



LETSHEGO HOLDINGS (NAMIBIA) LIMITED

(Incorporated in the Republic of Namibia with limited liability under registration number 2016/0145)
(the Issuer)

LETSHEGO MICRO FINANCIAL SERVICES (NAMIBIA) (PROPRIETARY) LIMITED

(Incorporated in the Republic of Namibia with limited liability under registration number 2016/0292)
(the Guarantor)

**Issue of NAD260,000,000 Social Senior Unsecured Floating Rate Notes due 17 May 2027,
irrevocably and unconditionally guaranteed by the Guarantor**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 4 May 2021, prepared by Letshego Holdings (Namibia) Limited in connection with the NAD2,000,000,000 Domestic 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 (Namibia) Limited
Registered Office	1st Floor, Letshego Place 18 Schwerinsburg Street Windhoek Namibia
2. Guarantor(s)	Letshego Micro Financial Services (Namibia) (Proprietary) Limited
Registered Office	18 Schwerinsburg Street Windhoek Namibia
3. Dealers	FirstRand Bank Limited, acting through its Rand Merchant Bank division
Specified Address	1 Merchant Place Cnr Fredman Drive &, Rivonia Road

		Johannesburg South Africa
4. Dealers		First National Bank of Namibia Limited acting through its RMB Namibia Division (RMB Namibia)
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
5. Managers		N/A
	Specified Address	N/A
6. NSX Debt Sponsor		RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
7. Paying Agent		RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
8. Calculation Agent		RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
9. Transfer Secretary		Transfer Secretaries (Proprietary) Limited
	Specified Address	4 Robert Mugabe Avenue Entrance from Dr. Theo-Ben Gurirab Street Windhoek Namibia
10. Settlement Agent		RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia

PROVISIONS RELATING TO THE NOTES

11. Status of Notes	Senior Unsecured however irrevocably and unconditionally guaranteed by the Guarantor
---------------------	--

12. Form of Notes	The Notes in this Tranche are listed Notes issued in certificated form
13. Series Number	3
14. Tranche Number	1
15. Aggregate Nominal Amount:	
(a) Series	NAD260,000,000
(b) Tranche	NAD260,000,000
16. Interest	Interest-bearing
17. Interest Payment Basis	Floating Rate
18. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
19. Issue Date	17 May 2024
20. Nominal Amount per Note	NAD1,000,000
21. Specified Denomination	NAD1,000,000
22. Specified Currency	NAD
23. Issue Price	100 percent
24. Interest Commencement Date	17 May 2024
25. Maturity Date	17 May 2027
26. Applicable Business Day Convention	Modified Following Business Day
27. Final Redemption Amount	100 percent of Nominal Amount
28. Last Day to Register	By 17h00 on 6 August, 6 November, 6 February and 6 May, of each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period
29. Books Closed Period(s)	The Register will be closed from 7 August to 16 August, 7 November to 16 November, 7 February to 16 February and from 7 May to 16 May of each year until the Maturity Date (all dates inclusive), or if any early redemption occurs, 10 Days prior to the actual Redemption Date
30. Default Rate	N/A
PROVISIONS RELATED TO INTEREST (IF ANY PAYABLE)	
FIXED RATE NOTES	N/A
FLOATING RATE NOTES	
31. (a) Floating Interest Payment Date(s)	17 August, 17 November, 17 February and 17 May of each year until the Maturity Date or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention with the first Floating Interest Payment Date being 17 August 2024, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined

α 157

		in accordance with the Applicable Business Day Convention
(b)	Interest Period(s)	From and including the applicable Floating Interest Payment Date and ending on but excluding the following Floating Interest Payment Date, the first Interest Period commencing on the Interest Commencement Date and ending the day before the next Floating Interest Payment Date (each Floating Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)
(c)	Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
(d)	Minimum Rate of Interest	N/A
(e)	Maximum Rate of Interest	N/A
(f)	Day Count Fraction	Actual/365
(g)	Other terms relating to the method of calculating interest (e.g.: rounding up provision)	N/A
32.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination (Reference Rate plus Margin)
33.	Margin	295 basis points to be added to Reference Rate
34.	If ISDA Determination	N/A
35.	If Screen Rate Determination:	
(a)	Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 month ZAR-JIBAR-SAFEX, or in the event that ZAR-JIBAR ceases to apply such other rate as may be determined by the Calculation Agent and notified to the Noteholders pursuant to Condition 20 (Notices)
(b)	Interest Rate Determination Date(s)	17 August, 17 November, 17 February and 17 May (or the first Business Day of each Interest Period) of each year until the Maturity Date, with the first Interest Rate Determination Date being 14 May 2024
(c)	Relevant Screen Page and Reference Code	ZAR-JIBAR-SAFEX
36.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A
37.	Calculation Agent responsible for calculating amount of principal and interest	RMB Namibia 1st floor @Parkside 130 Independence Ave Windhoek Namibia

