



## STANDARD BANK NAMIBIA LIMITED

(Incorporated with limited liability under registration number 78/01799  
in the Republic of Namibia)

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### NAD10 000 000 000 Structured Note Programme

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On 27 June 2006 Standard Bank Namibia Limited (the **Issuer**) established a NAD2 000 000 000 Domestic Medium Term Note Programme (the **Note Programme**) pursuant to a programme memorandum dated 27 June 2006 (the **2006 Programme Memorandum**). On 8 October 2009 the 2006 Programme Memorandum was updated by amendment and restated (the **2009 Programme Memorandum**) together, the **Previous Programme Memoranda**. As of the date hereof (the **Programme Date**), the Issuer has further amended and restated the Previous Programme Memoranda and renamed the Programme as the Structured Note Programme (the **Programme**).

Capitalised terms used in this Programme Memorandum (the **Programme Memorandum**) are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*" (the **Terms and Conditions**), unless separately defined, and/or in relation to a Tranche of Notes, in the applicable pricing supplement (the **Applicable Pricing Supplement**).

**This Programme Memorandum does not constitute a prospectus.**

Under this Programme the Issuer may from time to time issue, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Exchangeable Notes, Indexed Notes and/or such combination of the foregoing Notes and/or Credit Linked Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement. Save as set out herein, the Notes will not be subject to any minimum or maximum maturity and the maximum aggregate Nominal Amount of all Notes from time to time outstanding will not exceed NAD10 000 000 000.

This Programme Memorandum has been approved by the Namibian Stock Exchange (the **NSX**). A Tranche of Notes may be listed on the NSX, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the NSX. The Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the NSX will specify the relevant platform or sub-market of the NSX on which such Tranche of Notes is to be listed and will be delivered to the NSX at least five days before the Issue Date. A Tranche of Notes listed on the NSX may be traded by or through members of the NSX from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the NSX will be in accordance with any settlement or reporting procedure as stipulated by the NSX.

If the Notes are Credit Linked Notes they are issued subject to the condition that upon the occurrence of a Credit Event, the Issuer may, subject to certain conditions, redeem the Notes by payment of money (in an amount equal to the Cash Settlement Amount referred to in the Applicable Pricing Supplement) or, if so provided, by the Delivery of Deliverable Obligations comprising the Asset Amount (referred to in the Applicable Pricing Supplement) or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the value of the Deliverable Obligations may be less than the Nominal Amount of the Notes or zero. As at the Programme Date, the Notes to be issued under this Programme are not rated by any rating agency. From time to time the Notes issued under this Programme may be individually rated. The Issuer may issue Notes in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes.

**Unless otherwise indicated in the Applicable Pricing Supplement, Notes issued under this Programme will be offered, sold and distributed by way of private placement only within the Republic of Namibia and no initial offer to the public will be made in any jurisdiction. Accordingly, until listed, this Programme Memorandum and any Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom the Programme Memorandum and any Applicable Pricing Supplement is delivered and shall not be capable of distribution and shall not be distributed by the recipient to any other parties nor shall any offer made on behalf of the Issuer to the recipient be capable of renunciation and assignment by the recipient in favour of any other party. Unless Notes are offered to the public, or Notes issued are listed, the information contained in an Applicable Pricing Supplement is private and confidential. Should any recipient decide not to make any offer and subscribe, this document and the Applicable Pricing Supplement must be returned to the Issuer forthwith, without any copies having been made.**

A copy of this Programme Memorandum has been provided to the Bank of Namibia, the supervisory authority of the Issuer. Where Notes are to constitute Tier 2 capital of the Issuer, the Bank of Namibia will be approached for specific approval prior to the issue thereof.

Notes issued under this Programme will be certificated notes, in registered form.

A handwritten signature in black ink, appearing to read 'M. Duma', with the initials 'FDH' and 'MS' written below it.

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*Arranger and Dealer*

**The Standard Bank of South Africa Limited**  
**(acting through its Corporate and Investment Banking Division)**

*Sponsor*

**IJG Securities (Proprietary) Limited**  
**(Member of the Namibian Stock Exchange)**

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Programme Memorandum dated 24 May 2012

## CONFIDENTIALITY NOTICE

This Programme Memorandum does not constitute a prospectus.

**This Programme Memorandum has been approved by the NSX, and Notes may be listed on the NSX if this is indicated on an Applicable Pricing Supplement. In the event of any public offer of any Series or Tranche of Notes, the Applicable Pricing Supplement shall contain such additional information as required by Applicable Laws so that this Programme Memorandum, read together with the Applicable Pricing Supplement, shall comply with the provisions for a prospectus to be issued by an issuer offering debentures to the public within Namibia as set forth in the Companies Act, 2004, as amended, and the requirements of the NSX or such other Exchange where the Notes may be listed. Recipients hereof are also referred to the section headed “*Subscription and Sale*” commencing on page 134.**

Unless otherwise indicated in the Applicable Pricing Supplement, the Notes issued under this Programme will be offered, sold and distributed by the Issuer by private placement only within Namibia.

Prospective investors to whom this Programme Memorandum has been delivered by the Issuer acknowledge that prior to the listing thereof this Programme Memorandum has been delivered to them on the basis that they are persons into whose possession this Programme Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which they are located and may not, nor are they authorised to, deliver this Programme Memorandum to any other person, unless and until they have acquired Notes listed on the NSX in terms hereof and an Applicable Pricing Supplement and the Notes so acquired are lawfully disposed of to such other person. Accordingly, no person shall distribute this Programme Memorandum or any Applicable Pricing Supplement under any other circumstances, and every person to whom this Programme Memorandum has been delivered is required to keep the contents of this Programme Memorandum and any Applicable Pricing Supplement strictly private and confidential and for exclusive use only until the listing of the Programme and Notes. The privacy and confidentiality of this Programme Memorandum as hereinbefore set out shall remain binding until the listing of the Programme Memorandum and issue of listed Notes as herein contemplated.

This Programme Memorandum must be held, and all Recipients must act strictly in accordance with, the terms of this confidentiality notice.

This Programme Memorandum may not be reproduced or used in whole or in part for any other purpose or furnished to any person other than the persons to whom copies have been provided by the Issuer save that a Noteholder disposing of Notes shall be entitled to furnish the Programme Memorandum in its possession to the prospective acquirer of such Notes, together with the Applicable Pricing Supplement relating to such Notes.

The distribution of this Programme Memorandum may be restricted by law or other regulation in certain jurisdictions, as indicated in the important notices section and the section headed “*Subscription and Sale*” below. Accordingly, all Recipients of this Programme Memorandum must inform themselves about and observe all applicable legal and regulatory requirements.

## IMPORTANT NOTICES

*Where any term is defined within the context of any particular clause or section in this Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Programme Memorandum, unless qualified by the terms and conditions of any particular Tranche of Notes as set out in the Applicable Pricing Supplement or unless the context otherwise requires. Expressions defined in this Programme Memorandum shall bear the same meanings in supplements to this Programme Memorandum which do not themselves contain their own definitions.*

The Issuer accepts full responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates by reference all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated by reference in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Programme Memorandum are honestly held and that there are no other facts the omission of which would make this Programme Memorandum or any such information or expression of any such opinions or intentions misleading in any material respect and that all proper enquiries have been made to verify the foregoing.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*"). This Programme Memorandum shall be read and construed on the basis that such documents are incorporated by reference into and form part of this Programme Memorandum.

None of the Arranger, Sponsor, the Note Trustee, the Legal Advisors to the Issuer or the NSX, nor any of their professional advisers has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Arranger, Sponsor, the Note Trustee, the Legal Advisors to the Issuer or the NSX or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. None of the Arranger, Sponsor, the Note Trustee, the Legal Advisors to the Issuer or the NSX nor any of their professional advisers accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme. Accordingly, no representation or warranty, expressed or implied, is made by the Arranger, Sponsor, Note Trustee, the Legal Advisors to the Issuer or the NSX or any of their respective professional advisers, with respect to the accuracy or completeness of such information at any time of this Programme Memorandum. Nothing contained in this Programme Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger, Sponsor, Note Trustee, the Legal Advisors to the Issuer or the NSX or any of their respective professional advisers in any respect. Furthermore, none of the Arranger, Sponsor, Note Trustee, the Legal Advisors to the Issuer or the NSX nor any of their respective advisers makes any representation or warranty or assumes any responsibility, liability or obligation in respect of the legality, validity or enforceability of the Notes, the performance and observance by the Issuer of its obligations in respect of the Notes, or the recoverability of any sums due or to become due from the Issuer under the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any Dealer or the NSX.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme, should purchase any Notes.

Each investor contemplating the purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the condition (financial or otherwise), of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Investors should review, among others, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

**This Programme Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.**

**The distribution of this Programme Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom, the Republic of South Africa, the Republic of Namibia and certain other jurisdictions (see the section headed "*Subscription and Sale*"). The Issuer does not represent that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations.**

**Notes have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act). Notes may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulation S under the Securities Act.**

Neither this Programme Memorandum nor any other information supplied in connection with the Notes constitutes an offer or invitation to any person by or on behalf of the Issuer or Arranger or any of their respective directors, affiliates, advisers or agents to subscribe for or to purchase any Notes.

The Issuer considers that Notes issued under this Programme Memorandum will constitute domestic issues of the Notes within the Republic of Namibia. The Issuer and Arranger have represented, warranted and undertaken that they and their respective directors, affiliates, advisers and agents (i) will observe all Applicable Laws and regulations within Namibia; (ii) will not make any offers or sales of Notes under this Programme in any jurisdiction other than Namibia; (iii) will distribute the Programme Memorandum and/or any advertisement or offering material within Namibia only under circumstances that will result in compliance with all Applicable Laws and regulations and; (iv) will not distribute the Programme Memorandum and/or any advertisement or offering material in any other jurisdiction.

It is intended by the Issuer and the Arranger that the Notes will initially only be sold pursuant to a private domestic offer to investors in the Republic of Namibia, by way of private placement, and that any investor or potential investor who purchases the Notes shall inform themselves of the risks involved in investing in the Notes and has understood that the information contained in this Programme Memorandum is consistent with information that would be required in connection with a private domestic offer of securities in Namibia which differs substantially from international markets.

All references in this document to **Dollar, NAD, Namibia Dollar** and **cent** refer to the currency of the Republic of Namibia.

**The Issuer confirms that the NSX takes no responsibility for the contents of the information contained in the Programme Memorandum as read together with any Applicable Pricing Supplement, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the information contained in the Programme Memorandum as read together with any Applicable Pricing Supplement.**

The price/yield, amount and allocation of Notes to be issued under this Programme will be determined by the Issuer at the time of issue, in accordance with the prevailing market conditions.

This Programme Memorandum contains particulars given in compliance with the requirements of the NSX.

