

MEDIUM TERM LOAN AGREEMENT

entered by and between

MYBUCKS BANKING CORPORATION LIMITED

With registration number: 12942

a private company incorporated in terms of the Laws of Malawi
(hereinafter referred to as the “**Company**” or “**Issuer**”)

and

OLD MUTUAL LIFE ASSURANCE COMPANY (MALAWI) LIMITED

With registration number: 5051

a private company incorporated in terms of the Laws of Malawi

and

MAGETSI PENSION FUND,

With registration number: PLR/SA-15/17

a private entity incorporated in terms of the Laws of Malawi

and

CHRISTIAN HEALTH ASSOCIATION OF MALAWI (CHAM) PENSION FUND

With registration number: PEL/RFP-SA/003/15

a private entity incorporated in terms of the Laws of Malawi

and

TNM PENSION FUND

With registration number: RPF-SA/005/15

a private entity incorporated in terms of the Laws of Malawi

and

STANDARD BANK ITF OLD MUTUAL UNIT TRUST BALANCED FUND

a Collective Investment Scheme(CIS) fund under Old Mutual Unit Trust Company Limited

With registration number:11006

governed by the Financial Services (Establishment and Operations of Collective Investment Scheme(CIS))Directive 2015

and

MADZI PENSION FUND

With registration number: RPF/SA-016/18

a private entity incorporated in terms of the Laws of Malawi

and

MPC PENSION FUND

With registration number: RPF/SA-011/17

a private entity incorporated in terms of the Laws of Malawi

and

THE PUBLIC SERVICE PENSION TRUST FUND

With registration number: N/A

a private entity incorporated in terms of the Laws of Malawi

and

RBM PENSION FUND

With registration number: []

a private entity incorporated in terms of the Laws of Malawi
and

AVIATION PENSION FUND,

With registration number: 5448

a private entity incorporated in terms of the Laws of Malawi

(hereinafter referred to as the “**Subscribers**”)

NOW THEREFORE THESE PRESENTS WITNESS:

1. INTERPRETATION

The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this Agreement nor any clause hereof. In this Agreement, unless a contrary intention clearly appears:

- 1.1 words importing:
 - 1.1.1 any one gender includes the other genders;
 - 1.1.2 the singular includes the plural and *vice versa*; and
 - 1.1.3 natural persons include created entities (corporate or unincorporated) and *vice versa*;
- 1.2 the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:
 - 1.2.1 “**Act**” means the Companies Act, No. 15 of 2013 of Malawi;
 - 1.2.2 “**Agreement**” means this subscription agreement and all the schedules hereto;
 - 1.2.3 “**Applicable Pricing Supplement**” means the pricing supplement issued in relation to this Tranche of Notes. This will give details of the particular Tranche and the terms and conditions applicable to each Note in the Tranche;
 - 1.2.4 “**Arranger**” means MyBucks Corporate Finance;
 - 1.2.5 “**Company**” or “**Issuer**” means MyBucks Banking Corporation Limited, a company incorporated in accordance with the Applicable Laws of Malawi with company registration number 12942;
 - 1.2.6 “**Core Equity Capital**” means the total of share capital, retained earnings and reserves;
 - 1.2.7 “**Effective Date**” means 23 May 2019;
 - 1.2.8 “**Interest Payment Dates**” means that the Notes will pay a coupon from, and including the Issue Date to, but excluding, the Maturity Date at a rate of average 364-day Treasury Bill rate for the past three months on each Interest Payment Date plus 400bps (four hundred basis points) *per annum* payable quarterly in arrears on 31st of March, 30th of June, 30th of September, and 31st of December of each year, with the final payment payable on the Maturity Date (each an ‘Interest Payment Date’) as calculated per 2.2. Applicable Interest rate shall be determined in advance based on the previous quarter Average 364-day Treasury bill rates.
 - 1.2.9 “**Issue Date**” means the Effective Date;
 - 1.2.10 “**Maturity Date**” means 23 May 2022;
 - 1.2.11 “**MSE**” means the Malawi Stock Exchange;