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

38.	Redemption at the Option of the Issuer pursuant to Condition 11.3 (<i>Redemption at the Option of the Issuer</i>) of the Terms and Conditions:	No
39.	Redemption at the Option of the Senior Noteholders pursuant to Condition 11.4 (<i>Redemption at the Option of the Senior Noteholders</i>) of the Terms and Conditions:	No
40.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 11.5 (<i>Redemption in the event of a Change of Control</i>) of the Terms and Conditions or any other terms applicable to a Change of Control:	Yes
41.	Redemption in the event of a failure to maintain NSX Listing and Rating at the election of the Noteholders pursuant to Condition 11.6 (<i>Redemption in the event of a failure to maintain NSX Listing and/or Rating</i>) of the Terms and Conditions:	Yes
42.	Early Redemption Amount(s) payable on redemption for taxation reasons pursuant to Condition 11.2 (<i>Redemption for Tax Reasons</i>) on Event of Default pursuant to Condition 18 (<i>Events of Default</i>) or on a Change of Control pursuant to Condition 11.5 (<i>Redemption in the event of a Change of Control</i>) (if different from that set out in the relevant Terms and Conditions)	N/A

GENERAL

43. Financial Exchange	Namibian Stock Exchange
44. Additional selling restrictions	N/A
45. ISIN	NA000A3LYXH3
46. Stock Code	LHNS01
47. Stabilising manager	N/A

α RYA

48. Provisions relating to stabilisation	N/A
49. Method of distribution	Bookbuild
50. Credit Rating assigned to both the Issuer and the Guarantor	A _(NA) Long Term National Scale Rating /Stable Outlook affirmed on 23 September 2023. The credit rating will be reviewed from time to time
51. Applicable Rating Agency	Global Credit Rating (GCR)
52. Governing law (if the laws of Namibia are not applicable)	N/A
53. Use of proceeds	

(I) Introduction

The Issuer has developed and adopted a Social Finance Framework (**Framework**) which provides the foundation under which the Issuer may execute, and where applicable list, social bonds. Social bonds issued under the Framework support the Issuer's lending and financing activities (including refinancing activities) to eligible social assets/projects. The Framework specifies, amongst other things, eligible social categories and eligibility criteria against which a project must qualify to enable categorisation as an eligible social asset/project. The Framework is available on Issuer's website at: www.letshegoinvestor.com.

(II) Assurance

In connection with the Framework and in compliance with the applicable requirements of the NSX, the Issuer appointed a sustainability specialist, IBIS (as defined below), to evaluate the Framework and to issue a SPO confirming that the Framework is aligned with, amongst others, the ICMA Principles and Guidelines.

The IBIS SPO is available on Issuer's website at: www.letshegoinvestor.com

(III) Independent external reviewer

IBIS is an independent provider of non-financial assurance services and an independent external reviewer for the purposes of the applicable requirements of the NSX. The SPO constitutes the report of an independent external reviewer on the Framework.

(IV) Use of Proceeds – Social Bonds

The Issuer intends to allocate an amount of funding equivalent to the proceeds of this Tranche of Notes to finance and/or refinance, in whole or in part, eligible social assets/projects, as

outlined in Section 5.3 (*Use of proceeds – eligible social investment categories and eligibility criteria*) of the Framework.

