

# NOTICE TO NOTEHOLDERS AND PROSPECTIVE NOTEHOLDERS CONVENING A NOTEHOLDER MEETING IN RELATION TO BHC 025



BOTSWANA HOUSING CORPORATION

(established under the Botswana Housing Corporation Act CAP 74:03 of the Laws of Botswana)

(BHC or the ISSUER)

BWP 2,000,000,000 NOTE PROGRAMME

NOTICE TO ALL NOTEHOLDERS AND PROSPECTIVE NOTEHOLDERS CONVENING A NOTEHOLDER MEETING  
IN RESPECT OF THE FOLLOWING NOTE:

BHC025 BWP 300,000,000 SENIOR UNSECURED LISTED NOTES DUE 10 DECEMBER 2025

ISIN BW0000002203

## Arranger



## Legal advisor to the issuer and arranger

**KHAN** CORPORATE  
LAW  
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## Sponsoring Broker



## Nominated Transfer Secretary

**DPS** Consulting Services  
(Pty) Limited

# NOTICE TO NOTEHOLDERS AND PROSPECTIVE NOTEHOLDERS CONVENING A NOTEHOLDER MEETING IN RELATION TO BHC 025

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# NOTICE TO NOTEHOLDERS AND PROSPECTIVE NOTEHOLDERS CONVENING A NOTEHOLDER MEETING IN RELATION TO BHC 025

## 1. CORPORATE INFORMATION

ISSUER	DIRECTORS OF THE ISSUER	ARRANGER
<p>Botswana Housing Corporation Corner Pilane &amp; Queens Roads, Plot 5129, P.O. Box 412 Gaborone, Botswana. Tel: +267 3605100 Fax: +267 395 2070 Contact: Diratsagae Kgamanyane Chief Finance Officer</p>	<p>Mr Moemedi Gabana - Acting Board Chairman Nationality: Motswana Appointment Date: September 2021</p> <p>Mr Jimmy Thibedi Sechele Nationality: Motswana Appointment Date: September 2021</p> <p>Mr Tumisang Mogwe Nationality: Motswana Appointment Date: September 2021</p> <p>Ms Naiko Carol Ralebala Nationality: Motswana Appointment Date: September 2021</p> <p>Ms Tebogo Mogotsi Nationality: Motswana Appointment Date: September 2021</p> <p>Ms Boitsheko Vanessa Ntshingane Nationality: Motswana Appointment Date: September 2021</p> <p>Mr Phenyo Nthaga Nationality: Motswana Appointment Date: September 2021</p> <p>Mr Bareng Malatsi Nationality: Motswana Appointment Date: September 2021</p>	<p>Stanbic Bank Botswana Limited Plot 50672 Stanbic House Off Machel Drive Fairgrounds Gaborone Telephone: +267 3618195 Contact: Tumi Mmolawa /Onalenna Keseabetswe</p>
TRUSTEE	SPONSORING BROKER	COMPANY SECRETARY AND COMPLIANCE OFFICER OF THE ISSUER
<p>Sipho Ziga Armstrongs Attorneys 2nd Floor, Acacia House, Plot 74538, Prime Plaza Cnr Khama Crescent Ext &amp; PG Matante Rd, New CBD P.O. Box 1368, Gaborone, Botswana Tel: +267 395 3481</p>	<p>Stockbrokers Botswana Limited Plot 67978, Ground Floor, East Wing, Mokolwane House, Fairgrounds, Gaborone Tel: +267 3957900 Email: Kennedy@sbb.bw Contact: Kennedy Leleo Kgomanyane</p>	<p>Botswana Housing Corporation Corner Mmaraka &amp; Station Roads, Plot 4773, P.O. Box 412 Gaborone, Botswana. Tel: +267 3605100 Fax: +267 395 2070</p>



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NOMINATED TRANSFER SECRETARY	REGISTRAR AND TRANSFER SECRETARY	LEGAL ADVISOR TO THE ISSUER AND ARRANGER
<p>DPS Consulting Services (Pty) Limited Po box 1453 Gaborone, Botswana</p> <p>Email: fadhili@dpsconsultancy.com Contact: Fadhili Kiravu Tel: +267 316 2062</p>	<p>The Central Securities Depository Botswana 4th Floor, Fairscape Precinct, Plot 70667 Fairgrounds, Gaborone Private Bag 00417 Tel: +267 367 4400 Email: mpheto-lentswe@bse.co.bw Contact: Masego Pheto-Lentswe</p>	<p>Khan Corporate Law 5th Floor, North Wing, Exponential Building, Plot 54351, New CBD, Gaborone, Botswana Tel: +267 3911694 Web: www.kcl.co.bw Contact: Shakila Khan</p>