- 1.2.12 **"MSE Listing Requirements"** means the listing requirements of the MSE, being the rules regulating listings on the MSE;
- 1.2.13 **"Note"** or **"Notes"** means 1,200 (one thousand two hundred) Floating Rate Notes of MWK 5,000,000 (Five Million Malawi Kwacha) each, with Principal Amounts being MWK 6,000,000,000 (Six Billion Malawi Kwacha) issued in terms of this Agreement as the second Series of MWK 6,000,000,000 (Six Billion Malawi Kwacha) to be issued under the Programme;
- 1.2.14 **"Noteholder"** means the registered holders for the time being of the Notes and includes the Subscriber;
- 1.2.15 **"Principal Amounts"** means the amounts owing under the Notes, being an amount of MWK 6,000,000,000 (Six Billion Malawi Kwacha) including Interest and any adjustment on account of any formula owing by the Issuer under the Note;
- 1.2.16 **"Programme"** means the *MWK 14,000,000,000 (Fourteen Billion Malawi Kwacha) Domestic Medium Term Note Programme* established in terms of a prospectus, as amended from time to time, and under which the Issuer may from time to time issue Notes denominated in Malawi Kwacha and having such maturity as may be agreed between the Issuer and the Arranger(s) as specified in the Applicable Pricing Supplement and, if listed, as approved by the MSE or its successor and/or any other exchange or exchanges on which the Notes are to be listed;
- 1.2.17 **"Register"** means the register or, as the case may be, registers of Noteholders maintained by the Issuer in terms of the Act;
- 1.2.18 **"Relevant Date"** means, in respect of any payment relating to the Notes, the date on which such payment first becomes due;
- 1.2.19 **"Total Regulatory Capital"** means the total of Core Equity Capital and Reserve Bank of Malawi-approved revaluation reserves, subordinated debt and/or general provisions; and
- 1.2.20 words, terms and phrases defined in the Prospectus of the Programme shall bear corresponding meanings when used herein;
- 1.3 any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time;
- 1.4 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the Agreement;
- 1.5 when any number of days is prescribed in this Agreement, same shall be calculated exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday;
- 1.6 where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail;

- 1.7 schedules or annexures to this Agreement shall be deemed to be incorporated in and form part of this Agreement;
- 1.8 any reference to an Interest rate per annum, shall be in respect of 365 (three hundred and sixty five) day year, and shall refer to a nominal annual rate of Interest;
- 1.9 all decimals of a cent arising in any final calculation in respect of Notes will be rounded to the nearest cent. Decimals in excess of 0.5 (zero comma five) will be rounded up to the nearest cent and decimals of 0.5 (zero comma five) and below will be rounded down to the nearest cent.

2. CREATION OF THE NOTE AND SUBSCRIPTION THEREFORE

- 2.1 The Issuer hereby undertakes to create Notes, which the Subscriber subscribes for in accordance with the terms and conditions of this Agreement.
- 2.2 The Notes shall bear Interest from the Issue Date until the Maturity Date, as calculated and payable as set out in clause 6 *below*, at the **average 364-day Treasury Bill rate for the past three months on each Interest Payment Date plus 400bps (four hundred basis points) per annum.**
- 2.3 The Notes will be re-priced based on average 364-day Treasury Bill rate for the past three months plus 400 basis points on each Interest Payment Date.
- 2.4 The Principal Amounts of the actual loans to the Issuer, assuming that all the Notes are issued, are MWK 6,000,000,000 (Six Billion Malawi Kwacha), as aforesaid.
- 2.5 The Subscribers shall make payment of the amounts set out in clause 2.4 *above* on the Effective Date. Refer to “**Annexure C**” for the breakdown of subscribers.
- 2.6 All amounts payable in terms of clause 2.5 *above* shall be paid free of exchange in Malawi Kwacha at the offices of the Issuer, as set out in clause 19, or received at such offices on or before 17h00 CAT on Effective Date, provided that electronic funds transfers will be accepted up to 17h00 CAT on Effective Date.
- 2.7 All amounts shall be paid through an electronic funds transfer to the elected bank account of the Issuer, to be notified to the Subscriber by the Issuer on or before the Effective Date.
- 2.8 Payment shall not be deemed to be made until the amount due has been received by the Issuer.
- 2.9 The Issuer shall issue to the Subscriber an Applicable Pricing Supplement for the Note in the form of **Annexure “A”** to this Agreement within 7 (seven) days after the receipt of payment contemplated in clause 2.8 *above*.

3. USE OF SUBSCRIPTION MONEYS BY THE ISSUER

- 3.1 After payment by the Issuer of the following out of the subscription moneys:
 - 3.1.1 all legal costs in connection with the creation and issue of the Note; and

3.1.2 any stamp and other statutory duties payable upon this Agreement, Note certificates, and otherwise in connection with the issue of the Note,

the Issuer intends and shall be obliged to utilise the balance of the subscription moneys received in terms of this Agreement primarily to grow the current operations of the Issuer.

4. SECURITY

4.1 The Notes will be secured through pledging the Listed Treasury Note per **Annexure "B"** (issued to the Issuer by the Government of Malawi) at 100% (one hundred percent) of the Principal Amounts, pledged under a global master repurchase agreement in favour of the Subscriber.

4.2 The Issuer hereby cedes, assigns and transfers the Listed Treasury Notes to the Subscriber as at the Effective Date.

5. OBLIGATION TO PAY PRINCIPAL AND INTEREST

The Issuer binds itself to pay to the Subscriber, the respective sums that shall become due to such Noteholders for principal and Interest upon the Note at the times at which those sums become due in terms of this Agreement.

