

2 August 2021



The Land and Agricultural Development Bank of South Africa

(JSE Code: BILB)

("Land Bank")

**IMPORTANT ANNOUNCEMENT TO THE HOLDERS OF NOTES LISTED UNDER THE 2010 DMTN PROGRAMME AND THE 2017 DMTN PROGRAMME: NOTICE REQUESTING EXTRAORDINARY WRITTEN RESOLUTION**

1. The Land and Agricultural Development Bank of South Africa (the "Issuer" or "Land Bank") intends to give notice to (i) the holders of each class of notes in issue under Land Bank's ZAR10,000,000,000 domestic medium term note programme dated 18 October 2010 (the "2010 DMTN Programme" and those notes, the "2010 DMTN Notes" and those noteholders, the "2010 Noteholders"); and (ii) the holders of each class of notes in issue under Land Bank's ZAR30,000,000,000 domestic medium term note programme dated 13 March 2017 (the "2017 DMTN Programme" and those notes, the "2017 DMTN Notes" and those noteholders, the "2017 Noteholders"). Defined terms used in this SENS announcement shall bear the meaning as defined in the 2010 DMTN Programme and the 2017 DMTN Programme, as appropriate, unless inconsistent with the context or separately defined herein.
2. In the SENS announcement dated 14 January 2021, the Issuer provided the market with an update in respect of the liability solution currently under discussion with its lenders, including the holders of listed debt securities issued under the 2010 DMTN Programme and 2017 DMTN Programme. The Issuer has and will continue to engage with its lenders as progress is made towards a liability solution.
3. The Issuer has, since August 2020 and while engagements with its lenders in relation to the liability solution have continued, repaid approximately 12% of the capital amount that was owing to its financial creditors, together with all associated interest. The Issuer now wishes to facilitate a further payment equivalent to approximately 10% of the capital outstanding to each financial creditor.
4. The Issuer would like to make this payment as soon as possible, the most efficient way to achieve this is for the Issuer to first delist the 2010 Notes and the 2017 Notes, (and, if the Issuer so desires), deregister the 2010 DMTN Programme and 2017 DMTN Programme, remove the contractual provisions that require the JSE to approve and/or give consent or require that notice be given to the JSE in relation to any of the terms of the notes and then to amend the terms of each note to allow for the Issuer to effect a partial early redemption of the notes on a Note-by-Note basis.
5. The Issuer will seek the consent, of (i) 2010 Noteholders; and (ii) 2017 Noteholders, on a Note-by-Note basis, for:
  - 5.1. the delisting from the Interest Rate Market of the JSE of, on a Note-by-Note basis, all the 2010 Notes and all the 2017 Notes; and, should the Issuer so desire, the deregistration from the Interest Rate Market of the JSE of the 2010 DMTN Programme and the 2017 DMTN Programme;

- 5.2. in the case of the 2017 Notes only, the waiver by the 2017 Noteholders of their rights to enforce in accordance with Condition 10.8 (*Redemption in the event of a failure to maintain a JSE Listing and Rating*);
  - 5.3. once the relevant notes have been delisted and the relevant waivers in paragraph 5.2 (if applicable) have been granted, the amendment of the relevant notes to delete all requirements that require JSE approval/consent or require notification be given to the JSE in relation to any of the terms and conditions of the relevant notes; and
  - 5.4. the amendment and restatement of the relevant notes as described below.
6. Once delisting of the 2010 DMTN Programme has been completed, the Issuer intends to amend and restate each of the 2010 Notes, on a Note-by Note basis, so as to:
- 6.1. remove the contractual consents and/or approvals of the JSE, that were written into the Terms and Conditions of the 2010 DMTN Programme;
  - 6.2. shorten the notice periods required under Condition 9.3 (*Redemption at the Option of the Issuer*) of the Terms and Conditions of the 2010 DMTN Programme to facilitate an earlier partial redemption of the Notes;
  - 6.3. replace Condition 17 (*Notices*) with market standard provisions as the current provisions are outdated;
  - 6.4. grant the Issuer the right to “switch on” Condition 9.3 (*Redemption at the Option of the Issuer*) of the Terms and Conditions of the 2010 DMTN Programme to facilitate a partial redemption of the Notes.
7. Once delisting of the 2017 DMTN Programme has been completed and once the required waivers have been received, the Issuer intends to amend and restate each of the 2017 Notes, on a Note-by Note basis, so as to:
- 7.1. remove the contractual consents and/or approvals of the JSE, that were written into the Terms and Conditions of the 2017 DMTN Programme;
  - 7.2. remove Condition 10.8 (*Redemption in the event of a failure to maintain a JSE Listing and Rating*) on page 55 of the 2017 DMTN Programme in its entirety, and delete all references to Condition 10.8 (*Redemption in the event of a failure to maintain a JSE Listing and Rating*) throughout the 2017 DMTN Programme;
  - 7.3. shorten the notice periods required under Condition 10.3 (*Redemption at the Option of the Issuer*) of the Terms and Conditions of the 2017 DMTN Programme to facilitate an earlier partial redemption of the Notes; and