## 2. BACKGROUND - CHANGE IN REFERENCE RATE

- 2.1** This Notice to Noteholders follows on from the Press Announcement released by the Issuer on the Botswana Stock Exchange Limited (BSEL)'s news service, X-News, on the 17th of June 2022.
- 2.2** All defined terms in this Press Announcement are as defined in the Supplementary Programme Memorandum dated 27 November 2018 in terms of the Botswana Housing Corporation BWP 2,000,000,000 Programme (**Supplementary Programme Memorandum**) which contains the Terms and Conditions in relation to the BHC Notes (**Terms and Conditions**), unless separately defined herein.
- 2.3** The Bank of Botswana in its Monetary Policy Statement dated 23rd February 2022 announced inter alia, the adoption of the yield on the main monetary policy instrument (currently the 7-day BoBc) as the anchor policy rate in place of the Bank Rate. This new rate is called the Monetary Policy Rate ("**MoPR**"). This change came into effect as at 28th April 2022.
- 2.4** The discontinuance of the Bank Rate affects only one of the BHC Notes Floating Rate Notes, which has the Bank Rate as the Reference Rate: BHC 025 (**Affected Note**).

## 3. REFERENCE RATE TO BE SUBSTITUTED AS AT RESET DATE

- 3.1** In the Press Announcement released by the Issuer on the 17th of June 2022, the Issuer announced that:
- 3.1.1** its intention was to issue Amended and Restated Pricing Supplements in respect of the Affected Notes that would reference the new Reference Rate, being MoPR, instead of the Bank Rate, and further to provide for an adjusted margin so as to ensure that the All-In-Rate, as at the date the Amended and Restated Pricing supplements will be issued, remains effectively the same as the Interest Rate that would have prevailed just prior to the discontinuance of the Bank Rate;
- 3.1.2** that the process to issue Amended and Restated Pricing Supplements, would necessitate the Issuer seeking the prior sanction of Noteholders at a Meeting of Noteholders by way of an Extraordinary Resolution of Noteholders (a resolution of Noteholders passed by a majority of not less than 75 % of Noteholders present in person or by proxy at a duly convened and quorate meeting of Noteholders);
- 3.1.3** that such a meeting would need to be requisitioned on at least 21 days' notice in terms of the Terms and Conditions; and as such



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**3.1.4** that there would not be sufficient time to amend the Pricing Supplement in respect of the Affected Note prior to the next Interest Determination Date in respect of the Affected Note, and in such an event the provisions of the Terms and Conditions would apply where the procedures to be adopted if the Relevant Screen Rate is not available, or if the Rate of Interest cannot be determined by requesting quotations from the Reference Banks to provide the rate at which would have been used for the Reference Rate in the Gaborone inter-bank market apply (**Fall-Back Provisions**), specifically those the provisions of the Terms and Conditions as at Condition 7.6.3:

“... except that, if fewer than two banks are so quoting to leading banks in Gaborone, Botswana, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date ...”.

**3.2** However, the Issuer has agreed that the Fall-Back Provisions will not be relied on as at the next Interest Determination Date in respect of the Affected Note.

**3.3** Instead, the Issuer is requesting the Noteholders to approve the Amended and Restated Pricing Supplement so that it has an Effective Date as at the next Interest Determination Date in respect of each the Affected Note (**Reset Date**) as outlined below:



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NOTE	BASIS POINTS (SPREAD) ON ISSUE	BANK RATE ON ISSUE	ALL-IN-RATE ON ISSUE	PRECEDING INTEREST DETERMINATION DATE WHEN THE BANK RATE WAS KNOWN	BANK RATE AS AT THE LAST INTEREST DETERMINATION DATE	MOPR PLUS ADJUSTED MARGIN TO BE EFFECTIVE AS FROM RESET DATE	INTEREST DETERMINATION DATE (RESET DATE)	RATE TO APPLY AS AT THE FIRST INTEREST DETERMINATION DATE WHERE THE BANK RATE IS NOT AVAILABLE (RESET DATE)
BHC 025	2.9%	5.00%	7.9%	10 <sup>th</sup> March 2022	3.75%	Reference Rate: MoPR (1.65% as at Reset Date) Margin: 2.9% Structural Margin: 2.61% All-in- Rate: 7.16% (Please note that the All- in- Rate will vary going forward depending on movements in the new Reference Rate)	10 <sup>th</sup> June 2022 in terms of payment to be effected as at the next Interest Payment Date of 10 <sup>th</sup> September 2022.	MoPR with adjusted Margin so that the all-in rate will be similar to that just prior to discontinuance of the Bank Rate