## **RESPONSIBILITY STATEMENT**

The Directors of the Issuer, whose names appear in the most recent audited financial statements of the Issuer, collectively and individually accept full responsibility for the accuracy of the information given in this Programme Memorandum and certify that to the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information, or that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and this Programme Memorandum contains all information required by Applicable Laws and the NSX Listing Requirements.

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## DOCUMENTS INCORPORATED BY REFERENCE

*Capitalised words used in this section headed "Documents Incorporated by Reference" shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.*

The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Agreement dated 24 May 2012 between the Arranger (as defined therein) and the Issuer (the **Programme Agreement**) which relates to the Programme;
- (b) the audited annual financial statements, and notes thereto, of the Issuer for the three financial years ended 31 December 2009, 2010 and 2011 as well as the published audited annual financial statements, and notes thereto, of the Issuer in respect of all financial years of the Issuer after the Programme Date, as and when same become available as prescribed by the Companies Act of 2004;
- (c) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme on or after the Programme Date;
- (d) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by the Securities Exchange News Service (**SENS**) used by the NSX, to SENS subscribers, if required and/or which is available on any electronic news service established or used or required by the NSX,

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, in connection with the listing of Notes on the NSX, for so long as any Note remains Outstanding or listed on the NSX or any successor exchange, publish a new Programme Memorandum or a further supplement to the Programme Memorandum where:

- (a) there is a material change in the financial or trading condition of the Issuer; or
- (b) an event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors in the Notes; or
- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (d) this Programme Memorandum no longer contains all the materially correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (c) and (d) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's annual financial statements if such annual financial statements are incorporated by reference into this Programme Memorandum and such annual financial statements are published, as required by the Companies Act of 2004, and submitted to the NSX within six months after the financial year end of the Issuer.



Any such new Programme Memorandum or Programme Memorandum as supplemented shall be deemed to have been substituted for the previous Programme Memorandum from the date of its issue.

The Issuer will provide, free of charge, to each person to whom a copy of the Programme Memorandum has been delivered by the Issuer, and each Noteholder recorded in the Register of Noteholders from time to time, upon request of such person, a copy of any of the public documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded, in which case only the most recent of such documents shall be delivered. Requests for such documents should be directed to the Issuer at its Specified Office. The audited annual financial statements of the Issuer are also available on the Issuer's website, [www.standardbank.com.na](http://www.standardbank.com.na).

## GENERAL DESCRIPTION OF THE PROGRAMME

*Capitalised words used in this section headed "General Description of the Programme" shall have the same meaning as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.*

Under the Programme, the Issuer may from time to time issue Notes denominated in the currency specified in the Applicable Pricing Supplement. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplement relating to the Notes and any supplementary Programme Memorandum. A summary of the Programme and the Terms and Conditions appears in the section of this Programme Memorandum headed "*Summary of the Programme*".

As at the Programme Date, the Programme Amount is NAD10 000 000 000 (or its equivalent in such other currency or currencies as Notes are issued). This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Nominal Amount Outstanding which does not exceed the Programme Amount, unless such amount is increased as set out below. For the purpose of calculating the aggregate Nominal Amount of Notes Outstanding issued under the Programme from time to time:

- (a) the Namibia Dollar equivalent of Notes denominated in another currency shall be determined at or about the time of the issue of such Notes on the basis of the spot rate at such time for the sale of such NAD amount against the purchase of such currency or unit of account in the Windhoek inter-bank foreign exchange markets, as quoted by the Issuer or by any bank selected by the Issuer;
- (b) the amount of Indexed Notes and Partly Paid Notes shall be calculated by reference to the original nominal amount of such Notes (and, in the case of Partly Paid Notes, regardless of the subscription price paid); and
- (c) the amount of Zero Coupon Notes and Other Notes issued at a discount or premium shall be calculated by reference to the Nominal Amount of the relevant issue.

From time to time, the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, the Programme Agreement and all Applicable Laws, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering notice thereof to (i) the Sponsor, (ii) Noteholders, (iii) the NSX, (iv) the Transfer, Paying and Calculation Agents, and (v) the Arranger in accordance with Condition 17 (*Notices*) of the Terms and Conditions and the Applicable Procedures. Upon such notices being given, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the Programme Amount, shall be, and shall be deemed to be, references to the increased Programme Amount.

To the extent that Notes may be listed on the NSX, the NSX's approval of the listing of any Notes is not to be taken in any way as an indication of the merits of the Issuer or the Notes. The NSX has not verified the accuracy and truth of the contents of the Programme and to the extent permitted by law, the NSX will not be liable for any claim of whatsoever kind. Unlisted Notes are not regulated by the NSX.

The Issuer has entered into a Trust Deed with the Note Trustee, for the time being Jurie Badenhorst of Ellis Shilengudwa Inc., as trustee for the protection and enforcement of the rights of the Noteholders. The Issuer has entered into a Programme Agreement with the Arranger and Sponsor detailing the terms, conditions and fees payable under the selling of the Notes. The Issuer has also entered into an Agency Agreement pursuant to which the Issuer covenants and agrees to perform certain functions in support of the Programme for the Noteholders.

Notes will be issued under the Programme in Series with all Notes in a Series having the same maturity date and identical terms (except that the Issue Dates, Issue Price, and Interest Commencement Dates may be different). Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement.

Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed ***Risk Factors***).

## SUMMARY OF THE PROGRAMME

*The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Capitalised words used in this section headed "Summary of the Programme" shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.*

### PARTIES

<b>Arranger</b>	The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), a related company within the SB Group. An entity the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, as Arranger, if any.
<b>Dealers</b>	The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) and any other Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer.
<b>Issuer</b>	Standard Bank Namibia Limited (Registration Number 78/01799).
<b>Note Trustee</b>	The Note Trustee appointed in terms of the Trust Deed from time to time, for the time being Jurie Badenhorst of Ellis Shilengudwa Inc., legal practitioners.
<b>NSX</b>	The Namibian Stock Exchange, a licensed stock exchange in terms of the Stock Exchanges Control Act No. 1 of 1985, as amended.
<b>Sponsor</b>	IJG Securities (Proprietary) Limited, company registration number 95/505, member of the NSX.
<b>Transfer Agent, Calculation Agent and Paying Agent</b>	The Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent, Calculation Agent or Paying Agent (as the case may be), in which event that other entity shall act in such capacity in respect of that Tranche or Series of Notes.

### GENERAL

<b>Blocked NAD</b>	Blocked Namibia Dollars may be used to subscribe for or purchase Notes, subject to Namibian Exchange Control Regulations (see the section of this Programme Memorandum headed " <i>Namibian Exchange Control</i> ").
<b>Denomination of Notes</b>	Notes will be issued in such denominations as may be specified in the Applicable Pricing Supplement.
<b>Description of the Programme</b>	Standard Bank Namibia Limited NAD10 000 000 000 Structured Note Programme.
<b>Form of Notes</b>	Notes may be issued in the form of Registered Notes or Order Notes, all of which will be issued in certificated form.

<b>Governing Law</b>	The Programme Memorandum, the Terms and Conditions and the Notes will be governed by, and construed in accordance with the laws of Namibia.
<b>Interest</b>	A Tranche of Notes may be interest-bearing or non-interest bearing, as specified in the Applicable Pricing Supplement. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date, all as specified in the Applicable Pricing Supplement.
<b>Interest Period(s) or Interest Payment Date(s)</b>	The Interest Rate(s), Interest Payment Date(s) and Interest Period(s) applicable to interest-bearing Notes will be specified in the Applicable Pricing Supplement.
<b>Issue Price</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at their Nominal Amount or at a discount to, or premium over, their Nominal Amount as specified in the Applicable Pricing Supplement.
<b>Listing</b>	<p>The Programme has been approved by the NSX. Notes issued under the Programme may be listed on the NSX, or on a successor exchange in the discretion of the Issuer. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the NSX.</p> <p>The Applicable Pricing Supplement in respect of a Tranche of Notes will specify whether or not such Tranche of Notes will be listed.</p>
<b>Noteholder(s)</b>	The holders of the Registered Notes (as recorded in the Register) and/or the Payees of the Order Notes.
<b>Notes</b>	<p>Notes may comprise:</p> <p><b>Fixed Rate Notes:</b> Fixed Rate Notes will bear interest at a fixed interest rate, as indicated in the Applicable Pricing Supplement;</p> <p><b>Floating Rate Notes:</b> Floating Rate Notes will bear interest at a floating rate, as indicated in the Applicable Pricing Supplement;</p> <p><b>Zero Coupon Notes:</b> Zero Coupon Notes will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment;</p> <p><b>Indexed Notes:</b> payments in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes will be calculated by reference to such index and/or formula as may be indicated in the Applicable Pricing Supplement;</p> <p><b>Mixed Rate Notes:</b> Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as specified in the Applicable Pricing Supplement;</p> <p><b>Instalment Notes:</b> the Applicable Pricing Supplement in respect of each issue of Notes that are redeemable in two or more instalments will set out</p>

the dates on which, and the amounts in which, such Notes may be redeemed;

**Partly Paid Notes:** the Issue Price of Partly Paid Notes will be payable in two or more instalments as set out in the Applicable Pricing Supplement;

**Exchangeable Notes:** Notes which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement;

**Credit Linked Notes:** Notes issued subject to the condition that, upon the occurrence of a Credit Event, the Issuer may, subject to certain conditions, redeem the Notes by payment of money (in an amount equal to the Cash Settlement Amount) or, if so provided, by the Delivery of Deliverable Obligations comprising the Asset Amount, as provided in Credit Linked Condition 1 (*Redemption following the occurrence of a Credit Event*). The Cash Settlement Amount or the value of the Deliverable Obligations comprising the Asset Amount may be less than the Nominal Amount of the Notes, or zero. The additional Credit Linked Note Terms and Conditions are contained in the Annex commencing on page 94 hereof;

**Other Notes:** terms applicable to Notes other than those specifically contemplated under this Programme Memorandum will be set out in the Applicable Pricing Supplement.

#### **Programme Amount**

The maximum aggregate Nominal Amount of all Notes Outstanding that may be issued under the Programme at any one point in time, being as at the Programme Date, NAD10 000 000 000 (or its equivalent in other currencies) or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as more fully set out in the section of this Programme Memorandum headed "*General Description of the Programme*").

#### **Redemption**

*Scheduled Redemption:* A Tranche of Notes will, subject to the Terms and Conditions, be redeemed on the Maturity Date, as set out in Condition 8.1 (*Scheduled Redemption*).

