV.	Compliant
Principle 7	Access Botswana strives to ensure that its Board is comprised of the appropriate balance of knowledge, skills, experience and diversity.	Compliant
Principle 8	Access Botswana maintains standing Board committees to ensure continued effective delegation of power, spread of authority, and promotion of independent judgment.	Compliant
Principle 9	Access Botswana conducts board evaluations annually to assess areas of improvement for Board performance and effectiveness. Where necessary, Access Botswana implements remedial action.	Compliant

Principle 10	All executive managers have been approved by the Board, which has delegated authority in accordance with Access Botswana's delegation of authority policies.	Compliant
Principle 11	The Board has approved all risk policies and receives periodic reports through Access Botswana's governance channels on all material risk issues.	Compliant
Principle 12	The Board has approved all Information Technology ("IT") policies, IT strategy and receives regular updates on implementations.	Compliant
Principle 13	The Board has approved all compliance policies, compliance monitoring plans which ensures compliance with all applicable laws. The Board receives regular reports on all regulatory issues having a direct impact on Access Botswana.	Compliant
Principle 14	The Board has approved a remuneration policy that ensures a fair and transparent reward structure.	Compliant
Principle 15	The Board has approved the operational risk management framework and receives reports on a regular basis through the Risk Management and Compliance Committee as well as the Audit Committee.	Compliant
Principle 16	The Board has adopted a shareholder inclusive approach in terms of engagement through regular meetings.	Compliant
Principle 17	Not applicable as Access Botswana is neither an institutional investor nor a governing body.	N/A

MANAGEMENT OF THE ISSUER

MANAGEMENT STRUCTURE

The organogram below illustrates the management structure of the Issuer and highlights the various operating divisions and the reporting lines.



KEY MANAGEMENT

Management of the Issuer is vested in the Managing Director, who shall advise and where appropriate act on the recommendations of an executive committee. Details of senior management are as follows:

ACCESS BOTSWANA SENIOR MANAGEMENT				
Senior Management	Nationality	Workplace Address	Date of First Appointment	Professional/ Academic Qualifications
Ms Musonda Chishimba Musakanya Acting Managing Director	Zambian	Access House, Plot 62433, Fairgrounds Office Park, P/Bag 00303, Gaborone Tel: (+267) 367 4300 Fax: (+267) 390 5857	October 1, 2022	<ul style="list-style-type: none"> • MBA (Master of Business Administration) specialising in Finance, Herriot Watt Business School, UK • B.Sc. Honours in Computing & Diploma in Industrial Studies, Loughborough University, UK
Mrs Ratang Icho-Molebatsi Finance Director	Motswana	Access House, Plot 62433, Fairgrounds Office Park, P/Bag 00303, Gaborone Tel: (+267) 367 4300 Fax: (+267) 397 1600	July 26, 2019	<ul style="list-style-type: none"> • MSC Strategic Management • Association of Chartered Certified Accountants • Bachelor of Arts - Economics & Accounting
Mrs Pauline Motswagae Head, Wholesale Banking	Motswana	Access House, Plot 62433, Fairgrounds Office Park, P/Bag 00303, Gaborone Tel: (+267) 367 4300 Fax: (+267) 390 2131	May 31, 2019	<ul style="list-style-type: none"> • MBA • Bachelor of Arts, Economics and Accounting • Associate diploma in Banking • Senior Management programme

Ms Prescilla Gower Head, Human Resources	Motswana	Access House, Plot 62433, Fairgrounds Office Park, P/Bag 00303, Gaborone Tel: (+267) 367 4300 Fax: (+267) 390 5857	February 14, 2023	<ul style="list-style-type: none"> • MBA (ongoing) • Bachelor's Degree (Psychology and Sociology) • Leadership Development Programmes
Mrs Thato Mmole Head, Legal & Company Secretary	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303, Gaborone Tel: (+267) 367 4300 Fax: (+267) 397 1600	December 8, 2016	<ul style="list-style-type: none"> • Leadership Development Programmes • Bachelor of Laws
Ms. Polelo Kilner Head, Marketing and Communications	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 Fax:(+267)390 1583	November 2, 2017	<ul style="list-style-type: none"> • Post Graduate in Marketing Management • Bachelor of Arts in Humanities French(major)/English(minor)
Mr. David Reetsang (Acting) Chief Operations Officer	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 DL: (+267) 399 6746 Fax:(+267) 3901583 Cell: 71308447	May 1, 2019	<ul style="list-style-type: none"> • BSc (Hons) Computer Science / Software Engineering • Prince II Certified Project Manager, Business Process Management Specialist, TOGAF Certified Enterprise Architect