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## 4. TIMETABLE FOR CONVENING THE NOTEHOLDER MEETING AND AMENDING THE APPLICABLE PRICING SUPPLEMENT

BSEL Approval of Notice to Noteholders Convening Extraordinary General Meeting	By latest Friday 22nd July 2022
Notice to Noteholders Convening Extraordinary General Meetings published on X - News and sent directly to each Noteholder	Friday 22nd July 2022
Notice to Noteholders Convening Extraordinary General Meetings published in 1 national newspaper	Saturday 23rd July 2022
Extraordinary General Meetings held 21 Days after the Notice has been published on x-news - noting retrospective Reset Dates in respect of the Affected Note	Monday 15th August 2022
Amended and Restated Pricing Supplements Executed by Issuer and Trustee on behalf of Noteholders	Tuesday 16th August 2022
Notice to Noteholders on results of voting of EGM approved by the BSEL and released on X-News with executed Amended and Restated Pricing Supplement	On or about, Friday 19th August 2022
Notice to Noteholders on results of voting of EGM and relevant executed Amended and Restated Pricing Supplements sent to each Noteholder	On or about, Friday 19th August 2022

## 5. PROCEDURE FOR CONVENING AND HOLDING EXTRAORDINARY GENERAL MEETING OF NOTEHOLDERS

- 5.1** Schedule One of the Trust Deed in respect of the Botswana Housing Corporation Note Programme Trust provides the procedures for convening and holding meetings of Noteholders.
- 5.2** Whenever the Issuer desires to convene a meeting of all the Noteholders or a class of Noteholders, it shall give notice in writing to all the Noteholders or all of the Noteholders in that class as the case may be, and the Trustee, in the manner prescribed in the Trust Deed, of the place, day and hour there off, the nature of the business to be transacted there at, and the wording of each resolution to be proposed.
- 5.3** The meeting must be called on 21 day's written notice, unless holders of at least 75% of the Nominal Amount of all the Notes of a particular class agree in writing to a shorter period.
- 5.4** The quorum at a meeting of Noteholders of a particular class shall for the purposes of considering an Extraordinary Resolution, consist of the Noteholders of that class present in person, or by proxy or representative holding in aggregate not less than 75% (seventy-five per cent) of the Nominal Amount of all Notes of that class then outstanding.
- 5.5** The Trustee, or a person appointed by the Trustee, shall preside as Chairperson at a meeting of Noteholders.
- 5.6** A resolution shall be decided by show of hands unless a poll is demanded.



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- 5.7** An Extraordinary Resolution must be passed by 75% of that class of Noteholders present at the meeting in person or by proxy.
- 5.8** An Extraordinary Resolution of that class of Noteholders is required to amend the Applicable Pricing Supplement in respect of a particular Note.
- 5.9** Noteholders on the relevant Noteholder Register as of **5.00pm Friday 29th July 2022** are eligible to vote in person or by proxy at the relevant Noteholder meeting.
- 5.10** The Trustee shall cause minutes of the meeting to be recorded of the proceedings and resolutions passed thereat.
- 5.11** **Noteholders are encouraged to send in their proxy forms by COB Friday 29th July 2022 following the publication of this Notice and not to wait for the date stated in the proxy form. The Issuer and the Nominated Transfer Secretary will be contacting Noteholders to provide their proxy forms as soon as possible.**

## **6. NOTICE CONVENING AN EXTRAORDINARY GENERAL MEETING OF NOTEHOLDERS OF BHC025**

- 6.1** Notice is hereby given of the Extraordinary General Meeting of Noteholders of BHC025 (EGM), to be held at **10h00 via Microsoft Teams link sent to Noteholders on Monday 15th August 2022**, for the purpose of transacting the following business and considering and if deemed fit, passing, with or without modification, the following resolutions:
- 6.2** AGENDA:
- 6.3** ORDINARY BUSINESS
- 6.3.1** To read the notice convening the meeting.
- 6.3.2** To confirm that the meeting is quorate.
- 6.4** EXTRAORDINARY RESOLUTION 1:
- 6.4.1** To approve the BHC025 Amended and Restated Pricing Supplement, which is to be amended by substituting the Reference Rate from the Bank Rate to MoPR and providing for an adjusted Margin as outlined in the Notice to Noteholders dated on or about 22nd July 2022, with a Reset Date of 10th June 2022.