*Early Redemption at the option of the Issuer (Call Option):* If the Call Option is specified as applicable in the Applicable Pricing Supplement, the Issuer may (having given not less than 15 (fifteen) and not more than 60 (sixty) days', or such other period as specified in the Applicable Pricing Supplement, notice to the Noteholders in accordance with Condition 17 (*Notices*)) redeem the Notes in whole, or if so specified in the Applicable Pricing Supplement, in part on the Optional Redemption Dates, in accordance with Condition 8.3 *Early Redemption at the option of the Issuer (Call Option)*; provided that in respect of Subordinated Notes the prior approval of the Bank of Namibia has been granted for any Early Redemption of Subordinated Notes.

*Early Redemption at the option of Noteholders of Notes (Put Option):* If the Put Option is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any such Tranche of Notes may, by delivering, amongst other things, a duly completed Put Notice in accordance with Condition 8.4 (*Early Redemption at the option of Noteholders (Put Option)*), require the

Issuer to redeem such Tranche of Notes on the Optional Redemption Dates specified in the relevant Put Notice in the manner set out in, and in accordance with, Condition 8.4 (*Early Redemption at the option of Noteholders (Put Option)*).

*Early Redemption following the occurrence of a Tax Event and/or Change in Law:* If so specified in the Applicable Pricing Supplement, the Issuer may redeem any Tranche of Notes at any time prior to the Maturity Date following the occurrence of a Tax Event and/or a Change in Law as set out in Condition 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*).

*Early Redemption following an Event of Default:* Upon the occurrence of an Event of Default and receipt by the Issuer of a written notice declaring Notes held by the relevant Noteholder to be forthwith due and payable in accordance with Condition 12 (*Events of Default*), such Notes shall become forthwith due and payable at the Early Redemption Amount in the manner set out in Condition 8.7 (*Early Redemption Amounts*), together with interest (if any) to the date of payment, in accordance with Condition 12 (*Events of Default*).

Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the Applicable Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the Applicable Pricing Supplement relating to the relevant Tranche of Notes. In certain circumstances Unwind Costs may be deducted.

**Register**

The Register will be maintained by the Transfer Agent in terms of the Terms and Conditions. Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

**Risk Factors**

Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed "*Risk Factors*").

**Stamp Duty**

In terms of prevailing Applicable Laws at the date of this Programme Memorandum, stamp duty is payable by the Issuer on the original issue of Notes. Stamp duty is also payable on the transfer of existing Notes, save in respect of any registration of transfer of Notes listed and purchased on the NSX.

**Selling Restrictions**

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for any Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States, the United Kingdom, the European Economic Area, South Africa, Namibia and certain other jurisdictions (see section headed "*Subscription and Sale*"). Any other or additional restrictions which are applicable and which may be required to be met in relation to an offering or sale of a particular Tranche of Notes will be included in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.

<b>Specified Currency</b>	Namibia Dollar or, subject to all Applicable Laws and, in the case of Notes listed on the NSX, the Rules of the NSX, such other currency as specified in the Applicable Pricing Supplement.
<b>Status of Notes</b>	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in Condition 5 ( <i>Status of Notes</i> ) and the Applicable Pricing Supplement.
<b>Taxation</b>	A summary of the applicable Tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed " <i>Namibian Taxation</i> ". The summary does not constitute tax advice. Potential investors in the Notes should consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.
<b>Terms and Conditions</b>	The Terms and Conditions of the Notes are set out in the section of this Programme Memorandum headed " <i>Terms and Conditions of the Notes</i> ".
<b>Use of Proceeds</b>	The net proceeds from the issue of the Notes will be applied by the Issuer to fund loans and advances to its customers and for other general corporate purposes, including liquidity and capital management, funding of long-term assets and to comply with regulatory long-term funding requirements. Proceeds will not be utilised towards funding the operating expenses of the Issuer.
<b>Withholding Tax</b>	All payments in respect of the Notes will be made subject to such withholding or deduction for or on account of taxes as are or may from time to time be levied in Namibia as more fully described in the section of this Programme Memorandum headed " <i>Namibian Taxation</i> ".



## **RISK FACTORS**

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. **Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.** Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The information given below is as at the date of this Programme Memorandum. Capitalised words used in this section headed “*Risk Factors*” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

## **INDEPENDENT REVIEW AND ADVICE**

Each purchaser of and investor in the Notes is fully responsible for making its own investment decisions as to whether the Notes (i) are fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it (or its beneficiary) and (iii) are a fit, proper and suitable investment for it (or its beneficiary).

Purchasers of and investors in Notes are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax, accounting, credit, regulatory and other business evaluation of the risks and merits of or associated with investments in the Notes. Purchasers of and investors in Notes should ensure that they fully understand the risks of or associated with investments of this nature which are intended to be sold only to sophisticated investors having such knowledge, appreciation and understanding. Purchasers of and investors in Credit Linked Notes are solely responsible for making their own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of any Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations.

Purchasers of and investors in Credit Linked Notes should be aware that none of the Programme Parties has any duty to conduct or accept any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations. Purchasers of and investors in the Notes may not rely on the views, opinions or advice of the Issuer for any information in relation to any person other than the Issuer itself.

## **RISKS RELATING TO THE ISSUER**

### **Reliance on Creditworthiness of the Issuer**

The Notes comprise debt obligations of the Issuer and, consequently Noteholders are relying on the creditworthiness of the Issuer. The Notes will not be secured in any way, unless otherwise specified in the Applicable Pricing Supplement. In the case of Credit Linked Notes, this is in addition to relying on the creditworthiness of the Reference Entities referred to in the Applicable Pricing Supplement.

## **Conflict of Interest**

The Issuer is acting in a number of capacities. The Issuer will, unless otherwise specified in the Applicable Pricing Supplement, act as Transfer Agent and as Calculation Agent, and will be responsible for determining whether a Credit Event has occurred in the case of Credit Linked Notes, calculating the payments to be made in respect of the Notes and determining the dates of such payments in accordance with the terms and conditions of the Notes. The Issuer may also deal in the Notes.

The Issuer may have business or other relationships with Reference Entities in respect of Credit Linked Notes and may (but shall not be obligated to) hold debt obligations (whether or not constituting Reference Obligations in respect to those Reference Entities) of, or otherwise have credit exposure to those Reference Entities. Nothing herein shall be deemed to restrict or impose any liability, duty or restriction on the Issuer, any of its affiliates or any of its officers or directors, in respect of dealing with or otherwise extending credit to or advising any such Reference Entity or any of its affiliates. Performance of the terms of any Note shall be determined without regard to any credit exposure or actual loss the Issuer or any other person may have incurred with respect to any such Reference Entity.

## **Political, social and economic risks in Namibia or regionally may have an adverse effect on the Issuer's operations**

The Issuer's operations are limited to Namibia with the majority of its revenues deriving from operations in Namibia. Operations in this market are subject to various risks which need to be assessed in comparison to jurisdictions elsewhere. These include political, social and economic risks specific to Namibia and southern Africa generally, such as general economic volatility, recession, inflationary pressure, exchange rate risks and exchange controls, which could affect an investment in the Notes. The existence of such factors may have an impact on Namibia and the results of the Issuer in ways that cannot be predicted.

## **RISKS RELATING TO THE NOTES**

### **The Notes may not be a suitable investment for all investors**

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial

instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Limited Liquidity**

There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or that it will continue for the life of such Notes. It will also not be possible to redeem the Notes prior to their Maturity Date except in the limited circumstances referred to in the Terms and Conditions of the Notes. Consequently, a purchaser of Notes must be prepared to hold the Notes at least until their Maturity Date.

### **Exchange control and rate risks**

Namibia remains part of the Common Monetary Area with the Republic of South Africa and the Kingdoms of Swaziland and Lesotho, and reference should be had to the provisions in the section entitled Namibian Exchange Control. The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Applicable Pricing Supplement). This presents certain risks relating to currency conversions if (i) the underlying investments and/or hedges are expressed to be denominated in a currency other than the Specified Currency (the "**Related Currency**") or (ii) an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Related Currency or the Investor's Currency) and the risk that authorities with jurisdiction over the Related Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Related Currency or the Investor's Currency relative to the Specified Currency would decrease (i) the Related Currency or the Investor's Currency-equivalent yield on the Notes, (ii) the Related Currency or the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Related Currency or the Investor's Currency equivalent market value of the Notes. Similarly, the Issuer may be exposed to potential losses if the Specified Currency were to depreciate against key currencies in which the Issuer's revenues are based, which may have an adverse effect on its financial condition and the results of its operations.

### **Subordinated Notes are subordinated in right of payment**

The obligations of the Issuer under Subordinated Notes are subordinated in right of payment to the claims of other present and future unsecured obligations of the Issuer and the claims of holders of Senior Notes (the "**Concurrent Claims**"). As a result of such subordination, upon the occurrence and continuance of certain bankruptcy events affecting the Issuer, the assets of the Issuer will be available to pay such Subordinated Notes only after the Concurrent Claims of the Issuer have been paid in full, and there may not be sufficient assets remaining to satisfy such obligations in respect of such Subordinated Notes. The Subordinated Notes will not prohibit or limit the incurrence of indebtedness which will constitute Concurrent Claims, or the incurrence of other subordinated indebtedness and other liabilities by the Issuer or any subsidiary of the Issuer, and the incurrence of such additional indebtedness or other liabilities could adversely affect the ability of the Issuer to perform its obligations in respect of the Subordinated Notes. The Issuer anticipates that, from time to time, it will incur additional indebtedness, including indebtedness constituting Concurrent Claims, and that it will, and subsidiaries of the Issuer may, from time to time, incur other additional indebtedness and liabilities. The Issuer is regulated by the Bank of Namibia under the Banking Institutions Act, 1998 which requires it to maintain a minimum ratio of own funds to risk-weighted assets.

## **CREDIT LINKED NOTES**

### **Credit Exposure to Reference Entities**

The amount payable under Credit Linked Notes will be dependent in part upon whether or not a Credit Event has occurred. A Credit Event may occur in respect of one or more entities or governmental or other authorities (each a "**Reference Entity**") specified in the Applicable Pricing Supplement. If a Credit Event

occurs in relation to any Credit Linked Notes, the Issuer will, subject to certain conditions, redeem those Notes by payment of money (in an amount equal to the Cash Settlement Amount) or, if so provided, by the Delivery or Deliverable Obligations comprising the Asset Amount or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the value of the Deliverable Obligations comprising the Asset Amount may be less than the Nominal Amount of the Notes or zero. Accordingly, the Noteholders will be exposed to the credit of the Reference Entities up to the full extent of their investment in the Notes.

Prospective investors in Credit Linked Notes should be aware if a Credit Event occurs, the Notes will cease to bear interest (if any) from (and including) the Interest Period in which the Event Determination Date falls and, as stated above, the amount received or the value of the assets delivered on redemption of the Notes may be materially less than the original investment and in certain circumstances may be zero. This timing for payment of any such amounts or delivery of any such assets, as applicable, may occur at a different time than expected.

