



LETSHEGO HOLDINGS LIMITED

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

**Issue of ZAR281,000,000 Senior Secured Floating Rate Notes
due 13 December 2015 Under its ZAR2,500,000,000 and BWP2,500,000,000
Medium Term Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 29 November 2012, prepared by Letshego Holdings Limited in connection with the Letshego Holdings Limited ZAR2,500,000,000 and BWP2,500,000,000 Medium Term Note Programme, as amended and/or supplemented from time to time (the “**Programme Memorandum**”).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

1.	Issuer	Letshego Holdings Limited
2.	Guarantor	Fedrox (Proprietary) Limited
3.	Dealer	RenCap Securities Proprietary Limited
4.	JSE Debt Sponsor	RenCap Securities Proprietary Limited
5.	BSE Sponsoring Broker	N/A
6.	Paying Agent	First National Bank, a division of FirstRand Bank Limited
	Specified Office	1 Merchant Place, cnr Rivonia Road and Fredman Drive, Sandton, 2196, South Africa
7.	Calculation Agent	Letshego Holdings Limited
	Specified Office	1 st Floor, Letshego Place, 22 Khama Crescent, Gaborone, Botswana
8.	Transfer Agent	Computershare Investor Services Proprietary Limited
	Specified Office	70 Marshall Street, Johannesburg, 2001, South Africa

PROVISIONS RELATING TO THE NOTES

9.	Status of Notes	Senior Secured
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10.	Form of Notes	Listed Registered Notes
11.	Series Number	1
12.	Tranche Number	1
13.	Aggregate Nominal Amount:	
	(a) Series	ZAR281,000,000
	(b) Tranche	ZAR281,000,000
14.	Interest	Interest-bearing
15.	Interest Payment Basis	Floating Rate
16.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
17.	Issue Date	13 December 2012
18.	Specified Denomination	ZAR1,000,000
19.	Specified Currency	ZAR
20.	Issue Price	100%
21.	Interest Commencement Date	13 December 2012
22.	Maturity Date	13 December 2015
23.	Applicable Business Day Convention	Modified Following Business Day
24.	Final Redemption Amount	100% of the Nominal Amount
25.	Last Day to Register	by 17h00 (South African time) on 2 March, 2 June, 2 September and 2 December of each year until the Maturity Date
26.	Books Closed Period(s)	The Register will be closed from 3 March to 12 March, 3 June to 12 June, 3 September to 12 September and from 3 December to 12 December (all dates inclusive) in each year until the Maturity Date
27.	Default Rate	N/A
FIXED RATE NOTES		N/A
FLOATING RATE NOTES		
28.	(a) Interest Payment Date(s)	13 March, 13 June, 13 September and 13 December in each year until the Maturity Date
	(b) Interest Period(s)	From and including one Interest Payment Date to but excluding the following Interest Payment Date, with the first Interest Period commencing on 13 December and ending on the day before the next Interest Payment Date
	(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
	(d) Minimum Rate of Interest	N/A
	(e) Maximum Rate of Interest	N/A
	(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A

29.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination
30.	Margin	500 basis points to be added to the relevant Reference Rate
31.	If ISDA Determination:	
	(a) Floating Rate	N/A
	(b) Floating Rate Option	N/A
	(c) Designated Maturity	N/A
	(d) Reset Date(s)	N/A
	(e) ISDA Definitions to apply	N/A
32.	If Screen Determination:	
	(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 month ZAR-JIBAR-SAFEX rate
	(b) Interest Determination Date(s)	13 March, 13 June, 13 September and 13 December in each year until the Maturity Date with the first Interest Rate Determination Date being 13 December
	(c) Relevant Screen Page and Reference Code	Reuters Page SAFEX MNY MKT code OSFXMM or any successor page
33.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions	N/A
34.	Calculation Agent	Letshego Holdings Limited
	ZERO COUPON NOTES	N/A
	PARTLY PAID NOTES	N/A
	INSTALMENT NOTES	N/A
	MIXED RATE NOTES	N/A
	INDEX-LINKED NOTES	N/A
	DUAL CURRENCY NOTES	N/A
	EXCHANGEABLE NOTES	N/A
	OTHER NOTES	N/A
	PROVISIONS REGARDING REDEMPTION/MATURITY	
35.	Redemption at the Option of the Issuer:	No
36.	Redemption at the Option of the Senior Noteholders:	No
37.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	Yes