6. INTEREST

6.1 Interest, calculated as set forth in clause 2.2 *above*, will be payable upon the Notes in arrears on the Interest Payment Dates in each year, calculated up to and including those dates.

6.2 The first payment of Interest will be in respect of the period from Issue Date of the Notes.

6.3 Only the registered Noteholders shall be entitled to the payment of Interest.

6.4 Payment of any Interest shall be deemed to be made on the date of the making of the electronic funds transfer, and the Issuer shall not be deemed to be in default in the payment of any Interest if the transfer has been made at least 3 (three) days prior to the Relevant Date provided the full interest is paid.

6.5 The Noteholders are entitled to declare their Notes due and demand immediate redemption thereof at par plus accrued Interest upon the occurrence of certain customary events of default as outlined in 7.2 below and also include non-payment, breach of other obligations, cross-default, suspension of payments, insolvency, liquidation, cessation of business operations and invalidity of the guarantee of the former issuer.

7. REPAYMENT OF NOTES

- 7.1 The repayment of Principal Amounts and last Interest payment shall be on the Maturity Date of the Note.
- 7.2 The Notes, together with all Interest accrued thereon, shall become immediately repayable, before the Maturity Date should any of the following events occur:
- 7.2.1 if the Issuer defaults in the payment of any Interest on the Notes and continues such default for more than 14 (fourteen) calendar days after the most recent Interest Payment Dates, or if there is a delay of less than 14 (fourteen) calendar days after the most recent Interest Payment Dates on more than two occasions between the Issue Date and the Maturity Date;
 - 7.2.2 if the Issuer commits any breach of any of its obligations under this Agreement and, within 21 (twenty one) days after receipt by the Issuer, of a notice in writing from the Subscriber requiring the breach to be remedied, shall fail to remedy the breach if in the circumstances operating at the time it can reasonably be remedied within that period, or, if it cannot in those circumstances reasonably be remedied within that period, shall fail within that period to initiate all proper steps towards its remedy and thereafter to pursue them until the remedy is complete, or, if it is a breach that cannot be remedied, shall fail within that period to initiate and thereafter to pursue all proper steps designed to cause it to cease and to prevent its recurrence;
 - 7.2.3 if a final order shall be made or an effective resolution passed for the winding-up of the Issuer;
 - 7.2.4 if any final order shall be made placing the Issuer under judicial management;
 - 7.2.5 if any material assets of the Issuer are attached under a writ of execution issued out of any court and the writ is not satisfied within 7 (seven) days after the attachment came to the notice of the directors of the Issuer, or application to rescind is not made within 30 (thirty) days after the attachment came to the notice of the directors of the Issuer and such application to rescind is not proceeded with timeously or is refused, provided that the refusal by a court to grant an application for rescission shall not be deemed to be a refusal until it becomes final and not subject to appeal or further appeal, provided that in any event the provisions of this clause 7.2.5 shall only apply if the effect of any such attachment is likely to have a material effect on the Issuer's financial position;
 - 7.2.6 if the Issuer, without the prior consent of the Subscriber, makes any alteration in the provisions of its memorandum or articles of association which in the Subscriber's reasonable opinion detrimentally affects the interests of the Noteholders or could do so;
 - 7.2.7 if the Issuer shall default in the payment of liabilities which is likely to have a material effect on the Issuer's financial position;
 - 7.2.8 if the Issuer without the prior written consent of the Subscriber, convenes a meeting of the Issuer or any of its subsidiaries, to consider the passing of a resolution authorising the alienation, transfer, sale, or disposal of the whole or a major part of the undertaking of the Issuer and/or its subsidiaries

regarded for this purpose as a single entity, or to reduce the issued and paid-up share capital of the Issuer.

- 7.3 Upon the happening of any of the events specified in clause 7.2 above, the Issuer shall immediately inform the Subscriber, *and the Subscriber becoming availed of this information whether by the Issuer or otherwise* may in their discretion enforce this Agreement and enforce their rights in terms hereof.
- 7.4 Bank details of the Lenders to the loan in which both interest and principal repayments shall be made are as follows:

Old Mutual Life Assurance Company (Malawi) Limited (& The Public Service Pension Trust Fund)

Bank Name : National Bank of Malawi
Branch Name : Victoria Avenue
Account Name : Old Mutual Life Assurance Company (Malawi) Limited
Account Number : 3018164.

Magetsi Pension Fund.