Mr. Ngoni Chikore Head, Information Technology	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 Fax:(+267)390 1583	October 15, 2021	<ul style="list-style-type: none"> • BSc Computer Engineering • Corbit 5 Certified Data Centre Professional
Ms. Kagiso Grace Setlhare-Mankanku Head, Retail Banking Department	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 Fax:(+267)390 1583	November 2, 2017	<ul style="list-style-type: none"> • Master of business Administration • Bachelor of Commerce (Accounting) • Senior Management Program • Management Development Program • Master's degree in Business Administration
Ms. Ontibile Baakile Head, Internal Audit Department	Motswana	Access House, Plot 62433, Fairgrounds Office Park, P/Bag 00303, Gaborone Tel: (+267) 367 4300 Fax: (+267) 390 5857	December 1, 2019	<ul style="list-style-type: none"> • ACCA(FCCA) • National Diploma in Accounting and Business Studies • Certificate in Accountancy and Business Studies • Higher Diploma in Accounting and Business Studies
Mrs Segametsi Sethantsho Chief Risk Officer	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 Fax:(+267)390 1583	June 13, 2018	<ul style="list-style-type: none"> • BA Honors in Economics and Environmental Science • Masters in Leadership and Change Management

Mr. Kefentse Kebaetse Head, Treasury	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 Fax:(+267)390 1583	October 01, 2021	<ul style="list-style-type: none"> • Bachelor of Commerce - Marketing and Finance • ACI – Dealing • ACI - Operations
Mr. Allec Tainton Head, Conduct and Compliance	Motswana	Access House, Plot 62433 Fairgrounds Office Park P/Bag 00303 Gaborone Tel: (+267) 367 4300 Fax:(+267)390 1583	May 01, 2015	<ul style="list-style-type: none"> • Bachelor of Accountancy- University of Botswana • Association of Chartered Certified Accountants (ACCA- UK)

BORROWING POWERS

The Issuer's constitution authorises it to borrow, raise or secure the payment of money for the purpose of or in connection with the Issuer's business.

HEAD OFFICE, COMPANY SECRETARY, AND COMPLIANCE OFFICER

The head office of the Issuer is located at Access House Plot 62433, Office Park, Fairgrounds, Gaborone, Botswana.

The Company Secretary to the Issuer is Mrs Thato Mmile.

The Issuer's Compliance Officer is Mr Allec Tainton.

OWNERSHIP OF THE ISSUER

The majority shareholding of 78.15% in Access Botswana is owned by the Access Bank Plc. Access Bank Plc is a wholly owned subsidiary of Access Holdings Plc. As such, Access Botswana (indirectly) has an ultimate parent company ("**Access Holdings Plc**") who is the holding company of Access

Botswana's intermediate parent company, Access Bank Plc. Indirectly (through the ownership corporate structure), Access Holdings Plc indirectly owns 100% of the 78.15% that Access Bank Plc owns in Access Botswana.

MATERIAL CONTRACTS

The following are the material contracts of the Issuer as at the date of this Programme Memorandum:

African Alliance Proprietary Limited ("**African Alliance**")

The bond with African Alliance was obtained on 19 October 2016. The instrument bears interest at a fixed rate of 8% per annum, with a tenor of 7 years. Interest is paid bi-annually. The loan was due for call up on or before the 19 of October 2018. The Group did not exercise its right to call up the facility.

Gryphon Proprietary Limited ("**Gryphon**")

The bond with Gryphon (subordinated debt) was obtained on 19 October 2016. The instrument bears interest at a fixed rate of 8% per annum, with a tenor of 7 years. Interest is paid bi-annually. The loan was due for call up on or before the 19 of October 2018. The Group did not exercise its right to call up the facility.

Botswana Insurance fund Management Proprietary Limited ("**BIFM**")

The bond with BIFM was obtained on 19 October 2016. The instrument bears interest at a fixed rate of 8% per annum, with a tenor of 7 years. Interest is paid bi-annually. The loan was due for call up on or before the 19 of October 2018. The Group did not exercise its right to call up the facility.

Kgori Capital Proprietary Limited ("**Kgori**")

The bond with Kgori was obtained on 19 October 2016. The instrument bears interest at a fixed rate of 8% per annum, with a tenor of 7 years. Interest is paid bi-annually. The loan was due for call up on or before the 19 of October 2018. The Group did not exercise its right to call up the facility.