The market price of the Credit Linked Notes may be volatile and will be affected by various factors including, but not limited to, the time remaining to the maturity date of the Note, prevailing credit spreads in the market and the creditworthiness of the Reference Entity, which in turn may be affected by the economic, financial, political and other events in one or more jurisdictions.

Prospective investors in the Credit Linked Notes should conduct their own investigation and analysis, including, where applicable, obtaining independent expert advice, with respect to the credit risk of the Reference Entity and the factors that may assist in determining the likelihood of the occurrence of a Credit Event with respect to the Reference Entity, including, but not limited to, general economic conditions, the condition of relevant financial markets, relevant political events and developments or trends in any relevant industries. All such analysis should be conducted in both a Namibian, southern African and foreign context.

#### **Non-Transferability of Deliverable Obligations**

The Issuer may in certain circumstances be precluded from transferring Deliverable Obligations to a Noteholder of Credit Linked Notes as a result inter alia of the Exchange Control Regulations, 1961 made pursuant to the Currency and Exchanges Act, 1933 (the **Exchange Control Regulations**).

#### **Physical Settlement – Obligations of The Noteholder**

If a Credit Linked Note is redeemable in whole or in part by the Delivery of Deliverable Obligations, the Issuer's obligation to Deliver the Deliverable Obligations comprising the Asset Amount to the Noteholder is subject to various conditions, including the delivery by the Noteholder to the Issuer of an Asset Transfer Notice and, in certain circumstances, the payment to the Issuer of the Delivery Expenses within the prescribed time limit. If the Noteholder fails to so deliver an Asset Transfer Notice, the Issuer shall be discharged from its obligations under the Note. If applicable and a Noteholder fails to so pay Delivery Expenses, the Deliverable Obligations comprising the Asset Amount deliverable to such Noteholder will be reduced to reflect such Delivery Expenses.

## **PRESENTATION OF FINANCIAL INFORMATION**

*Capitalised words used in this section headed "Presentation of Financial Information" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **Documents incorporated by reference**

The three most recently published annual report and audited consolidated financial statements of the Issuer shall be deemed to be incorporated in, and to form part of this Programme Memorandum. Copies of such documents may be viewed online or downloaded from the following website: [www.standardbank.com.na](http://www.standardbank.com.na).

Alternatively, copies may be obtained free of charge from the registered office of the Issuer.

## PRO FORMA APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:

[Listed on the NSX / Unlisted]

[Date]



**Standard Bank Namibia Limited**

(Incorporated with limited liability in the Republic of Namibia under registration number 78/01799)

**Issue of**

**[Aggregate Nominal Amount of Tranche] [Title of Notes] due [Date]  
Under its NAD[●] Structured Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Terms and Conditions**) set forth in the Programme Memorandum dated 24 May 2012 (the **Programme Memorandum**), as updated and amended from time to time. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

### DESCRIPTION OF THE NOTES

- |    |                          |  |
|----|--------------------------|--|
| 1. | Issuer                   | Standard Bank Namibia Limited  |
| 2. | Status of the Notes      | [Senior/Subordinated]  |
| 3. | (a) Series Number        | [ ]  |
|    | (b) Tranche Number       | [ ]  |
| 4. | Aggregate Nominal Amount | [ ]  |
| 5. | Redemption/Payment Basis | [Redemption at par]<br>[Credit Linked]<br>[Instalment]<br>[Partly Paid]<br>[Zero Coupon]<br>[Indexed Notes]<br>[Specify other] |

6.	Interest Payment Basis	[Fixed]/[Floating] Rate
7.	Form of Notes	[ Registered][Order]
8.	Automatic/Optional Conversion from one Interest Payment Basis to another	[insert details including date for conversion]
9.	Issue Date	[ ]
10.	Trade Date	[ ]
11.	Business Centre	[ ]
12.	Additional Business Centre	[ ]
13.	Specified Denomination	[ ]
14.	Calculation Amount	[ ]
15.	Issue Price	[ ]%
16.	Interest Commencement Date	[ ]
17.	Interest Termination Date	[ ]
18.	Maturity Date	[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month]] [The Scheduled Maturity Date, subject as provided in [Credit Linked Condition 7 (Repudiation/ Moratorium Extension)], ][Credit Linked Condition 8 (Grace Period Extension)] [and] [Credit Linked Condition 9 (Maturity Date Extension)]]
19.	Specified Currency	[ ]
20.	Applicable Business Day Convention	[ ]
21.	Calculation Agent	[Standard Bank Namibia Limited]
22.	Paying Agent	[Standard Bank Namibia Limited]
23.	Transfer Agent	[Standard Bank Namibia Limited]
24.	(i) Specified Office of the Calculation Agent, Paying Agent and Transfer Agent	[5th Floor, Standard Bank Centre, corner Post Street Mall and Werner List Street, Windhoek, Namibia]
	(ii) Specified Office of the Issuer	[5th Floor, Standard Bank Centre, corner Post Street Mall and Werner List Street, Windhoek, Namibia]
25.	Final Redemption Amount	[ ]% of Aggregate Nominal Amount
26.	Unwind Costs	[[Standard Unwind Costs] [Other] [Not applicable]

**PARTLY PAID NOTES**

- 27. Amount of each payment comprising the Issue Price [ ]
- 28. Date upon which each payment is to be made by Noteholder [ ]
- 29. Consequences (if any) of failure to make any such payment by Noteholder [ ]
- 30. Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments [ ]

**INSTALMENT NOTES**

- 31. Instalment Dates [ ]
- 32. Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes) [ ]

**FIXED RATE NOTES**

- 33. (a) Fixed Interest Rate(s) [ ]% per annum payable [semi-annually] in arrear
- (b) Interest Payment Date(s) [[ ] and [ ]] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount[(s)] [ ]
- (d) Initial Broken Amount [ ]
- (e) Final Broken Amount [ ]
- (f) Any other terms relating to the particular method of calculating interest [ ]

**FLOATING RATE NOTES**

- 34. (a) Interest Payment Date(s) Each [[ ], [ ], [ ] and [ ]] until the Maturity Date, with the first Interest Payment Date being [ ].
- (b) Interest Period(s) Each period from and including one Interest Payment Date to, but excluding the next Interest Payment Date provided that the first Interest Period shall commence on the Interest Commencement Date ([ ]) and the last Interest Period shall conclude on, but exclude the last Interest Payment Date ([ ]).
- (c) Definitions of Business Day (if [ ]



different from that set out in Condition 1 (*Interpretation*))

- (d) Interest Rate(s) [three month ZAR-JIBAR-SAFEX/WIBAR plus the Margin/other (insert details)]
  - (e) Minimum Interest Rate [ ]
  - (f) Maximum Interest Rate [ ]
  - (g) Other terms relating to the method of calculating interest (eg Day Count Fraction, rounding up provision, if different from Condition 7.2 (*Interest on Floating Rate Notes and Indexed Notes*)) [ ]
35. Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
36. Margin [ ] basis points
37. If ISDA Determination:
- (a) Floating Rate [ ]
  - (b) Floating Rate Option [ ]
  - (c) Designated Maturity [ ]
  - (d) Reset Date(s) [ ]
38. If Screen Rate Determination:
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [three month ZAR-JIBAR-SAFEX/WIBAR/other (insert details)]
  - (b) Interest Determination Date(s) Each [[ ], [ ], [ ] and [ ]] of each year, commencing on [ ] until the Maturity Date
  - (c) Relevant Screen Page [Reuters page SAFEX or any successor page/other (insert details)]
  - (d) Relevant Time [11h00 Namibian time/other (insert details)]
39. If Interest Rate to be calculated otherwise than by reference to 37 or 38 above
- (a) Margin [ ]
  - (b) Minimum Interest Rate [ ]

- (c) Maximum Interest Rate [ ]
- (d) Business Day Convention [ ]
- (e) Day Count Fraction [ ]
- (f) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes [ ]

40. If different from Calculation Agent, agent responsible for calculating amount of principal and interest [ ]

**MIXED RATE NOTES**

41. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) for:

- (a) Fixed Rate Notes [ ]
- (b) Floating Rate Notes [ ]
- (c) Indexed Notes [ ]
- (d) Other [ ]

**ZERO COUPON NOTES** [ ]

- 42. (a) Implied Yield [ ]
- (b) Reference Price [ ]
- (c) Any other formula or basis for determining amount(s) payable [ ]

**INDEXED NOTES**

- 43. (a) Type of Indexed Notes [ ]
- (b) Index/ Formula by reference to which Interest Amount/ Final Redemption Amount is to be determined [ ]
- (c) Manner in which the Interest Amount/ Final Redemption Amount is to be determined [ ]
- (d) Initial Index Level [ ]
- (e) Interest Payment Date(s) [ ]

- (f) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest [ ]
- (g) Provisions where calculation by reference to index and/or formula is impossible or impracticable [ ]
- (h) Minimum Interest Rate [ ]
- (i) Maximum Interest Rate [ ]
- (j) Other terms relating to the calculation of the Interest Rate [ ]

**EXCHANGEABLE NOTES**

- 44. Mandatory Exchange applicable? [ ]
- 45. Noteholders' Exchange Right applicable? [ ]
- 46. Exchange Securities [ ]
- 47. Manner of determining Exchange Price [ ]
- 48. Exchange Period [ ]
- 49. Other [ ]

**CREDIT LINKED NOTE PROVISIONS**

50. Credit Linked Note [Applicable/Not applicable]  
*(If not applicable delete the remaining sub-paragraphs of this paragraph)*

- (a) Scheduled Maturity Date: [ ]
- (b) Reference Entity(ies) [ ]
- (c) Reference Obligation(s) [ ]

[The obligation[s] identified as follows:

- Primary Obligor: [ ]
- Guarantor: [ ]
- Maturity: [ ]
- Coupon: [ ]
- CUSIP/ISIN: [ ]

Original Issue Amount: [     ]]

(d) Credit Linked Reference Price [     ]%

(e) Conditions to Settlement Credit Event Notice: [applicable/not applicable]

Notice of Physical Settlement [applicable/not applicable]

Notice of Publicly Available Information: [applicable/not applicable], and if applicable:

Public Sources of Publicly Available Information [applicable/not applicable]

Specified Number of Public Sources: [     ]

[Sources of information in respect of non-listed entities]

(f) Credit Events The following Credit Event[s] shall apply:

[Bankruptcy]

[Failure to Pay]

[Grace Period Extension: [applicable/not applicable]]

[Grace Period: [     ]]

[Payment Requirement:[     ]]

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

[Default Requirement: [     ]]

---

Multiple Holder Obligation: [Applicable/Not Applicable]

---

Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable/Not Applicable]

---

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable/Not Applicable]

---

[Insert other details]

---

(g) Credit Event Backstop Date

[Applicable] [Not applicable]