Bank Name : Standard Bank Malawi
Branch Name : Blantyre Main
Account Name : Magetsi Pension Fund
Account Number : 9100001710831

CHAM Pension Fund

Bank Name : Standard Bank Malawi
Branch Name : Blantyre Main
Account Name : CHAM Pension Fund
Account Number : 9100004010881

TNM Pension Fund

Bank Name : Standard Bank Malawi
Branch Name : Blantyre Main
Account Name : TNM Pension Fund
Account Number : 9100003126606

Standard Bank Limited ITF OMUT Balanced Fund

Bank Name : Standard Bank Malawi
Branch Name : Blantyre Main
Account Name : Standard Bank Limited ITF OMUT Balanced Fund
Account Number : 9100001101673

MPC Pension Fund

Bank Name : Standard Bank Malawi
Branch Name : Blantyre Main
Account Name : Malawi Posts Corporation Pension Fund
Account Number : 9100001921530

Aviation Pension Fund

Bank Name : Standard Bank Malawi
Branch Name : Blantyre Main
Account Name : Aviation Pension Fund
Account Number : 9100002908600

Madzi Pension Fund

Bank Name : National Bank of Malawi
Branch Name : Henderson Street
Account Name : Madzi Pension Fund
Account Number : 1005560237

RBM Pension Fund

Account Name : Reserve Bank of Malawi Pension Fund
Account Number : 0019000010003
Branch Name : Reserve Bank of Malawi

8. COVENANTS

The Issuer undertakes to observe the following covenants:

- 8.1 maintain a Minimum Core Equity Capital of USD 5,000,000 (Five million United States Dollars) in Malawi Kwacha equivalent;
- 8.2 maintain a Minimum Core Equity Capital adequacy ratio of 10% (Ten percent); and
- 8.3 maintain Minimum Total Regulatory Capital adequacy ratio of 15% (Fifteen percent).

9. ISSUER'S FURTHER DUTIES

- 9.1 The Issuer undertakes in favour of the Subscriber that it shall, for as long as the Subscriber remains a Noteholder in whole or in part of the Note provide:
 - 9.1.1 Half-Yearly Financial Statements and Reports as soon as available but in any event within 90 (ninety) days after the end of each half-year of each financial year, deliver to the Subscriber a copy of:
 - 9.1.1.1 the Issuer's consolidated financial statements for such half-year prepared in accordance with acceptable international accounting standards, certified by an officer of the Issuer and a report on any factors that have or could reasonably be expected to have a material adverse effect;
 - 9.1.1.2 a report signed by the Issuer's chief financial officer, confirming that the Issuer is in compliance with this Agreement;
 - 9.1.2 Annual Financial Statements and Reports as soon as available but in any event within 120 (one hundred and twenty) days after the end of each financial year, provide to the Subscriber a copy of:
 - 9.1.2.1 its complete and annual consolidated financial statements for such financial year prepared in accordance with acceptable international accounting standards, together with its auditors' audit report thereon, all in a form satisfactory to the Subscriber;
 - 9.1.2.2 a management letter and any other communication from its auditors commenting, *inter alia*, on the adequacy of the Issuer's financial control procedures, accounting systems and management information system;
 - 9.1.3 Management Letters deliver to the Subscriber, promptly following receipt, a copy of any management letter or other communication sent by the auditors (or any other accountants retained by the Issuer) to the Issuer or its management in relation to the Issuer's financial, accounting and other systems, management or accounts;
 - 9.1.4 Litigation promptly upon becoming aware of: (i) any litigation, administrative, regulatory or criminal investigations or proceedings before any regulatory or government authority or arbitral body which has or may reasonably be expected to have a material adverse effect; or (ii) any litigation, administrative, regulatory or criminal investigations or proceedings or freezing of assets by any authority involving the Issuer or its employees, and shall notify the Subscriber of that event specifying the

nature of the action, litigation, investigation or proceedings and the steps the Issuer is taking or proposes to take with respect thereto;

9.1.5 Default promptly upon the occurrence of a default of this Agreement, notify the Subscriber, specifying the nature of that default and any steps the Issuer is taking to remedy it; and

9.1.6 Insurance insure and keep insured, with financially sound and reputable insurers, all its assets and business against all insurable losses.

9.2 The Issuer undertakes in favour of the Subscriber that it shall:

9.2.1 properly keep the books of account of its business transactions and operations;

9.2.2 forward to the Subscriber and all Noteholders at the same time that they are forwarded to the ordinary shareholders of the Issuer, copies of the annual financial statements of the Issuer (including group annual financial statements, if any) and the interim reports of the Issuer;

9.2.3 execute and attend to all deeds, documents and things which the Subscriber may reasonably require to enable the Subscriber to carry out the trusts, powers and provisions contained in this Agreement;

9.2.4 provide the Subscriber with such information or extracts, certified by the Issuer's auditors if so required by the Subscriber, from the books, records and documents of the Issuer as may reasonably be required by the Subscriber to carry out its duties, and any such certificate or extract shall be conclusive evidence of the information contained therein;

9.2.5 within 21 (twenty-one) Business Days after the payment of any Interest, furnish the Subscriber with a certificate signed by the secretary or a director of the Issuer stating whether or not all Interest payments due on the Note have been duly made. The Subscriber shall be entitled to accept the contents of such certificate as being correct without being obliged to verify the same;

9.2.6 not, without the prior written consent of the Subscriber, which consent shall not unreasonably be withheld:

9.2.6.1 alienate the business of the Issuer or the whole or the greater part of the assets of the Issuer;

9.2.6.2 modify, alter or vary any of the rights or restrictions attaching to the Note and the authorised share capital of the Issuer; and/or

9.2.6.3 increase, reduce, repay or distribute any part of the share capital, share premium or reserves to the knowledge of the Issuer, with the exception of any shares issues with the effect of increasing the share capital of the Issuer approved by the shareholders of the Issuer on or before the Effective Date; and

9.2.7 notify the Subscriber immediately, in writing, if any breach of any provision of this Agreement takes place.