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| 38. | Redemption in the event of a Change of Control | Yes |
| 39. | Redemption in the event of a Rating Downgrade | Yes |

GENERAL

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| 40. | Financial Exchange | JSE Limited (Interest Rates Market) |
| 41. | Additional selling restrictions | N/A |
| 42. | ISIN No | ZAG000101908 |
| 43. | Stock Code | LHL01 |
| 44. | Stabilising manager | N/A |
| 45. | Provisions relating to stabilisation | N/A |
| 46. | The notice period required for exchanging uncertificated SA Notes for Certificates | N/A |
| 47. | Method of distribution | Bookbuild via Reg S/Reg D Exemption |
| 48. | Credit Rating assigned to the Issuer | Global Rating Long Term Ba3 Negative Outlook, assigned on 14 August 2012 which Rating shall be reviewed from time to time |
| 49. | Applicable Rating Agency | Moody's Investor Services Limited |
| 50. | Governing law (if the laws of South Africa or Botswana, as the case may be are not applicable) | N/A |
| 51. | Surrendering of Notes in the case of Notes represented by a Certificate | 10 days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer |
| 52. | Other provisions | <p>Covenants</p> <p>See Schedule 1 headed "<i>Redemption in the event of a breach of a Financial Covenant</i>".</p> |

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

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| 53. | <p><u>Paragraph 3(5)(a)</u></p> <p>The "<i>ultimate borrower</i>" (as defined in the Commercial Paper Regulations) is the Issuer.</p> |
| 54. | <p><u>Paragraph 3(5)(b)</u></p> <p>The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the SA Notes.</p> |
| 55. | <p><u>Paragraph 3(5)(c)</u></p> <p>The auditor of the Issuer is KPMG.</p> |
| 56. | <p><u>Paragraph 3(5)(d)</u></p> <p>As at the date of this issue:</p> <ul style="list-style-type: none"> (i) the Issuer has not issued any Commercial Paper (as defined in the Commercial Paper Regulations); and (ii) the Issuer estimates that it will not issue Commercial Paper during the current financial year, ending 31 January 2013. |

57. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the SA Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

58. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

59. Paragraph 3(5)(g)

The SA Notes issued will be listed.

60. Paragraph 3(5)(h)

The funds to be raised through the issue of the SA Notes are to be used by the Issuer for its general corporate purposes.

61. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the SA Notes are secured and guaranteed.

62. Paragraph 3(5)(j)

KPMG, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to cause them to believe that this issue of the SA Notes issued under the Programme does not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

DISCLOSURE BY ISSUER

The Issuer will for as long as any Tranche of Secured Notes remains Outstanding, notify the Senior Secured Noteholders of any material change in the internal credit policy of any of the Obligors.

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by applicable law and the debt listing requirements of the JSE.

Application is hereby made to list this issue of Notes on 13 December 2012.

SIGNED at _____ on this [●] day of December 2012

For and on behalf of

LETSHEGO HOLDINGS LIMITED

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

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

REDEMPTION IN THE EVENT OF A BREACH OF FINANCIAL COVENANT

1. Redemption in the event of a breach of Financial Covenant

The provisions of this Schedule 1 (*Redemption in the event of a breach of Financial Covenant*) shall apply to the LHL01 Notes (the **Notes**).