(h) Obligation(s)

Obligation Category (Select only one)	Obligation Characteristics (Select all that apply)
<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency [ ]
<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency [Domestic Currency means [ ]]
<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Listed  <input type="checkbox"/> Not Domestic Issuance

Additional Obligations [ ]

Excluded Obligations [ ]

(i) Settlement Method: [Auction Settlement] [Cash Settlement] [Physical Settlement]

(j) Fallback Settlement Method [Cash Settlement] [Physical Settlement] [Not applicable]

**Terms Relating to Cash Settlement:**

(a) Final Price (if different from the definition in the Programme Memorandum) [ ]

(b) Valuation Date [Single Valuation Date:  
[ ] Business Days]  
[Multiple Valuation Dates:  
[ ] Business Days; and  
each [ ] Business Days thereafter  
Number of Valuation Dates: [ ]]

(c) Valuation Time: [ ]

- (d) Quotation Method: [Bid][Offer][Mid-market]
- (e) Quotation Amount: [ ] [ Representative Amount]
- (f) Minimum Quotation Amount: [ ]
- (g) Indicative Quotation: [applicable/not applicable]
- (h) Quotation Dealer(s): [ ]
- (i) Settlement Currency: [ ]
- (j) Cash Settlement Date: [ ] Business Days
- (k) Cash Settlement Amount: [ ]
- (l) Quotations: [Include Accrued Interest] [Exclude Accrued Interest]
- (m) Valuation Method: [Market] [Highest]  
 [Average Market] [Highest] [Average Highest]  
 [Blended Market] [Blended Highest]  
 [Average Blended Market] [Average Blended Highest]]

**Terms Relating to Physical Settlement:**

Physical Settlement Date: [ ] Business Days.

Other terms: [ ]

- (a) Physical Settlement Period: [ ]
- (b) Asset Amount [Include Accrued Interest] [Exclude Accrued Interest]

(c) Deliverable Obligation(s)

Deliverable Obligation Category (Select only one)	Deliverable Obligation Characteristics (Select all that apply)
<input type="checkbox"/> Payment	<input type="checkbox"/> Not Subordinated
<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency [ ]
<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency [Domestic Currency means [ ]]
<input type="checkbox"/> Loan	<input type="checkbox"/> Not Domestic Law
<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Listed

<input type="checkbox"/>	Not Contingent
<input type="checkbox"/>	Not Domestic Issuance
<input type="checkbox"/>	Assignable Loan
<input type="checkbox"/>	Consent Required Loan
<input type="checkbox"/>	Direct Loan Participation
<input type="checkbox"/>	Qualifying Participation Seller: <input type="checkbox"/>
<input type="checkbox"/>	Transferable
<input type="checkbox"/>	Maximum Maturity <input type="checkbox"/>
<input type="checkbox"/>	Accelerated or Matured
<input type="checkbox"/>	Not Bearer

Deliverable Obligation Reference Percentage:

Additional Deliverable Obligations:

Excluded Deliverable Obligations:

Other Provisions

**OTHER NOTES**

51.   If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes or Exchangeable Notes, Credit Linked Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions relating to such Notes.

**PROVISIONS REGARDING REDEMPTION/MATURITY**

52. Redemption at the Option of the Issuer (Call Option):  [Applicable/Not Applicable]

If applicable:

- (a) Optional Redemption Date(s) (Call) [ ]
- (b) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum period of notice (if different from Condition 8.3 (*Early Redemption at the option of the Issuer (Call Option)*)) [ ]
- (d) If redeemable in part: [ ]
  - (i) Minimum Redemption Amount(s) [ ]
  - (ii) Higher Redemption Amount(s) [ ]
- (e) Other terms applicable on Redemption [ ]

53. Redemption at the option of the Noteholders (Put Option): [Applicable/Not Applicable]

If applicable:

- (a) Optional Redemption Date(s) (Put) [ ]
- (b) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum period of notice (if different to Condition 8.4 (*Early Redemption at the option of Noteholders (Put Option)*)) [ ]
- (d) If redeemable in part: [ ]
  - (i) Minimum Redemption Amount(s) [ ]
  - (ii) Higher Redemption Amount(s) [ ]
- (e) Other terms applicable on Redemption [ ]



- (f) Attach *pro forma* Put Notice(s)
54. Early Redemption Amount(s) payable on redemption for taxation reasons and/or change of law or on Event of Default and/or the method of calculating same (if required or if different from that set out in Condition 8.7 (*Early Redemption Amounts*)) [ ]% of Aggregate Nominal Amount

**GENERAL**

55. Other terms or special conditions [ ]
56. Board approval for issuance of Notes obtained [ ]
57. Additional selling restrictions [ ]
58. (a) International Securities Identification Numbering (ISIN) [ ]
- (b) Stock Code [ ]
59. (a) Financial Exchange [Not applicable/NSX]
- (b) Relevant sub-market of the Financial Exchange [Not applicable/Interest Rates Market]
60. If syndicated, names of managers [ ]
61. Receipts attached? If yes, number of Receipts attached [Yes/No]
62. Coupons attached? If yes, number of Coupons attached [Yes/No]
63. Stripping of Receipts and/or Coupons prohibited as provided in Condition 14.4 [ ]
64. Governing law (if the laws of Namibia are not applicable) [ ]
65. Other Banking Jurisdiction [ ]
66. Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption [Not applicable/17h00 on [ ], [ ], [ ] and [ ] of each year commencing on [ ]
- The "books closed period" (during which the Register will be closed) will be from each [[ ], [ ], [ ] and [ ]], until the applicable Interest Payment Date]
67. Method of Distribution [Private Placement]

68. Total Notes in Issue (excluding current issue) [ ]
69. Rights of Cancellation [The Notes will be delivered to investors on the Issue Date/Settlement Date by physical delivery provided that:
- (i) no event occurs prior to the settlement process being finalised on the Issue Date/Settlement Date which the Issuer (in its sole discretion) consider to be a *force majeure* event; or
  - (ii) no event occurs which the Issuer (in its sole discretion) considers may prejudice the issue, the Issuer or the Notes,
- (each a **Withdrawal Event**).
- If the Issuer decides to terminate this transaction due to the occurrence of a Withdrawal Event, this transaction shall terminate and no party hereto shall have any claim against any other party as a result of such termination. In such event, the Notes, if listed, will immediately be de-listed.
70. Material Change Save as disclosed in the Programme Memorandum as read together with this Applicable Pricing Supplement, there has been no material change in the Issuer's financial position since the date of the Issuer's last audited financial statements.
71. Responsibility Statements The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement in the Programme Memorandum, as read together with this Applicable Pricing Supplement, false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Programme Memorandum as read together with this Applicable Pricing Supplement contains all information required by law and the NSX Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum as read together with this Applicable Pricing Supplement, except as otherwise stated therein or herein.
- The Issuer confirms that the NSX takes no responsibility for the contents of the information contained in the Programme Memorandum as read together with this Applicable Pricing Supplement, makes no representation as to the accuracy or completeness of any of the foregoing documents and

expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the information contained in the Programme Memorandum as read together with this Applicable Pricing Supplement.

72. Other provisions [ ]

[Application is hereby made to list this issue of Notes on the NSX as from [ ].]

**STANDARD BANK NAMIBIA LIMITED**

**Issuer**

\_\_\_\_\_  
Name:  
Designation:  
Date:

\_\_\_\_\_  
Name:  
Designation:  
Date:

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes, which will include the additional terms and conditions contained in the Annex in the case of Credit Linked Notes, to be issued by the Issuer pursuant to this Programme Memorandum. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Pricing Supplement included in the Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes.*

*The Notes are issued subject to the Trust Deed entered into between the Issuer and the Note Trustee on 24 May 2012. Copies of the Trust Deed may be obtained upon request to the Transfer Agent for so long as any Notes remain Outstanding.*

*Any reference in this Programme Memorandum to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation at the Programme Date, as amended or substituted from time to time.*

### 1. INTERPRETATION AND GENERAL DEFINITIONS

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

<b>Additional Business Centre(s)</b>	the city or cities specified as such in the Applicable Pricing Supplement;
<b>Agency Agreement</b>	the Agency Agreement dated 24 May 2012 and made between the Issuer, the Transfer Agent, the Calculation Agent and the Paying Agent, as may be further supplemented and/or amended and/or restated from time to time;
<b>Applicable Laws</b>	in relation to a Party, means all and any –  (a) statutes and subordinate legislation and common law;  (b) regulations;  (c) ordinances and by-laws;  (d) directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and  (e) other similar provisions,  from time to time, compliance with which is mandatory for

	that Party;
<b>Applicable Pricing Supplement</b>	the Pricing Supplement relating to each Tranche of Notes;
<b>Applicable Procedures</b>	the rules, listing requirements and operating procedures from time to time of the NSX and/or any successor exchange;
<b>Bank of Namibia</b>	the Bank of Namibia established by the Bank of Namibia Act 1997;
<b>Banking Institutions Act</b>	the Banking Institutions Act, 1998 (as amended, supplemented, revised or republished from time to time);
<b>Business Day</b>	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1990) which is a day on which commercial banks settle NAD payments in Windhoek or any Additional Business Centre specified in the Applicable Pricing Supplement save that if the Specified Currency is not NAD, <b>Business Day</b> shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, " <b>Business Day</b> " shall include a Saturday;
<b>Calculation Agent</b>	the Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in accordance with the Agency Agreement, in which event that other entity shall act as a calculation agent in respect of that Tranche or Series of Notes;
<b>Calculation Amount</b>	means the amount specified in the Applicable Pricing Supplement;
<b>Call Option</b>	if specified as applicable in the Applicable Pricing Supplement, the option of the Issuer to early redeem the Notes in that Tranche of Notes in whole or, if so specified in the Applicable Pricing Supplement, in part at the Optional Redemption Amount(s) on the Optional Redemption Date(s) in accordance with Condition 8.3 ( <i>Early Redemption at the option of the Issuer (Call Option)</i> );
<b>Certificate</b>	an Individual Certificate;
<b>Change in Law</b>	on, or after the Issue Date of the first Tranche of Notes in any Series of Notes, (a) due to the adoption of or any change in any Applicable Law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Law or regulation (including

any action taken by a taxing authority), the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any tax liability, decrease in tax benefit or other adverse effect on its tax position);

**Class of Noteholders**

the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;

**Companies Act**

the Companies Act, 2004 (as amended, supplemented, revised or republished from time to time);

**Condition**

a condition of these Terms and Conditions of the Notes;

**Coupon**

an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is an Order Note, attached on issue to the Certificate evidencing such interest bearing Note;

**Credit Linked Notes**

Notes specified as Credit Linked Notes in the Applicable Pricing Supplement and more fully described in the Annex;