- 7.4. grant the Issuer the right to “switch on” Condition 10.3 (*Redemption at the Option of the Issuer*) of the Terms and Conditions of the 2017 DMTN Programme to facilitate an earlier partial redemption of the Notes.
8. The delisting of each of the relevant 2010 Notes and each of the relevant 2017 Notes shall become effective on the day on which the JSE grants approval for the delisting, following the required majority of votes in favour of delisting have been obtained (or as soon as possible thereafter), provided that:
  - 8.1. with respect to each Series of Notes issued under the 2010 DMTN Programme; the delisting of such Series of Notes will only take place if the proposed resolution is approved by noteholders holding not less than 66.67% in value of the aggregate Outstanding Nominal Amount of such Series of Notes.
  - 8.2. with respect to each Series of Notes issued under the 2017 DMTN Programme; the delisting of such Series of Notes will only take place if the proposed resolution is approved by noteholders holding not less than 75% in value of the aggregate Outstanding Nominal Amount of such Series of Notes.
9. The consent of the Noteholders referred to in paragraph 5 above will be requested by extraordinary written resolution ("**Extraordinary Written Resolution**") in the form distributed to each of the relevant noteholders, which will be distributed via the CSD, with the notice as required under paragraph 1.17 of the JSE Debt Listing Requirements ("**Notice**").
10. The reasons for the delisting of the 2010 Notes and the 2017 Notes referred are the following:
  - 10.1. the Issuer has, since August 2020 and while engagements with its lenders in relation to the liability solution have continued, repaid approximately 12% of the capital amount that was owing to its financial creditors, together with all associated interest. The Issuer now wishes to facilitate a further payment equivalent to approximately 10% of the capital outstanding to each financial creditor. The Issuer would like to make this payment as soon as possible;
  - 10.2. in the context of the 2010 Notes and the 2017 Notes, the most efficient way to achieve this is for the Issuer to effect an early redemption on a Note-by-Note basis.
  - 10.3. The terms of the 2010 Notes and the 2017 Notes currently do not allow for early redemption at the option of the Issuer. The Issuer therefore wishes to amend and restate each applicable pricing supplement to allow the Issuer the right to early redeem at the option of the Issuer and to make certain related amendments to the terms and conditions of the 2010 Notes and the 2017 Notes.
11. The date that the Issuer has selected to determine which Noteholders recorded in the Register will receive this notice, is 2 August 2021.

12. There are no restrictions imposed on the 2010 Noteholders nor the 2017 Noteholders in respect of the voting and passing of the Extraordinary Written Resolution. In terms of paragraph 1.17 of the JSE Debt Listing Requirements, the Issuer will not be permitted to vote on the proposed resolution.
13. The 2010 Noteholders and the 2017 Noteholders will receive the Notice and the Extraordinary Written Resolution via the CSD on 2 August 2021 and are required to sign the relevant Extraordinary Written Resolution and deliver a signed copy thereof by not later than 17h00 on 31 August 2021 as set out in paragraph 15 below.
14. In respect of each Series of Notes:
  - 14.1. issued under the 2017 DMTN Programme, each extraordinary resolution will automatically be approved and passed if the proposed resolution is approved by noteholders holding not less than 75% in value of the aggregate Outstanding Nominal Amount of such Series of Notes; and
  - 14.2. issued under the 2010 DMTN Programme, each extraordinary resolution will automatically be approved and passed if the proposed resolution is approved by noteholders holding not less than 66.67% in value of the aggregate Outstanding Nominal Amount of such Series of Notes.
15. Each signed Extraordinary Written Resolution must be lodged with the relevant Central Securities Depository Participant for each Noteholder (that provided such Noteholder with this notice) by no later than 17h00 on 31 August 2021, as follows:
  - 15.1. in respect of the relevant Central Securities Depository Participant, a copy of each such Extraordinary Written Resolution must be e-mailed to the relevant Central Securities Depository Participant; and
  - 15.2. on receipt of each Extraordinary Written Resolution, the relevant Central Securities Depository Participant will notify Strate Proprietary Limited of the total Nominal Amount Outstanding of the holders of the relevant notes that have signed each Extraordinary Written Resolution, by e-mail to [Strate-CDAdmin@strate.co.za](mailto:Strate-CDAdmin@strate.co.za)
16. A copy of each signed Extraordinary Written Resolution must also be e-mailed to the Issuer, for the attention of Dorothy Kobe at the following email address: TenderOffer@landbank.co.za

## Enquiries

**Land and Agricultural Development Bank of South Africa**

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**Debt Sponsor**

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