## **7. CONSENTS**

- 7.1** The Advisors to the Issuer in respect of this Notice to Noteholders who are named under the Section 1 entitled Corporate Information have provided their consents to being named herein.

## **8. RESPONSIBILITY STATEMENT**

- 8.1** The directors, whose names are given under the Section 1 entitled Corporate Information 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 this Notice to Noteholders contains all information required by law.
- 8.2** The directors confirm that the Notice to Noteholders includes 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 matters to which the Notice to Noteholders relate.



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9. FOR AND ON BEHALF OF THE ISSUER ON THIS 22<sup>nd</sup> DAY OF JULY 2022



\_\_\_\_\_  
ACTING CHIEF EXECUTIVE OFFICER



\_\_\_\_\_  
CHIEF FINANCE OFFICER



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## 10. FORM OF PROXY

- For Completion by Noteholders.
- Please read the notes overleaf before completing this form.
- Noteholders are to complete a separate proxy form in relation to each of the Affected Notes that they hold.

**For use at the Extraordinary General Meeting of Noteholders of  
BHC025 (EGM), to be held at 10h00 via Microsoft Teams link sent to Noteholders on Monday 15th  
August 2022**

A Noteholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

I/We (Full name in block  
letters)

of (address)

being the holder/s of

BHC025

hereby appoints:

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

3. \_\_\_\_\_ the Chairman of the EGM.

as my/our proxy to attend, speak on my/our behalf at the EGM and at any adjournment thereof, and to vote or to abstain from voting on my/our behalf on the resolutions to be proposed at the EGM as follows:

	For	Against	Abstain
Extraordinary Resolution 1			

Please indicate with an "X" how you wish your votes to be cast. Unless otherwise directed, the proxy will vote or abstain as he thinks fit in respect of your entire holding.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature of member(s)

Assisted by me (where applicable)



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Please read the notes and instructions below.

## NOTES

1. Every Noteholder present in person or represented by proxy and entitled to vote at the EGM shall, on a show of hands, have only one vote, irrespective of the Nominal Amount of Notes such Noteholder holds. In the event of a poll, every member present in person or represented by proxy and entitled to vote shall be entitled to have one vote for each BWP 20 of Notes of that class which they are the registered holder of on the date specified in clause 5.9 of the Notice to Noteholders (Clause 11 of Schedule One to the Trust Deed).
2. A Noteholder may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the Chairman of the EGM", but any such deletion must be initialled by the Noteholder. Should this space be left blank, the proxy will be exercised by the Chairman of the EGM. The person whose name appears first in the list of names which has not been deleted on the form of proxy and who is present at the EGM will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Noteholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that Noteholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the EGM, as he/she thinks fit in respect of all the Noteholder's exercisable votes. A Noteholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Noteholder or by his/her proxy.
4. The proxy shall have the power to vote for and attend at any adjournment of the meeting and to vote on any amendment to any of the resolutions which may be proposed at the meeting.
5. To be valid, the completed forms of proxy must be lodged with the nominated transfer secretaries of the Issuer, **DPS Consulting**, or emailed to the nominated transfer secretary, to be received by them by not later than **10h00 on Friday 12th August 2022**.
6. The power of attorney or other authority establishing the authority of a person signing this form of proxy in a representative capacity or a notarially certified copy thereof must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the EGM.
7. The completion and lodging of this form of proxy will not preclude the relevant Noteholder from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Noteholder wish to do so.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
9. The Chairman of the EGM may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a Noteholder wishes to vote.
10. A vote given in accordance this form of proxy shall be valid notwithstanding the previous legal incapacity of the principal or revocation of the form of proxy or the transfer of the Affected Note in respect of which the vote is given, unless an intimation in writing of such legal incapacity or transfer shall have been lodged with the nominated transfer secretaries of the Issuer, **DPS Consulting** or posted to the nominated transfer secretaries **DPS Consulting**, or emailed to the nominated transfer secretary, **DPS Consulting** to be received by them by not later than **10h00 on Friday 12th August 2022**.