Overseas Private Investment Corporation ("**OPIC**")

On 7 March 2017, the Bank finalised a USD 40 million Fintech and Financial Inclusion Debt Facility provided by OPIC. The debt facility was used to provide access to finance for SMEs, individuals and to support Access Botswana's efforts to accelerate its digital finance initiatives, which are key areas of Access Botswana's strategy. The loan has a 7-year tenor with a 3-year moratorium on capital. Interest is paid quarterly during the three years and the capital is paid in 16 equal instalments after year 3. The rate is three-month Libor plus a margin of 4.45%. The value of loans pledged as security as at 31 December 2021 is BWP 469 759 090 (2020: BWP 479 540 515). The loan matures on 07 March 2024.

Microfinance Enhancement Facility SA, SICAV-SIF ("**MEF**")

On 17 January 2019 Access Botswana finalised a USD 10 million debt facility with MEF, an investment company with variable capital established as a Luxembourg specialised Investment fund, organised and existing under the laws of Luxembourg, registered with the Luxembourg Trade and Companies Register. The debt facility will be used to finance Access Botswana's asset growth, as well as to manage any potential liquidity mismatches. The debt facility has a 3-year tenor. Interest is paid half yearly during the three years. The facility is priced at Libor plus a margin of 4.25bps. This facility matured and was fully repaid in January 2022.

Société De Promotion Et De Participation Pour La Coopération Économique S.A. ("**Proparco**")

On 16 April 2020 Access Botswana entered into a USD 10 million credit facility agreement with Proparco, a development financial institution registered as a société nominee in France. The debt facility was used to finance Access Botswana's strategy growth. The facility bears interest at prime rate plus a margin of 2% and matures on 15 April 2030.

BBS Bank Limited (formerly Botswana Building Society) ("**BBS**")

On 9 December 2008 the Issuer obtained a loan facility of BWP 21 600 000 to finance the acquisition of its headquarters. The loan facility is secured by a covering mortgage bond in favour of BBS. Principal plus interest are repayable monthly. The loan matures on 31 December 2023.

Botswana Development Corporation (“**BDC**”)

The Issuer obtained a loan facility of BWP 150 000 000 from BDC in 2018. The facility is for 10 years (maturing 3 August 2028) at an interest rate of bank rate (currently 4.75%) and a margin of 4%. The facility qualifies as Tier II capital. The proceeds were used to re-pay the two ABC Holdings Ltd Tier II capital instruments of USD10 000 000 and BWP 31 000 000. The balance was applied to grow Access Botswana’s loan book.

MATERIAL LOANS OF THE ISSUER

The material loans of the Issuer are those recorded under the heading “**Material Contracts of the Issuer**”.

MATERIAL LOANS BY THE ISSUER

The Issuer is a licensed commercial bank and is in the business of making loans to its clients. Accordingly, such information is confidential to the Issuer’s clients in terms of the Banking Act.

FINANCIAL INFORMATION

The complete financial results for the past four financial years, including the full notes to the financial statements can be viewed at the offices of the Issuer during normal working hours or on the Issuer’s website: <https://botswana.accessbankplc.com>.

The documents listed below have been filed with the BSE and shall be deemed to be incorporated in and to form part of this Programme Memorandum and are available on the Issuer’s website, <https://botswana.accessbankplc.com>, and for inspection by Noteholders, during normal business hours after the date of this Programme Memorandum, at the registered offices of the Issuer as set out herein:

- a. the audited financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of the three years of the Issuer prior to the date of such issue;
- b. each Applicable Pricing Supplement; and

- c. any other supplement to the Programme Memorandum circulated by the Issuer from time to time.

INDEPENDENT AUDITOR'S REPORT DATED 30 MARCH 2022

PricewaterhouseCoopers has acted as the auditor of the Issuer for the financial years ended 31 December 2021 and 31 December 2022 and remains the appointed auditor of the Issuer at the date of this Programme Memorandum.

In respect of the Issuer's consolidated and separate financial statements for the year ended 31 December 2021, PricewaterhouseCoopers has issued an independent auditor's report to the Issuer's shareholders in accordance with the International Standards on Auditing, which report is dated 30 March 2022. The independent auditor's report should be read in conjunction with the audited consolidated and separate annual financial statements for the year ended 31 December 2021. The independent auditor's report, and the full set of the relevant financial statements, can be viewed at the offices of the Issuer during normal working hours or on the Issuer's website <https://botswana.accessbankplc.com>.