**Day Count Fraction**

in respect of the calculation of an amount for any period of time (the **Calculation Period**), such day count fraction as may be specified in these Terms and Conditions or the Applicable Pricing Supplement:

- (a) if **Actual/Actual (ICMA)** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods

in any year;

- (b) if **Actual/365** or **Actual/Actual (ISDA)** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) **Actual/360** is so specified, means the number of days in the Calculation Period divided by 360;
- (e) if **30/360** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that included that last day shall not be considered to be shortened to a 30 day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month)); and
- (f) if **30E/360** or **Eurobond Basis** is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month);

**Designated Maturity**

means the period of time specified in the Applicable Pricing Supplement as such;

**Early Redemption Amount**

the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Conditions 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*), 8.3 (*Early Redemption at the option of the Issuer (Call Option)*) and 8.4 (*Early Redemption at the option of Noteholders (Put Option)*) and/or Condition 12

(*Events of Default*), determined in accordance with Condition 8.7 (*Early Redemption Amounts*) or as set out in the Applicable Pricing Supplement;

<b>Encumbrance</b>	any mortgage, pledge, lien, hypothecation, assignment, cession <i>in securitatem debiti</i> , deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of security to a creditor but excluding any Permitted Security Interest;
<b>Endorsement</b>	an "indorsement", <i>mutatis mutandis</i> , within the meaning of the Bills of Exchange Act, 2003 (as amended, supplemented, revised or republished from time to time);
<b>Endorsement in Blank</b>	an Endorsement which specifies no named Payee;
<b>Event of Default</b>	an event of default by the Issuer as set out in Condition 12 ( <i>Events of Default</i> );
<b>Euro</b>	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union as amended by the Treaty of Amsterdam;
<b>Exchangeable Notes</b>	Notes which may be redeemed by the Issuer in the manner specified in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as are determined in accordance with the Applicable Pricing Supplement;
<b>Exchange Period</b>	in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as specified in the Applicable Pricing Supplement), the period specified in the Applicable Pricing Supplement during which such right may be exercised;
<b>Exchange Price</b>	the value specified in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
<b>Exchange Securities</b>	the securities specified in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
<b>Final Redemption Amount</b>	the amount of principal payable in respect of each Note upon final redemption thereof, as specified in the Applicable Pricing Supplement;
<b>Fixed Coupon Amount</b>	means the amount specified in the Applicable Pricing Supplement;



<b>Fixed Interest Rate</b>	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
<b>Fixed Rate Notes</b>	Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 7.1 ( <i>Interest on Fixed Rate Notes</i> );
<b>Floating Rate Notes</b>	Notes which will bear interest as specified in the Applicable Pricing Supplement and more fully described in Condition 7.2 ( <i>Interest on Floating Rate Notes and Indexed Notes</i> );
<b>ICMA</b>	International Capital Markets Association;
<b>Income Tax Act</b>	The Income Tax Act, 1981, as amended, from time to time;
<b>Implied Yield</b>	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
<b>Indexed Interest Notes</b>	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as specified in the Applicable Pricing Supplement;
<b>Indexed Notes</b>	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
<b>Indexed Redemption Amount Notes</b>	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as specified in the Applicable Pricing Supplement;
<b>Individual Certificate</b>	<p>(a) <i>in respect of Registered Notes</i>: a Note in the definitive registered form of a single Certificate and any further Certificate issued in consequence of a transfer thereof;</p> <p>(b) <i>in respect of Order Notes</i>: a Note in the definitive order form of a single Certificate together with Coupons and/or Receipts, if applicable;</p>
<b>Instalment Amount</b>	the amount expressed as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
<b>Instalment Notes</b>	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement;
<b>Interest Amount</b>	in relation to a Tranche of Notes and an Interest Period, the amount of interest payable in respect of that Tranche of Notes for that Interest Period;
<b>Interest Commencement Date</b>	the first date from which interest on the Notes, other than

	Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
<b>Interest Determination Date</b>	means the date specified in the Applicable Pricing Supplement;
<b>Interest Payment Date</b>	if applicable in relation to a Tranche of Notes, the date(s) specified in the Applicable Pricing Supplement or if no such date(s) is/are specified in the Applicable Pricing Supplement, the last day of each Interest Period as may be adjusted in accordance with the relevant Business Day Convention (as specified in the Applicable Pricing Supplement);
<b>Interest Period</b>	each period commencing on, and including, the Interest Commencement Date or any Interest Payment Date up to, but excluding, the next Interest Payment Date or the Interest Termination Date;
<b>Interest Rate</b>	the rate or rates of interest applicable to Notes other than Zero Coupon Notes, as indicated in the Applicable Pricing Supplement;
<b>Interest Termination Date</b>	means the date specified in the Applicable Pricing Supplement provided that the Interest Termination Date in respect of a Credit Linked Note shall be the earlier of the date so specified in the Applicable Pricing Supplement and the Interest Payment Date immediately preceding any Event Determination Date (if any);
<b>ISDA</b>	International Swaps and Derivatives Association, Inc.;
<b>ISDA Definitions</b>	means the definitions specified in the Applicable Pricing Supplement, as amended and supplemented from time to time, provided that if no definitions are so specified, the 2006 ISDA Definitions published by ISDA, as amended and supplemented from time to time, as available at <a href="http://www.isda.org">www.isda.org</a> ;
<b>Issue Date</b>	means the date specified in the Applicable Pricing Supplement;
<b>Issue Price</b>	means the price specified in the Applicable Pricing Supplement, this being the price at which the Issuer issues the Notes referred to in that Pricing Supplement;
<b>Issuer</b>	Standard Bank Namibia Limited (registration number 78/01799), a public company incorporated in accordance with the laws of the Republic of Namibia;
<b>Last Day to Register</b>	with respect to a particular Series of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and where

	after, the Register is closed for further transfers or entries until the Payment Day and in the case of Notes listed on the NSX, shall mean <b>Last Day to Trade</b> as set out in the Listing Requirements of the NSX;
<b>Mandatory Exchange</b>	if specified in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
<b>Margin</b>	means the amount specified in the Applicable Pricing Supplement;
<b>Maturity Date</b>	means the date specified in the Applicable Pricing Supplement;
<b>Maximum Redemption Amount</b>	means the amount specified in the Applicable Pricing Supplement;
<b>Minimum Redemption Amount</b>	means the amount specified in the Applicable Pricing Supplement;
<b>Mixed Rate Notes</b>	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as specified in the Applicable Pricing Supplement and as more fully described in Condition 7.3 ( <i>Interest on Mixed Rate Notes</i> );
<b>“Namibia Dollar”, or “NAD”, and “cent” or Dollar</b>	denotes the lawful currency of Namibia;
<b>Nominal Amount</b>	in relation to any Note, the total amount, excluding interest owing by the Issuer under the Note, as specified in the Applicable Pricing Supplement;
<b>Noteholders and holder</b>	the holders of the Registered Notes (as recorded in the Register) and/or the Payees of the Order Notes;
<b>Noteholders' Exchange Right</b>	if specified in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
<b>Notes</b>	the notes issued or to be issued by the Issuer under the Programme and represented by a Certificate (if any), together with Receipts and/or Coupons (if any) or Uncertificated Notes;
<b>Note Trustee</b>	the Note Trustee appointed in terms of the Trust Deed from time to time;
<b>NSX</b>	the Namibian Stock Exchange, a licensed stock exchange in terms of the Stock Exchanges Control Act 1985, as

	amended, or any exchange which operates as a successor exchange to the NSX;
<b>Optional Redemption Amount (Call)</b>	in respect of any Note, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
<b>Optional Redemption Amount (Put)</b>	in respect of any Note, its Nominal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
<b>Optional Redemption Date(s) (Call)</b>	the date(s) specified as such in the Applicable Pricing Supplement in relation to a Tranche of Notes pursuant to which the Issuer is specified as having an option to redeem in accordance with Condition 8.3 ( <i>Early Redemption at the option of the Issuer (Call Option)</i> ). If no such date(s) is/are specified in the Applicable Pricing Supplement, the Optional Redemption Date(s) (Call) shall be the Interest Payment Date(s) (in the case of interest-bearing Notes) or, such other date(s) (in the case of non interest-bearing Notes) stipulated as the date(s) for redemption of such Tranche of Notes or the relevant portion of such Tranche of Notes, as the case may be, in the notice delivered by the Issuer pursuant to Condition 8.3 ( <i>Early Redemption at the option of the Issuer (Call Option)</i> );
<b>Optional Redemption Date(s) (Put)</b>	the date(s) specified as such in the Applicable Pricing Supplement in relation to a Tranche of Notes pursuant to which the Noteholders are specified as having an option to redeem in accordance with Condition 8.4 ( <i>Early Redemption at the option of Noteholders (Put Option)</i> ). If no such date(s) is/are specified in the Applicable Pricing Supplement, the Optional Redemption Date(s) (Put Option) shall be the Interest Payment Date(s) (in the case of interest-bearing Notes) or such other date(s) (in the case of non interest-bearing Notes) stipulated as the date(s) for redemption of such Tranche of Notes or the relevant portion of such Tranche of Notes, as the case may be, in the Put Notice;
<b>Order Note</b>	a Note payable to the Payee thereof, transferable by way of Endorsement and delivery in accordance with Condition 14.2 ( <i>Transfer of Order Notes</i> ) and the term "Order Note" shall include the rights to interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Order Note;
<b>Outstanding</b>	in relation to the Notes, all the Notes issued other than: <ul style="list-style-type: none"> <li>(a) those which have been redeemed in full;</li> <li>(b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefore (including all interest (if any) accrued thereon to</li> </ul>

the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates;

- (c) those which have been purchased and cancelled as provided in Condition 8.12 (*Cancellation*);
- (d) those which have become void under Condition 12 (*Prescription*);
- (e) Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 13 (*Exchange and Replacement of Certificates*);
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose), those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 13 (*Exchange and Replacement of Certificates*),

provided that for each of the following purposes, namely:

- (1) the right to attend and vote at any meeting of the Noteholders; and
- (2) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 18 (*Meetings of Noteholders*) and 19 (*Modification*), all:
  - (i) Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held); and
  - (ii) Receipts and Coupons,

shall be deemed not to be Outstanding;

**Partly Paid Notes**

Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as specified in the Applicable Pricing Supplement);

**Party**

the Issuer, a Noteholder and the Note Trustee, as well as any other person bound by these Terms and Conditions;

**Payee**

a person reflected (either as the subscriber or by way of

Endorsement) as the payee on a Certificate evidencing an Order Note or a Receipt or Coupon, attached thereto on issue, and to whom such Certificate, Receipt or Coupon (as the case may be) has been delivered;

**Paying Agent**

the Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that particular Tranche or Series of Notes;

**Payment Day**

any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;