The application of the proceeds of this Tranche of Notes will therefore fall within the eligible social assets/projects categories, as set out in the table headed "*Use of proceeds – eligible social investment categories and eligibility criteria*" appearing under the section 5.3 of the Framework headed More specifically, the Issuer intends to allocate proceeds of the Tranche of Notes to "*financing or refinancing of financial product(s) and/or service(s) which aim to increase access to financing and/or financial services including affordable credit at preferential rates, to the specified target populations*" as fully outlined in section 5.3 of the Framework. This use of proceeds aligns with the following ICMA Principles and Guidelines categories: access to essential services and socioeconomic advancement and empowerment. Final allocations to eligible social assets/projects categories will be confirmed by the Issuer in the Annual Allocation and Impact Report, as outlined in section (V) below.

The Issuer, as per section 5.5 (*Management of proceeds*) of the Framework, will fully allocate proceeds raised to eligible social assets/projects within 24 (twenty four) Months from the Issue Date.

(V) Reporting and impact measurement

The Issuer will provide an annual allocation and impact reporting until all proceeds are fully allocated towards eligible social assets/projects and will track the receipt and use of the proceeds of this Tranche of Notes via its internal tracking systems as more fully set out in the section 5.5 of the Framework headed "*Management of Proceeds*".

The Issuer will request (from the first anniversary of the Issue Date and until the full allocation of the proceeds) a limited assurance report in respect of the allocation of the proceeds of social bonds to eligible assets as contemplated by the Framework, to be provided by an external auditor.

The Annual Allocation and Impact Report and related assurance report will be available on the Issuer's website at: www.letshegoinvestor.com

(VI) Incorporation by Reference

The Framework and the SPO are incorporated by reference into this Applicable Pricing Supplement.

(VII) Interpretation

For purposes of this Item 53 (*Use of Proceeds*):

- a. **Annual Allocation and Impact Report** means, in relation to social bond issued under the Framework, the annual allocation and impact report prepared by the Issuer;
- b. **Framework** means the Issuer's Social Finance Framework developed and adopted by the Issuer on September 2023, as amended or replaced from time to time, which is available on the Issuer's website, at www.letshegoinvestor.com and is incorporated by reference hereto;
- c. **SPO** means the second party opinion provided by IBIS, as amended or replaced from time to time, which is available on the Issuer's website, at www.letshegoinvestor.com and is incorporated by reference hereto;
- d. **IBIS** means IBIS ESG Consulting Africa Proprietary Limited, a company incorporated in accordance with the laws of the Republic of South Africa with registration number 2016/034677/07, registered address 3rd Floor 4 Sandown Valley Crescent Sandown, Sandton, 2031 and email address petrus.gildenhuys@ibisconsulting.com and seko.mbatha@ibisconsulting.com;
- e. **ICMA Principles and Guidelines** means the Social Bond Principles published by International Capital Market Association (**ICMA**) from time to time.

(VIII) Declassification as a Social Bond

- a. Each of the events or circumstances set out in this item 53(viii) is a Declassification Event upon happening of the earlier of (1) any Noteholder giving notice to the Issuer or (2) the Issuer becoming aware of such breach and/or failure to comply with:
- (1) any representation, warranty or statement made by the Issuer in this Applicable Pricing Supplement, or any other document delivered by, or on behalf of, the Issuer under or in connection with this Applicable Pricing Supplement is or proves to have been incorrect or misleading in any material respect when made; and/or
 - (2) any provision of the Framework with respect to the Social Bond, unless such breach and/or failure to comply is capable of remedy and is remedied within 25 Business Days.
- b. Following the occurrence of a Declassification Event:
- (1) the Note will immediately cease to be classified as a Social Bond structured in accordance with the Social Bond Principles published by ICMA and shall be declassified as such by the Noteholders;
 - (2) the Issuer shall cease representing in all internal and external communications, marketing or publications that the Note is a Social Bond as contemplated in the Social Bond Principles published by ICMA;
 - (3) the Notes cease to be listed on the Sustainability Segment (or its equivalent) of the NSX or another regulated, regularly operating, recognised stock

exchange or securities market; and

- (4) the Issuer shall notify the Noteholders of the occurrence of a Declassification Event (such notice is referred to as a **Declassification Notice**) pursuant to Condition 20 (*Notices*) of the Terms and Conditions.

c. The Declassification Notice shall be irrevocable and shall:

- (1) specify the Declassification Event;
- (2) specify the date on which the Notes ceased to be classified as a Social Bonds; and
- (3) be signed by the Issuer.

d. The Noteholders shall not be obliged to monitor or inquire as to whether or not a Declassification Event has occurred, and the Noteholders shall be entitled to rely absolutely on any notice and/or certificate given to it by the Issuer without further enquiry or liability.