10. UNDERTAKINGS

The Parties undertake to do all things, perform all acts and take all steps (or to procure the doing of all things and the performance of all acts) which may be necessary or incidental to or helpful in giving effect to the terms and conditions of this Agreement.

11. INDULGENCE

The Issuer shall not be released from any of its obligations under this Agreement by reason of any indulgence extended to it by the Subscriber for the payment of any sum of money then due or for the fulfilment of any other obligation by it, nor in respect of any act of the Subscriber in the exercise of any of the Subscriber's powers, authorities or discretions vested in the Subscriber by this Agreement or by anything the Noteholders may omit or neglect to do, whether by act or deed or howsoever, which, but for this provision, would operate to release or discharge the Issuer.

12. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

12.1 The Issuer warrants in favour of the Subscriber that:

- 12.1.1 it is a Company duly incorporated and validly existing under the laws of the country listed with its name in the preamble to this Agreement and has the corporate power to own its assets, conduct its business as presently conducted and to enter into, and comply with its obligations under, this Agreement to which it is a party or will be a party;
- 12.1.2 the Company is a going concern;
- 12.1.3 the compliance with the terms of this Agreement will not conflict nor result in a breach of any of the terms, conditions or provisions of, or constitute a default or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which it is a party or by which it is bound, or violate any of the terms or provisions of its memorandum and articles or any authorization, judgment, decree or order or any statute, rule or regulation applicable to it;
- 12.1.4 the financial statements of the Issuer for the period ending on 31 December 2017 have been prepared to give a true and fair view of its financial condition as of the date as of which they were prepared and the results of the Issuer's operations during the period then ended;
- 12.1.5 to the best of its knowledge and belief, the Issuer is not in violation of any statute or regulation of any regulating authority, and is not engaged in nor threatened by any litigation, arbitration or administrative proceedings, the outcome of which could reasonably be expected to have a material adverse effect;
- 12.1.6 to the best of its knowledge and belief, all tax returns and reports it is required by law to be filed have been duly filed and all taxes, obligations, fees and other governmental charges upon the Issuer, or its properties, or its income or assets, which are due and payable or to be withheld, have

been paid, or withheld, other than those presently payable without penalty or Interest;

12.1.7 to the best of its knowledge and belief, all information provided by it in connection with the preparation or negotiation of this Agreement is true and correct in all material respects;

12.1.8 to the best of its knowledge and belief, none of the representations and warranties in this Agreement omits any matter, the omission of which makes any of such representations and warranties misleading in any material respect.

12.2 The Issuer acknowledges that it makes the representations and warranties herein with the intention of inducing the Subscriber to enter into this Agreement and that Subscriber enter into this Agreement on the basis of, and in full reliance on, each of such representations and warranties.

13. APPLICABLE LAW

This Agreement shall be governed and interpreted by the substantive Laws of Malawi.

14. COSTS

The Issuer shall pay all legal costs and charges incidental to the preparation of this Agreement, and all other legal work, reasonably and necessarily incurred with regard to the creation of the Notes and the issue of the Note.

15. ARBITRATION

15.1 In the event of any difference, dispute or deadlock arising at any time between the Issuer and the Subscriber in regard to any matters referred to in, arising from or in connection with, this Agreement or, without limiting the generality aforesaid, any breach thereof or its validity, or the legal interpretation to be applied thereto, then either the Issuer or the Subscriber shall have the right to demand that such difference, dispute or deadlock be submitted to and determined by arbitration in accordance with the following provisions:

15.1.1 the arbitration shall be held in Blantyre, Malawi;

15.1.2 there shall be one Arbitrator who shall be agreed upon between the Issuer and the Subscriber, failing agreement within 5 (five) Business Days of the arbitration being demanded, either the Issuer or Subscriber shall be entitled to require the appointment of an Arbitrator nominated by the President for the time being of the Malawi Law Society who, in making his appointment, shall have regard to the nature of the dispute in question;

15.1.3 the arbitration shall be conducted according to such procedure as shall be laid down by the Arbitrator, provided that:

- 15.1.3.1 such procedure shall be designed to have the result (if practical) that the arbitration be completed within 20 (twenty) Business Days after it shall have been demanded;
 - 15.1.3.2 the arbitration shall be conducted in a summary manner;
 - 15.1.3.3 the Arbitrator shall be entitled to dispense with the rules of procedure and discovery, to the extent that he deems this necessary so as not to delay the expeditious conclusion of the proceedings, but he shall observe the rules of evidence.
- 15.2 The decision of the Arbitrator shall be final and binding on the Issuer and the Subscriber and shall be carried into effect. The Arbitrator's award may be made an order of any court of competent jurisdiction.
- 15.3 This clause 15 shall be severable from the rest of this Agreement and remain effective even if this Agreement is cancelled or terminated.