**Permitted Security Interest**

any Security Interest arising out of:

- (a) any statutory preferences;
- (b) by operation of law or which is incidental to the conduct of the business of the Issuer;
- (c) any Encumbrance on or with respect to the receivables of the Issuer which is created pursuant to any securitisation scheme, asset-backed financing or like arrangement in accordance with normal market practice; or
- (d) any Encumbrance created over any asset acquired, developed or constructed by the Issuer provided that the asset so secured shall not exceed the bona fide arm's length market value of such asset or the cost of such acquisition, development or construction (including all interest and other finance charges, any adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two;
- (e) any Encumbrance over deposit accounts securing a loan to a relevant entity of funds equal to the amounts standing to the credit of such deposit accounts, including any cash management system;
- (f) any Encumbrance of the Issuer created in the ordinary course of business;
- (g) any Encumbrance securing in the aggregate not more than NAD200 000 000 (Two Hundred Million Namibia Dollar), calculated on a cumulative basis during a given financial year;

**Person(s)**

any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal

	personality;
<b>Previous Programme Memorandum</b>	means the Note Programme dated 8 October 2009;
<b>Programme</b>	the Standard Bank Namibia Limited NAD10 000 000 000 Structured Note Programme;
<b>Programme Amount</b>	the maximum aggregate Nominal Amount of all Notes Outstanding that may be issued under the Programme at any one point in time being as at the Programme Date, NAD10 000 000 000 (Ten Billion Namibia dollars) (or its equivalent in other currencies) or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Law and the Programme Agreement, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ").
<b>Programme Date</b>	24 May 2012
<b>Programme Memorandum</b>	this programme memorandum dated 24 May 2012 which will apply to all Notes issued under the Programme on or after the Programme Date and which in respect of such Notes, supersedes and replaces the Previous Programme Memorandum in its entirety;
<b>Put Option</b>	if specified as applicable in the Applicable Pricing Supplement, the option of a Noteholder of Notes to require the Issuer to redeem the Notes in that Tranche of Notes held by the Noteholder, in whole or in part at the Optional Redemption Amount on the Optional Redemption Date in terms of Condition 8.4 ( <i>Early Redemption at the option of Noteholders (Put Option)</i> );
<b>Put Notice</b>	a notice which must be delivered to the Paying Agent by any Noteholder wanting to exercise the Put Option;
<b>Receipt</b>	a receipt evidencing title to payment of an Instalment Amount payable on an Instalment Note which is an Order Note, attached upon issue to the Certificate evidencing such Instalment Note;
<b>Redemption Amount</b>	the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount, as appropriate, as may be specified in, or determined in accordance with the provisions of, the relevant Applicable Pricing Supplement;
<b>Reference Price</b>	means the price specified in the Applicable Pricing Supplement;
<b>Reference Banks</b>	means the banks specified in the Applicable Pricing

	Supplement;
<b>Reference Rate</b>	means the rate specified in the Applicable Pricing Supplement;
<b>Register</b>	the register maintained by the Transfer Agent in terms of Condition 15 ( <i>Register</i> ) including any sub-register if applicable;
<b>Registered Note</b>	a Note issued in registered form and transferable in accordance with Condition 14.1 ( <i>Transfer of Registered Notes</i> );
<b>Regular Period</b>	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;</p> <p>(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date, where "<b>Regular Date</b>" means the day and month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date to but excluding the next Regular Date, where "<i>Regular Date</i>" means the day and the month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;</p>
<b>Relevant Date</b>	in respect of any payment relating to the Notes, the date on which such payment first becomes due;
<b>Relevant Debt</b>	<p>any present or future indebtedness of the Issuer in the form of, or represented by any bond, note or debenture issued by the Issuer and listed on a financial or stock exchange but excluding:</p> <p>(a) any indebtedness incurred in the ordinary course of business of the Issuer; or</p> <p>(b) pursuant to any securitisation scheme or like arrangement; or</p> <p>(c) any option or warrant in respect of any share or index; or</p>



- (d) any written acknowledgement of indebtedness issued by the Issuer to the Bank of Namibia;

<b>Relevant Screen Page</b>	the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
<b>Relevant Time</b>	means the time specified in the Applicable Pricing Supplement;
<b>Representative</b>	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (all acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
<b>SB Group</b>	Standard Bank Group Limited and any of its subsidiaries;
<b>Scheduled Maturity Date</b>	with respect to Credit Linked Notes, means date specified in the Applicable Pricing Supplement;
<b>Security Interest</b>	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
<b>Senior Creditors</b>	means all such persons who are: (a) unsubordinated creditors of the Issuer; (b) subordinated creditors of the Issuer other than those whose claims are expressed to rank and do rank, <i>pari passu</i> or junior to the claims of the Noteholders under the Notes;
<b>Senior Notes</b>	means Notes issued with the status and other conditions set out in Condition 5.1 ( <i>Status of the Notes</i> ) and “ <b>Senior Note</b> ” shall be construed accordingly;
<b>Series</b>	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
<b>Solvent Reconstruction</b>	the event where an order is made or an effective resolution is passed for the winding-up of the Issuer, other than under or in connection with a scheme of amalgamation or

	reconstruction involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented;
<b>Special Resolution</b>	a resolution passed at a meeting (duly convened) of the Noteholders by a majority consisting of not less than 75% in value of the Nominal Amount of the Notes held by the persons voting thereat upon a poll; ;
<b>Specified Currency</b>	means the currency specified in the Applicable Pricing Supplement;
<b>Specified Denomination</b>	means the amount specified in the Applicable Pricing Supplement;
<b>Specified Office</b>	the registered address of the Issuer as specified in the Applicable Pricing Supplement or such other address as the Issuer may specify by notice to the Noteholders which change of address shall in each case be notified to the Noteholders in accordance with Condition 17 ( <i>Notices</i> );
<b>Sponsor</b>	unless otherwise set out in the Applicable Pricing Supplement, IJG Securities (Pty) Limited, member of the NSX;
<b>Subordinated Notes</b>	means the Notes issued with the status and other conditions set out in Condition 5.2 ( <i>Status of the Notes</i> ) and “ <b>Subordinated Note</b> ” shall be construed accordingly;
<b>Tax Event</b>	an event where, as a result of a Tax Law Change, (a) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 10 ( <i>Taxation</i> ); or (b) in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in Namibia, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the Commissioner of Inland Revenue that any such interest does not constitute a tax deductible expense);
<b>Tax Law Change</b>	a change or proposed change in, or amendment or proposed amendment to, the tax laws or regulations of Namibia, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such tax laws or regulations

	(including a holding by a court of competent jurisdiction), which actual or proposed change or amendment becomes effective on or after the date of issue of the Notes;
<b>Tier 1 Capital</b>	means core capital (as defined in General Notice Number 291 of 2009 issued by virtue of the provisions of section 71(3) of the Banking Institutions Act);
<b>Tier 2 Capital</b>	means supplementary capital (as defined in General Notice Number 291 of 2009 issued by virtue of the provisions of section 71(3) of the Banking Institutions Act);
<b>Trade Date</b>	means the date as specified in the Applicable Pricing Supplement as such;
<b>Tranche</b>	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
<b>Transfer Agent</b>	the Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent, in which event that other entity shall act as a Transfer Agent in respect of that particular Tranche or Series of Notes;
<b>Transfer Form</b>	the written form for the transfer of a Registered Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
<b>Trust Deed</b>	the Trust Deed between the Issuer and the Note Trustee, in term so which the latter is appointed;
<b>Unwind Costs</b>	means the amount specified in the Applicable Pricing Supplement, or if “ <b>Standard Unwind Costs</b> ” are specified in the Applicable Pricing Supplement, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer or gains, including funding benefits, actually realised by the Issuer, in which case expressed as a negative number, in connection with the redemption of the Notes and the related <b>unwind</b> , termination, settlement, amendment or reestablishment of any hedge or related trading position, such amount to be apportioned <i>pro rata</i> amongst each nominal amount of Notes equal to the Nominal Amount;
<b>Wholly Owned Subsidiary</b>	a wholly owned subsidiary as defined in section 1 of the Companies Act;
<b>WIBAR</b>	Windhoek Interbank Agreed Rate, being the mid-market rate for deposits in NAD for a period of the Designated Maturity as published by the NSX on a daily basis;
<b>ZAR and South African Rand</b>	the lawful currency of the Republic of South Africa, being South African Rand, or any successor currency;

## **ZAR-JIBAR-SAFEX**

the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date, or any successor rate; and

## **Zero Coupon Notes**

Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

## **2. ISSUE**

2.1 Notes may be issued by the Issuer in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme, provided that the aggregate Nominal Amount of all Notes Outstanding under the Programme at any one point in time does not exceed the Programme Amount.

2.2 The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes.

2.3 Copies of the Applicable Pricing Supplement are available for inspection at the Specified Office of the Issuer.

## **3. FORM**

### **3.1 General**

3.1.1 A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes or Order Notes as specified in the Applicable Pricing Supplement.

3.1.2 A Tranche of Notes and/or Series may be listed on the NSX, subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the NSX. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed.

### **3.2 Registered Notes**

A Tranche of Registered Notes will be issued in certificated form, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*).

#### *3.2.1 Notes issued in certificated form*

Each Tranche of Registered Notes which is listed on the NSX shall, subject to Applicable Laws and the Applicable Procedures, be issued in certificated form, represented by Individual Certificates.

#### *3.2.2 Order Notes*

Order Notes will be issued in certificated form and will be evidenced by Individual Certificates. Order Notes, other than Zero Coupon Notes, may have Coupons (as indicated in the Applicable Pricing Supplement) attached to the Certificate on issue. Instalment Notes which are Order Notes may have Receipts (as indicated in the Applicable Pricing Supplement) attached to the Certificate on issue.

### 3.2.3 *Denomination*

The Aggregate Nominal Amount, Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

## 4. **TITLE**

### 4.1 **Registered Notes**

Each holder of Registered Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Registered Notes.

One Certificate will be issued in respect of each Noteholder's entire holding of Notes. Each Certificate will be numbered serially with an identifying number, which will be recorded in the Register. Where the NSX allows Notes to be issued to joint holders, the joint holders of Notes shall be entitled to one Note only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder whose name appears first in the Register

Title to Registered Notes will pass upon registration of transfer in the Register in accordance with Condition 14.1 (*Transfer of Registered Notes*).

Beneficial holders of Notes must be identified to the satisfaction of the Issuer. The Issuer, the Transfer Agent and the Paying Agent shall nonetheless recognise the person whose name is entered in the Register and reflected as holder of Registered Notes represented by an Individual Certificate as the sole and absolute owner of the Registered Notes (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Registered Note may be subject.