- 1.1. The Issuer shall, for as long as the Notes remain Outstanding and during each Measurement Period, ensure that:
 - 1.1.1. the Bad Debt Ratio does not exceed 10% (ten percent);
 - 1.1.2. the Cash Collection Ratio is not less than 85% (eighty five percent);
 - 1.1.3. the Capitalisation Ratio is not less than 30% (thirty percent); and
 - 1.1.4. the Secured Property Ratio is not less than 67% (sixty seven percent),
 (each a **Financial Covenant** and collectively, the **Financial Covenants**).
- 1.2. The Issuer shall be required to test the Financial Covenants on each Measurement Date and shall in accordance with Condition 19 (*Notices*) provide each Senior Secured Noteholder with a Financial Covenant compliance certificate signed by any two directors of the Issuer (**Financial Covenant Compliance Certificate**) with respect to each of the Financial Covenants together with calculations thereof within 15 (fifteen) Business Days after each Measurement Date.
- 1.3. Notwithstanding paragraph 1.2 above, in the event that any Obligor ceases to deduct, or is prevented from deducting, payments contractually due and payable to it directly from the payroll system of any participating employer, then the Issuer shall be required to test the Cash Collection Ratio on each Monthly Measurement Date and shall in accordance with Condition 19 (*Notices*) provide each Senior Secured Noteholder with a Cash Collection Ratio compliance certificate signed by any two directors of the Issuer (**Cash Collection Ratio Compliance Certificate**) with respect to the Cash Collection Ratio together with calculations thereof within 15 (fifteen) Business Days after the Monthly Measurement Date.
- 1.4. If a breach of any Financial Covenant occurs while any Note remains Outstanding, then the Issuer shall within 20 (twenty) Days after the Issuer becoming aware of a breach of Financial Covenant take reasonable steps to remedy such breach of Financial Covenant, failing which, the Issuer shall promptly give notice to the Senior Secured Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the breach of Financial Covenant and the circumstances giving rise to it and the procedure for exercising the Redemption Option (as defined below) (**Breach of Financial Covenant Notification**).
- 1.5. Upon receipt by the Senior Secured Noteholders of the Breach of Financial Covenant Notification, the Senior Secured Noteholders shall have the option to require the redemption of the Notes in the manner contemplated in paragraph 1.6 below (**Redemption Option**).
- 1.6. Such Redemption Option shall be exercisable by the Senior Secured Noteholders by the delivery of a written notice (a **Breach of Financial Covenant Redemption Notice**) to the Issuer at its registered office within 30 (thirty) Days after the receipt by the Senior Secured Noteholders of the Breach of Financial Covenant Notification, unless prior to the delivery by that Senior Secured Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.
- 1.7. Subject to paragraph 1.6, the Issuer shall redeem all Notes held by the Senior Secured Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days of having received a Breach of Financial Covenant Redemption Notice from the Senior Secured Noteholders to redeem such Notes.
- 1.8. In the event of any dispute in respect of any calculation relating to any Financial Covenant referred to in paragraph 1.9 below, such dispute shall be determined by the Issuer's independent auditors, acting as experts and not as arbitrators (taking into account the Terms

and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and Senior Secured Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.