16. AUTHORITY

In entering into this Agreement, the Issuer is represented by the signatories hereto on its behalf who are two of its directors and whose full names appear below their signatures. The two directors are authorised hereto by a resolution passed at a meeting of its board of directors held upon the date shown in the said certified copy.

17. BREACH AND CANCELLATION

If any Party breaches any provision or term of this Agreement (other than those which contain their own remedies or limit the remedies in the event of a breach thereof) and fails to remedy such breach within 7 (seven) days of receipt of written notice requiring it to do so (or if it is not reasonably possible to remedy the breach within 7 (seven) days, within such further period as may be reasonable in the circumstances provided that the Party in breach also furnishes evidence within the period of 7 (seven) days, reasonably satisfactory to the other Party, that it has taken whatever steps are available to it, to commence remedying the breach) then the aggrieved Party shall be entitled without notice, in addition to any other remedy available to it at law or under this Agreement, including obtaining an interdict, to claim specific performance of any obligation, without prejudice to the aggrieved Party's right to claim damages.

18. CONFIDENTIALITY

Without the prior written consent of the other Parties, the Parties shall keep confidential and will not disclose to any person all information relating to the business or the operations and affairs of the Issuer and the Subscriber.

19. ADDRESS FOR SERVICE

- 19.1 The Parties choose as their address for service for all purposes under this Agreement, whether in respect of court process, notices or other documents or

communications of whatsoever nature (including the exercise of any option), the following addresses:

- 19.1.1 The Issuer: MyBucks Banking Corporation Limited
Ekistics House
P.O. Box 31567
City Centre
Lilongwe 3
Malawi
- 19.1.2 The Subscribers: Old Mutual Life Assurance Company (Malawi) Limited
30 Glyn Jones Road
PO Box 393
Blantyre,
Malawi
- Magetsi Pension Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre
- CHAM Pension Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre
- The Public Services Pension Trust Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre
- OMUT Balanced Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre
- MPC Pension Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre
- Madzi Pension Fund
C/O Old Mutual Investment Group

30 Glyn Jones Road
PO Box 393
Blantyre

TNM Pension Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre

RBM Pension Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre

Aviation Pension Fund
C/O Old Mutual Investment Group
30 Glyn Jones Road
PO Box 393
Blantyre

- 19.2 Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing.
- 19.3 Either Party may by notice to the other Party change the physical address chosen as its *domicile address* to another physical address, provided that the change shall become effective on the 7th (seventh) day from the deemed receipt of the notice by the other Party.
- 19.4 Any notice to a Party:
- 19.4.1 sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at its *domicilium citandi et executandi* shall be deemed to have been received on the 7th (seventh) day after posting (unless the contrary is proved);
 - 19.4.2 delivered by hand to a responsible person during ordinary business hours at its *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery.
- 19.5 Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.
- 19.6 Any notice required to be given in terms of this Agreement to any Noteholder:
- 19.6.1 shall be given at the Noteholder's address as shown in the Register;
 - 19.6.2 in the case of joint holders, shall be given to each of those joint holders;

19.6.3 shall be given by posting it by registered mail to that Noteholder;

19.6.4 shall be deemed (unless the contrary is proved) to have been received by that Noteholder to whom it is addressed at his address in the Register, on the 7th (seventh) day after it has been posted.

19.7 In proving the giving of any notice in terms of this Agreement, it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and sent by the appropriate method of posting.

20. EXECUTION IN COUNTERPARTS AND BY TELEFAX / ELECTRONIC MAIL

20.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

20.2 This Agreement may be signed and sent by telefax or electronic mail. In that event, the Parties will endeavour to sign clean copies to replace the faxed signature pages as soon as is reasonably possible, but the failure to do so shall not constitute a breach of this Agreement nor invalidate in any way the faxed or e-mailed signature pages.

20.3 This Agreement is signed by the Parties on the dates and at the places indicated opposite their respective names.

20.4 The persons signing this Agreement in a representative capacity warrant their authority to do so.

20.5 The Parties record that it is not required for this Agreement to be valid and enforceable that a Party shall initial the pages of this Agreement and/or have its signature of this Agreement verified by a witness.

21. WHOLE AGREEMENT

This Agreement constitutes the whole Agreement between the Parties as to the subject matter hereof, and no representations, terms, conditions or warranties between the Parties other than those set out herein are binding on the Parties.