54. Other provisions

See Schedule 1, headed "*Additional Terms and Conditions*"

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum together with the Applicable Pricing Supplement contain all information required by law and the listing requirements of the NSX. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all documents incorporated by reference (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*").


The NSX takes no responsibility for the contents of the Programme Memorandum, the annual reports, which include the annual financial statements, this Applicable Pricing Supplement, and any amendments or supplements to the aforementioned documents. The NSX makes no representation as to the accuracy or completeness of the Programme Memorandum, the annual reports, which include the annual financial statements, this Applicable Pricing Supplement, and any amendments or supplements to the aforementioned documents. The NSX expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The NSX's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the NSX will not be liable for any claim whatsoever.

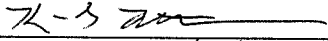
The authorised Programme Amount of NAD2,000,000,000 has not been exceeded.

Application was made to list this issue of Notes on 17 May 2024.

SIGNED at WINDHOEK on this 15th day of MAY 2024

For and on behalf of
LETSHEGO HOLDINGS (NAMIBIA) LIMITED


Name: Esker Kati
Capacity: CEO
Who warrants his/her authority hereto


Name: Karl-Stephan Altmann
Capacity: CEO
Who warrants his/her authority hereto

SCHEDULE 1

ADDITIONAL TERMS AND CONDITIONS RELATING TO THE LHNS01 NOTES

*The following are the additional terms and conditions (the **Additional Terms and Conditions**) which shall apply to the LHNS01 notes (the **LHNS01 Notes**) and will be incorporated by reference into the LHNS01 Notes, except that all references in the Programme Memorandum to the Notes shall be deemed to be references to the LHNS01 Notes.*

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 LHNS01 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 Letshego Namibia Group Capital Adequacy Ratio is greater than 30% (thirty percent);
 - 1.1.2. the Guarantor Cash Collection Ratio is not less than 85% (eighty five percent); and
 - 1.1.3. the Guarantor Asset Cover Ratio is greater than 1.3:1 (one point three to one),
(each a **Financial Covenant** and collectively, the **Financial Covenants**).
- 1.2. The Issuer shall within 90 (ninety) Days after each Quarter Date:
 - 1.2.1. test the Financial Covenants as at each Quarter Date; and
 - 1.2.2. make available for inspection by the Noteholders, at its registered office, during normal office hours, a certificate signed by any two directors of the Issuer setting out each Financial Covenant together with the calculations thereof (a **Compliance Certificate**).
- 1.3. Notwithstanding Condition 1.2 above, in the event that Issuer and/or Guarantor, as the case may be, 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 Quarterly Measurement Date and shall publish a notice of availability of the Cash Collection Ratio compliance certificate via NENS, which certificate will be 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 Quarterly 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 becomes 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 Noteholders in accordance with Condition 20 (*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 Noteholders of the Breach of Financial Covenant Notification, the Noteholders shall have the option to require the redemption of the Notes in the manner contemplated in Condition 1.6 below (**Redemption Option**).
- 1.6. Such Redemption Option shall be exercisable by the 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 Noteholders of the Breach of Financial Covenant Notification, unless prior to the delivery by that Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.
- 1.7. Subject to Condition 1.6, the Issuer shall redeem all Notes held by the 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 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 Condition 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 Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.
- 1.9. For the purposes of this Condition 1 (*Redemption in the event of a breach of Financial Covenant*):
- 1.9.1. **Asset Cover Ratio** means, in respect of the Guarantor, for each Measurement Period, the Net Loan Advances (Gross Loan Advances less Provisions) divided by the Net Debt (Gross Debt less Cash);
- 1.9.2. **Book Debts** means any claim of any nature which the Guarantor has in respect of any indebtedness against any debtor of such Guarantor;
- 1.9.3. **Capital Adequacy Ratio** means, in respect of Letshego Namibia Group, for each Measurement Period, the Total Equity of the Letshego Namibia Group (including subordinated shareholder loans) divided by the Total Assets of the Letshego Namibia Group;
- 1.9.4. **Cash Collections Ratio** means in respect of the Guarantor, for each Quarterly Measurement Period or Measurement Period, as the case may be, the ratio between:
- 1.9.4.1. the value of payments actually received by the Guarantor during the Quarterly Measurement Period or Measurement Period, as the case may be; and
- 1.9.4.2. the value of payments contractually due and payable to the Guarantor during the Quarterly 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 Guarantor in respect of Book Debts during each Quarterly Measurement Period or Measurement Period, as the case may be, and expressed as a percentage;
- 1.9.5. **Letshego Namibia Group** means the Issuer and its subsidiaries on a consolidated basis;
- 1.9.6. **Measurement Period** means each period of 12 (twelve) months ending on a Quarter Date;
- 1.9.7. **Net Loan Advances** means in respect of the Guarantor, the gross advances to customers less any relevant provisions and excludes loans to Letshego Bank (Namibia) Limited;
- 1.9.8. **Net Debt** means, at any time, the aggregate amount of borrowings (including any intercompany debt and any amount guaranteed by the Guarantor, without double counting) deducting any cash available;
- 1.9.9. **Quarter Date** means the last day of March, June, September and December of each year, with the first Quarter Date being 30 June 2024;
- 1.9.10. **Quarterly Measurement Period** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date;
- 1.9.11. **Total Assets** means the aggregate of assets of the Letshego Namibia Group; and
- 1.9.12. **Total Equity** means the total shareholders' equity, including any subordinated shareholder loans and retained earnings in respect of the Letshego Namibia Group.