- 1.9. For the purposes of this Schedule 1 (*Redemption in the event of a breach of Financial Covenant*):
 - 1.9.1. **Bad Debts** means the total impairment charge as set out in the financial statements of each Obligor (other than the Issuer) as determined in accordance with IFRS;
 - 1.9.2. **Book Debts** means any claim of any nature which any of the Obligors (other than the Issuer) has in respect of any indebtedness against any debtor of such Obligor (other than the Issuer) and over which a security interest has been granted in favour of the Debt Guarantor (as defined in the Security Sharing Agreement);
 - 1.9.3. **Bad Debts Ratio** means, in respect of each Measurement Period, the ratio between:
 - 1.9.3.1. the aggregate Bad Debts for the relevant Measurement Period; and
 - 1.9.3.2. the average Book Debts for the Measurement Period calculated by adding the Book Debts as at each Quarter Year Date falling in the Measurement Period (including the relevant Measurement Date), divided by 4;
 - 1.9.4. **Capitalisation Ratio** means the ratio between:
 - 1.9.4.1. Total Equity as at each Quarter Year Date; and
 - 1.9.4.2. Total Debt as at each Quarter Year Date;
 - 1.9.5. **Cash Collections Ratio** means:
 - 1.9.5.1. in respect of each Monthly Measurement Period or Measurement Period, as the case may be, the ratio between:
 - 1.9.5.1.1. the value of payments actually received by any of the Obligors (other than the Issuer) during the Monthly Measurement Period or Measurement Period, as the case may be; and
 - 1.9.5.1.2. the value of payments contractually due and payable to any of the Obligors (other than the Issuer) during the Monthly Measurement Period or Measurement Period, as the case may be, but excluding any payments due on loans written off,

from third parties indebted to such Obligor (other than the Issuer), as the case may be, in respect of Book Debts during each Monthly Measurement Period or Measurement Period, as the case may be, and expressed as a percentage;
 - 1.9.6. **Letshego Financial Services (Botswana)** means Letshego Financial Services (Proprietary) Limited, a company duly incorporated according to the company laws of Botswana with registration number 2006/5701;
 - 1.9.7. **Letshego Financial Services (Namibia)** means Letshego Financial Services (Namibia) (Proprietary) Limited, a company duly incorporated according to the company laws of Namibia with registration number 97/373;
 - 1.9.8. **Measurement Date** means each Quarter Year Date;
 - 1.9.9. **Measurement Period** means each period of 12 (twelve) months ending on a Measurement Date;
 - 1.9.10. **Monthly Measurement Date** means the last day of each calendar month;
 - 1.9.11. **Monthly Measurement Period** means each one month period commencing on the first day of the month and ending on a Monthly Measurement Date;
 - 1.9.12. **Obligors**
 - 1.9.12.1. the Issuer;
 - 1.9.12.2. Letshego Financial Services (Botswana);
 - 1.9.12.3. Letshego Financial Services (Namibia); and

- 1.9.12.4. any person who becomes an “*Additional Obligor*” (as defined in the Security Sharing Agreement);
- 1.9.13. **Quarter Year Date** means each of 31 January, 30 April, 31 July and 31 October in each year;
- 1.9.14. **Secured Property Ratio** means the “*Secured Property Ratio*” as defined in the Security Sharing Agreement;
- 1.9.15. **Security Sharing Agreement** means the written agreement entitled “*Security Sharing Agreement*” entered into or to be entered into between *inter alia*, GMG Trust Company (SA) Proprietary Limited, the Issuer, Letshego Financial Services (Botswana), Letshego Financial Services (Namibia), the Guarantor, Standard Chartered Bank plc and John Yendall Stevens; and
- 1.9.16. **Total Debt** means, in respect of the Issuer only, the aggregate amount of interest bearing debt including, for the avoidance of doubt, *inter alia*:
- 1.9.16.1. redeemable preference shares;
 - 1.9.16.2. unsubordinated interest bearing shareholder loans;
 - 1.9.16.3. debentures;
 - 1.9.16.4. on and off balance sheet interest bearing debt;
 - 1.9.16.5. the capital element of any finance lease, hire purchase, credit sale or conditional sale agreement, to the extent such item is treated as debt in the balance sheet;
 - 1.9.16.6. the capital element of any amount raised under any other transaction, having as a primary and not as an incidental effect, the commercial effect of borrowing; and
 - 1.9.16.7. any other obligation which exhibits an interest bearing nature, including payment which may become due as part of any interest rate hedge strategy; and
- 1.9.17. **Total Equity** means, in respect of the Issuer only, the total shareholders’ equity, including any subordinated shareholder loans and retained earnings.