22. NO REPRESENTATION

No Party may rely on any representation that allegedly induced that Party to enter into this Agreement, unless the representation is recorded in this Agreement.

23. NO WAIVER

No waiver by a Party of any breach, failure or default in performance by the other Party, and no failure, refusal or neglect by a Party to exercise any right hereunder or to insist upon strict compliance with or performance of the other Party's obligations under this agreement, shall constitute a waiver of the provisions of this agreement and a Party may at any time require strict compliance with the provisions of this Agreement.

24. Anti-Fraud and Anti-Corruption

Old Mutual has always worked to observe the highest standards of financial and ethical conduct and has a “zero tolerance” policy towards fraud and corruption. Old Mutual's procedures to prevent and combat fraud and corruption, money laundering and the financing of terrorism can be found in the Financial Crime Policy and the Risk Management and Compliance Programme (RMCP) which can be provided upon request.

SIGNED by the Parties and witnessed on the following dates and at the following places respectively:

Date: _____

Place: _____

Witnesses:

1: _____

Name: Francis Pelekamoyo

2: _____

(Signatures of witnesses)

Name: Zandile Miriam Shaba

For: **MyBucks Banking Corporation Limited**

Date: _____

Place: _____

Witnesses:

1: _____

Name:

2: _____

(Signatures of witnesses)

For: **Old Mutual Life Assurance Company
(Malawi) Limited**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____

(Signatures of witnesses)

For: **Magetsi Pension Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____
(Signatures of witnesses)

For: **Christian Health Association of Malawi
Pension Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____
(Signatures of witnesses)

For: **TNM Pension Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____
(Signatures of witnesses)

For: **Standard Bank ITF Old Mutual Unit Trust Balanced Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____
(Signatures of witnesses)

For: **RBM Pension Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____

(Signatures of witnesses)

For: **Malawi Post Corporation Pension Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____

(Signatures of witnesses)

For: **The Public Services Pension Trust Fund**

Date: _____

Place: _____

Witnesses:

1: _____

2: _____

(Signatures of witnesses)

For: **Aviation Pension Fund**

Annexure “A” Applicable Pricing Supplement



MyBucks Banking Corporation Limited
(“MyBucks Banking Corporation” or the “Issuer”)

Incorporated in Malawi on 15 May 2013
(Registration number 12942)

MWK 14,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall bear the meanings assigned to them set forth in the Terms and Conditions in the Prospectus dated 21 June 2018. The Notes described in this Applicable Pricing Supplement are subject to the Terms and Conditions in the Prospectus and this Applicable Pricing Supplement must be read in conjunction with such Prospectus as read together with any Supplementary Prospectus that may be issued. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Prospectus, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Prospectus headed “*Definitions*”.

Prospective investors in the Notes of the Issuer as with any other listed security 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 MSE’s approval of the listing of the Issuer’s Notes should not be taken in any way as an indication of the merits of the Issuer. The MSE has not verified the accuracy and truth of the contents of the documentation submitted to it, and the MSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the said instrument.

1. PARTIES

1.1.	Issuer	MyBucks Banking Corporation Limited
1.2.	Dealer	Not Applicable
1.3.	Lead Arranger	MyBucks Corporate Finance
1.4.	Co-Lead Arranger	Stockbrokers Malawi Limited
1.5.	MSE Debt Sponsor	Stockbrokers Malawi Limited
1.6.	Paying Agent	National Bank of Malawi plc
	Specified Office	NBM Towers, Corner Hannover Avenue/Henderson Street, Blantyre
1.7.	Calculation Agent	National Bank of Malawi plc
	Specified Office	NBM Towers, Corner Hannover Avenue/Henderson Street, Blantyre
1.8.	Transfer Secretary	National Bank of Malawi plc
	Specified Office	NBM Towers, Corner Hannover Avenue/Henderson Street, Blantyre

2. PROVISIONS RELATING TO THE NOTES

2.1.	Guarantor (if applicable)	MyBucks S.A.
2.2.	Form of Notes	Secured, Listed Notes
2.3.	Series Number	B
2.4.	Tranche Number	02
2.5.	Aggregate Nominal Amount:	
	i. Series	8,000,000,000
	ii. Tranche	6,000,000,000
	iii. Minimum Subscription Amount	5,000,000
2.6.	Interest	Interest-bearing
2.7.	Interest Payment Basis	Floating Rate
2.8.	Redemption	Not Applicable