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 material changes

The directors confirm that there have been no material changes in the assets or liabilities of Access Botswana between the date of the last audited financial statements for the year ended 31 December 2021 and the date of this Programme Memorandum.

Statement as to adequacy of capital

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

Authorisations

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

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 material effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

Taxation

All payments in respect of the Botswana Notes will be made with deduction for or on account of taxes in accordance with Botswana law. As of the date of this Programme Memorandum, and pursuant to the provisions of the Income Tax Act of the Laws of Botswana, as amended, the Issuer is obliged to withhold 10% (ten per centum) on all payments of interest in respect of the Notes held by residents of Botswana unless the Noteholder is exempt from paying such tax. The issuer is obliged to withhold 15% (fifteen per centum) on all interest payments on Notes by non-residents, subject to any variation as may be prescribed by any double taxation agreement between the Republic of Botswana and any country in which the Noteholder is resident.

Disposal of the Notes will not be subject to capital gains tax in Botswana in terms of section 1 (d) of the Tenth Schedule of the Income Tax Act, as the Issuer is exempt in terms of section 130 (2) (a) (vi) of the Income Tax Act.

Listing

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

In the event that any Notes 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 BSE Debt 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 date hereof, certified copies of resolutions and authorisations of the Board of the Issuer in respect of the issue of the Notes, the Banking Act licence establishing the Issuer, audited financial statements of the Issuer for the previous three years, and the advisors' letters of consent are available for inspection, on request, at the principal place of business of the Issuer and the Transfer Secretary, 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 Secretary for 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;
- (c) any future prospectuses, Programme Memoranda, supplementary listing particulars, information memoranda and supplements (including the Pricing Supplements in respect of the Notes) to this Programme Memorandum and any other documents incorporated herein or therein by reference; and
- (d) the Trust Deed and any Supplementary Trust Deed.

RESPONSIBILITY STATEMENT OF MEMBERS OF THE BOARD

The members of the board, whose names are given on page 98 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 include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Programme Memorandum relates.

FOR AND ON BEHALF OF THE ISSUER ON THIS 31st DAY OF MAY 2023.



Name: Musonda Chishimba Musakanya

Capacity: **Acting Managing Director**

Duly authorised



Name: Ratang Icho-Molebatsi

Capacity: **Finance Director**

Duly authorised

Issuer

Access Bank Botswana Limited
Access House
Plot 62433
Fairgrounds Office Park
Gaborone, Botswana
Tel: +267 367 4300
Fax: +267 390 1583

Contacts: Ratang Icho Molebatsi
Ratang.Icho-Molebatsi@ACCESSBANKPLC.com

Arranger and Placing Agent

Standard Chartered Bank
Botswana Limited
5th Floor, Standard House
The Mall
P O Box 496
Gaborone, Botswana
Tel: +267 360 1500
Fax: +267 390 0915

Contacts: Luzibo Benza
Luzibo.Benza@sc.com

Appointed Auditors to the Issuer

PricewaterhouseCoopers
Plot 64289, Tlokweng Road
P O Box 294, Gaborone, Botswana
Tel: +267 370 9700

Contacts: Arup Kumar Kar
kar.arup@pwc.com

Legal Advisor to the Issuer

Bookbinder Business Law
9th Floor, iTowers North
Plot 54368, New CBD
Gaborone, Botswana
Telephone: + 267 3912397
Fax: +267 3912395

Contacts: Jeffrey Bookbinder
jeffrey@bookbinderlaw.co.bw
Obakeng Lebotse
obakeng@bookbinderlaw.co.bw

Sponsoring Broker

Motswedi Securities
Proprietary Limited
Plot 113, Unit 30, Kgale Mews
Gaborone P/Bag 00223,
Gaborone, Botswana
Telephone: +267 3188627
Fax: +267 3188629

Contacts: Martin Makgatthe
martin@motswedi.co.bw

Calculation and Paying Agent

Transaction Management Services
Proprietary Limited t/a Corpserve
Botswana Transfer Secretaries
Unit 206, Second Floor
Plot 64516, Showgrounds Close
Fairgrounds, Gaborone, Botswana
Tel: +267 393 2244
Fax: +267 393 2243

Contacts: Stephen Pezarro
stephen@corpservebotswana.com

Trustee

Olivia Maria Britz, *N.O.*

c/o Desert Secretarial Services

Proprietary Limited

Plot 64518, Fairgrounds Office Park

Tel: +267 395 2474

Fax: +267 395 2478

Contacts: Olivia Britz

olivia@dss.co.bw