2. Redemption in the event of loss of Licence

- 2.1. For as long as the Notes remain Outstanding, the Issuer and the Guarantor(s) shall, and shall procure that each Material Subsidiaries shall, maintain its respective microfinance license or banking license, as the case may be, and that such licence is not revoked, withdrawn or withheld or ceases to be in full force and effect (the **Microlending and/or Banking Licenses**).
- 2.2. If the Issuer, the Guarantor(s) or any of their Material Subsidiaries fails to maintain their respective Microlending and Banking Licenses in accordance with Condition 2.1 above, then

the Issuer shall within 20 (twenty) Days after the Issuer becomes aware of such breach give notice to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the breach and the circumstances giving rise to it and the procedure for exercising the Redemption Option (as defined below) (**Loss of Microlending and Banking Licenses Notification**).

- 2.3. Upon receipt by the Noteholders of the Loss of Banking Licence Notification, the Noteholders shall have the option to require the redemption of the Notes in the manner contemplated in Condition 2.4 below (**Redemption Option**).
- 2.4. Such Redemption Option shall be exercisable by the Noteholders by the delivery of a written notice (a **Loss of Microlending and Banking Licenses Redemption Notice**) to the Issuer at its registered office within 30 (thirty) Days after the receipt by the Noteholders of the Loss of Microlending and Banking Licenses Notification, unless prior to the delivery by that Noteholder of its Loss of Microlending and Banking Licenses Redemption Notice the Issuer gives notice to redeem the Notes.
- 2.5. The Issuer shall redeem all Notes held by the Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days of having received a Loss of Microlending and Banking Licenses Redemption Notice from the Noteholders to redeem such Notes.

3. Undertakings

- 3.1. The Issuer and Guarantor shall, for as long as the Notes remain Outstanding and during each Measurement Period, ensure that:
 - 3.1.1. notwithstanding Condition 7 (*Negative Pledge*) of the Terms and Conditions and clause 5 of the Guarantee, each of the Issuer and the Guarantor(s) undertakes that it shall not, and shall procure that no Material Subsidiary shall, create or permit the creation of any Encumbrances over Book Debts (defined below); and
 - 3.1.2. following the occurrence of an Event of Default under Condition 18 (*Events of Default*) of the Terms and Conditions, no distributions, payments of dividends or loans are made to the shareholders of the Issuer or the Guarantor(s).(each an **Undertaking** and collectively, the **Undertakings**)
- 3.2. A breach of any of the Undertakings shall constitute an Event of Default under Condition 18.1.12 (*Other*) of the Terms and Conditions.
- 3.3. For the purposes of Condition 3:

Book Debts means any claim of any nature which the Guarantor has in respect of any indebtedness against any debtor of such Guarantor.