2.9.	Opening Date of Offer	Not Applicable
2.10.	Closing Date of Offer	Not Applicable
2.11.	Issue Date	23 May 2019
2.12.	Specified Denomination	5,000,000
2.13.	Specified Currency	Malawian Kwacha
2.14.	Issue Price	The Notes will be issued at Par
2.15.	Interest Commencement Date	23 May 2019
2.16.	Maturity Date/Settlement Date	23 May 2022
2.17.	Maturity Type	Bullet Maturity
2.18.	Applicable Business Day Convention	Following Business Day
2.19.	Final Redemption Amount	6,000,000,000
2.20.	Last Day to Register	By 28 th of March, 28 th of June, 28 th of September and 28 th of December of each year until the maturity date
2.21.	Books Closed Period(s)	The Register will be closed 2 days before each Relevant Date
2.22.	Default Rate	Not Applicable
3. FLOATING RATE NOTES		
3.1.	Interest Payment Date(s)	31 st of March, 30 th of June, 30 th of September, and 31 st of December of each year until the Maturity Date with the first Interest Payment Date being 30 June 2019, and the final interest Payment Date being the Maturity Date
3.2.	Interest Period(s)	From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on 23 May 2019 and ending the day before the next Interest Payment Date
3.3.	Definition of Business Day (if different from that set out in Definition)	Not Applicable

3.4.	Minimum Rate of Interest	Not Applicable
3.5.	Maximum Rate of Interest	Not Applicable
3.6.	Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	Not Applicable
3.7.	Manner in which the Rate of Interest is to be determined	Treasury Bill Determination
3.8.	Margin	4% per annum to be added to the Reference Rate
3.9.	If Treasury Bill Determination:	
	a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	Average 364-day Treasury Bill rate for the past three months on each Interest Payment Date
	b) Interest Determination Date(s)	31 st of March, 30 th of June, 30 th of September, and 31 st of December of each year until the Maturity Date with the first Interest Determination Date being 30 June 2019
	c) Relevant Screen Page and Reference Code	Latest 364-day Treasury Bill auction results from https://www.rbm.mw/FinancialMarkets/TreasuryBills/ or successor page
3.10.	If Rate of Interest to be calculated otherwise than by Treasury Bill Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fall-back provisions	Not Applicable

GENERAL

4.	Securities Exchange	Malawi Stock Exchange
5.	Additional selling restrictions	Not Applicable
6.	MSE Code	TBA
7.	ISIN Number	TBA
8.	Stabilising manager	Not Applicable
9.	Provisions relating to stabilisation	Not Applicable
10.	Listing Date	TBA
11.	Method of Offering	Private Placement

- | | |
|---|---|
| 12. Credit Rating assigned to the [Issuer]/[Programme]/[Notes] | Not Applicable |
| 13. Credit Rating assigned to the Guarantor | Not Applicable |
| 14. Applicable Rating Agency | Not Applicable |
| 15. Governing law | Malawi |
| 16. Surrendering of Notes in the case of Notes represented by a Certificate | 7 days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer |
| 17. Use of proceeds | The Issuer will use the proceeds of the Notes issued to grow the current operations of the Issuer. |

18. OTHER PROVISIONS

18.1. Security

The Note will be secured through Government of Malawi Treasury Notes at 100% cover, pledged under a global master repurchase agreement on behalf of the Subscriber.

18.2. Covenants

The Issuer undertakes to observe the following covenants:

- a) Minimum Core Equity Capital of USD 5,000,000 in Malawi Kwacha equivalent;
- b) Minimum Core Equity Capital adequacy ratio of 10%, calculated as regulated by the Reserve Bank of Malawi;
- c) Minimum Total Regulatory Capital adequacy ratio of 15%, calculated as regulated by the Reserve Bank of Malawi.

19. DISCLOSURE BY ISSUER

The Issuer will for as long as any Tranche of Notes remains Outstanding, notify the Noteholders of any material change in the financial position of the Issuer.

Any material change in the financial position of the Issuer which is beyond the control of the Issuer, including any change as a result of a change of statute or regulations, shall not constitute an Event of Default.

20. **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 Listing of Financial Instruments Requirements of the MSE.

Application is hereby made to list this issue of Notes on the ____ of _____ 2019.

SIGNED at Lilongwe on this 29th of April 2019.

For and on behalf of

MYBUCKS BANKING CORPORATION LIMITED

Name: Francis Pelekamoyo

Capacity: Chairman
Who warrants his authority hereto

Name: Zandile Miriam Shaba

Capacity: Chief Executive Officer
Who warrants her authority hereto

Annexure “B” Listed Treasury Note

Security number:	TN05YR280324
Issue date:	28 March 2019
Maturity date:	28 March 2024
Coupon:	10%
Amount:	MWK 6 billion

Annexure “C”

Lender	Amount (K)
Old Mutual Life Assurance Company (Malawi) Limited	2,200,000,000.00
Magetsi Pension Fund	650,000,000.00
CHAM Pension Fund	530,000,000.00
Madzi Pension Fund	300,000,000.00
TNM Pension Fund	200,000,000.00
MPC Pension Fund	170,000,000.00
The Public Service Pension Trust Fund	900,000,000.00
Standard Bank Ltd ITF OMUT Balanced Fund	300,000,000.00
RBM Pension Fund	700,000,000.00
Aviation Pension Fund	50,000,000.00
Total	6,000,000,000.00