### 4.2 **Order Notes**

Title to Order Notes (including rights to Instalment Amounts and/or interest thereof, as applicable) will initially pass by Endorsement and delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 14.3 (*Transfer of Order Notes*). No Certificate evidencing an Order Note shall be Endorsed in Blank. The Issuer, the Transfer Agent and the Paying Agent may deem and treat the Person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereto as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such Person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority. Provided the Issuer pays any amount due upon presentation and surrender of a Certificate evidencing an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the Person whose Endorsement it purports to be.

## 5. **STATUS OF NOTES**

### 5.1 **Senior Notes**

Unless otherwise specified in the Applicable Pricing Supplement, the Notes constitute direct, unconditional, unsubordinated and, subject to the negative pledge contained herein, unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority

among themselves and, save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing, save for such obligations as may be preferred by provisions of law that are both mandatory from time to time outstanding and of general application.

## 5.2 Subordinated Notes

5.2.1 It is the intention of the Issuer that any Subordinated Notes should qualify as Tier 2 Capital, subject to the prior approval of the Bank of Namibia. Subject to exceptions provided by Applicable Laws, the Issuer's obligations under the Subordinated Notes constitute direct, general and unsecured obligations of the Issuer and shall, in case of (a) the insolvency and winding up in Namibia of the Issuer; or (b) dissolution of the Issuer in the Republic of Namibia, as the case may be, rank (a) equally *inter se* and (b) fully subordinated to the claims of Senior Creditors, provided that if at any time an order is made or a resolution is passed for the winding up of the Issuer, then any payment of any amount due under the Subordinated Notes which would fall due for payment while the Issuer is insolvent or in insolvent liquidation, will not fall so due and any such due amount will become due for payment only if and when and to the extent that the Issuer could make such payment in whole or in part and still be solvent thereafter.

5.2.2 For the purpose of this Condition 5.2, the Issuer shall be considered solvent if both (i) it is able to meet the claims of Senior Creditors as they become due and (ii) its Assets exceed its Liabilities. A report as to the solvency of the Issuer by the Auditors or if the Issuer is being wound up, its liquidator, shall in the absence of proven error, be treated and accepted by the Issuer, the Note Trustee, the Arranger and the Sponsor and the holders of Subordinated Notes as correct and sufficient evidence thereof.

For the purposes of this Condition 5.2:

“**Assets**” means the non-consolidated gross assets of the Issuer as shown by the then latest published balance sheet of the Issuer but adjusted for contingency and for subsequent events and to such extent as two Directors of the Issuer, the Auditors or the liquidator of the Issuer (as the case may be) may determine to be appropriate.

“**Auditors**” means the auditors of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them, such other firm of accountants as may be appointed or nominated by the Note Trustee.

“**Liabilities**” means the non-consolidated gross liabilities of the Issuer as shown and adjusted in like manner as for assets and the claim of any creditor of the Issuer which has been accepted by the liquidator in the winding up of the Issuer not being a creditor:

- (a) whose right to repayment ranks or is expressed to rank postponed to or subordinate to that of unsubordinated creditors of the Issuer; or
- (b) whose right to repayment is made subject to a condition or is restricted (whether by operation of law or otherwise) or is expressed to be restricted in each case such that the amount which may be claimed for his own retention by such creditor in the event that the Issuer is not solvent, is less than in the event that the Issuer is solvent; or
- (c) whose debt is irrecoverable or expressed to be irrecoverable unless the persons entitled to payment of the Principal Amount and Interest in respect of the Subordinated Notes recover the amounts of such Principal Amount and Interest which such persons would be

entitled to recover if payment of such Principal and Interest to such persons were not subject to any condition.

5.2.3 In the case of Subordinated Notes, in the event the Issuer is unable, due to its failure to meet the solvency test prescribed in these Terms and Conditions, to make a payment of Interest on any Interest Payment Date, such amount of Interest shall be deferred (“**Deferred Interest**”). Deferred Interest shall not itself earn interest. The Issuer shall be obliged as and when it is deemed solvent for purposes of these Terms and Conditions, to pay Deferred Interest to holders of Subordinated Notes on an Interest Payment Date, after having made the payment of Interest due for that Interest Payment Date.

5.2.4 The Issuer shall not pay or declare dividends on preference or ordinary shares, while Deferred Interest is outstanding on the Subordinated Notes.

5.2.5 The holder of a Subordinated Note may not exercise a claim or plead any right of set-off, counter claim or retention (whether before or after the winding up of the Issuer), in respect of any amount owed by it to the Issuer against any amount owing by the Issuer to it, arising under or in connection with the Subordinated Notes, and each such holder shall be deemed to have waived all such rights of set-off, counter claim or retention. If any of the rights and claims of such Noteholder are discharged by set-off, such Noteholder will immediately pay an amount equal to the amount of such discharge to the Issuer, or as applicable, the liquidator in winding up of the Issuer as the case may be, and until such time as payment is made, such Noteholder will hold a sum equal to such amount in trust for the Issuer, or if applicable, the liquidator in winding up of the Issuer. Accordingly, such discharge will be deemed not to have taken place.

## 6. **NEGATIVE PLEDGE**

The Issuer agrees that, so long as any Senior Notes remain Outstanding, it shall not create or permit to exist any mortgage, charge, lien, pledge or other security interest upon or with respect to any of its undertakings, assets or revenues to secure any Financial Indebtedness unless the Senior Notes are secured equally and rateably with such other Financial Indebtedness or are otherwise given the benefit of such other arrangements as shall be approved. The terms of the Subordinated Notes will contain no negative pledge. For the purposes of this Condition 6 (*Negative Pledge*) **Financial Indebtedness** means any indebtedness of the Issuer for or in respect of

(a) indebtedness for borrowed money; or

(b) bonds, standby letters of credit or other similar instruments issued in connection with the performance of contracts and indebtedness guarantees in respect of any of the foregoing indebtedness.

## 7. **INTEREST**

If the Applicable Pricing Supplement so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with, the Applicable Pricing Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Applicable Pricing Supplement. The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in accordance with the Applicable Pricing Supplement.

### 7.1 **Interest on Fixed Rate Notes**

Interest on Fixed Rate Notes will be paid on the Interest Payment Dates specified in the Applicable Pricing Supplement.

### 7.1.1 *Accrual of Interest*

The Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the Interest Termination Date.

### 7.1.2 *Fixed Coupon Amount*

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

### 7.1.3 *Calculation of Interest Amount*

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, provided that:

- (a) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount specified in the Applicable Pricing Supplement.

## 7.2 **Interest on Floating Rate Notes and Indexed Notes**

### 7.2.1 *Accrual of Interest*

The Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrears on each Interest Payment Day, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the Interest Termination Date.

### 7.2.2 *Floating Interest Rate*

The Floating Interest Rate which is applicable to a Tranche of Floating Rate Notes for an Interest Period will be determined on the basis of Screen Rate Determination or on the basis of ISDA Determination or on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

### 7.2.3 *ISDA Determination including fallback provisions*

If ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if that Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:



- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (c) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on ZAR- JIBAR-SAFEX, the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

**Floating Rate, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those expressions in the ISDA Definitions, **JIBAR** means the average mid-market yield rate per annum for a period of the Designated Maturity which appears on the Reuters Screen SAFEY page at or about 11h00 (Johannesburg time) on the relevant date (or any successor rate), and **WIBAR** means the Windhoek Interbank Agreed Rate, being the mid-market rate for deposits in NAD for a period of the Designated Maturity as published by the NSX on a daily basis.

#### 7.2.4 *Screen Rate Determination including fallback provisions*

If Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date; or
- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Windhoek office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (Namibian time) on the Interest Determination Date in question; and
  - (B) determine the arithmetic mean of such quotations; and
- (d) if fewer than 3 (three) such offered quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Namibian inter-bank market, selected by the Calculation Agent, at approximately 12h00 (Namibian time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading banks in the Namibian inter-bank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time;

and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may

be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

7.2.5 *Indexed Interest*

If the Indexed Interest Note provisions are specified in the Applicable Pricing Supplement as being applicable, the Interest Rate(s) applicable to the Notes for each Interest Period will be determined in accordance with the manner specified in the Applicable Pricing Supplement.

7.2.6 *Maximum and/or Minimum Interest Rate*

If the Applicable Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate and/or if it specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate.

7.2.7 *Determination of Floating Interest Rate and Calculation of Interest Amount*

The Calculation Agent, in the case of Floating Rate Notes will, at or as soon as practicable after each time at which the Interest Rate is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Interest Rate for such Interest Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount.

7.2.8 *Calculation of Other Amounts*

If the Applicable Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Applicable Pricing Supplement.

7.2.9 *Publication*

The Calculation Agent will cause each Interest Rate determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) to be notified to the Issuer, the Paying Agent, the Transfer Agent and the NSX (if the relevant Floating Rate Notes are for the time being listed), as soon as possible after their determination and in any event not later than the later of the day that is 3 (three) Business Days before the relevant Interest Payment Date and the relevant Interest Determination Date for that Interest Period. Notice thereof shall also promptly be given to the Noteholders and the Note Trustee in accordance with Condition 17 (*Notices*).

Each Interest Rate determined by the Calculation Agent, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) shall be made available to the Noteholders in respect of any unlisted Floating Rate Notes promptly upon request.

The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Issuer, the Noteholders and to the Note Trustee in accordance with Condition 17 (*Notices*) and, if the relevant Tranche

of Notes is listed on the NSX, the NSX. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and Interest Amount in respect of a Note having the minimum Specified Denomination.

7.2.10 *Notifications etc to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Condition 7.2 (*Interest on Floating Rate Notes and Indexed Notes*) by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agent, the Noteholders and the Note Trustee and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7.3 **Interest on Mixed Rate Notes**

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes for respective periods, each as specified in the Applicable Pricing Supplement. During each such applicable period, the Interest Rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that and to the extent that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

7.4 **Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Nominal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement from the Interest Commencement Date to the Interest Termination Date.

7.5 **Interest on Instalment Notes**

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement from the Interest Commencement Date to the Interest Termination Date.

7.6 **Interest on Unpaid Amounts**

7.6.1 Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the Interest Termination Date. If on the date of redemption and upon due presentation of the Note, payment of principal is improperly withheld or refused, interest shall accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEY page as at 11h00 (Namibian time) from the date on which such amount is due and payable until the date on which all amounts due in respect of such Note have been paid.

In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Calculation Agent shall follow the procedure contemplated in Condition 7.2.4 (*Screen Rate Determination including fallback provisions*) to ascertain a rate.

7.6.2 For Credit Linked Notes only, if:

- (a) Credit Linked Condition 7 (*Repudiation/Moratorium Extension*) or Credit Linked Condition 8 (*Grace Period Extension*) applies in respect of the Notes and, in the case of Credit Linked Condition 7 (*Repudiation/Moratorium Extension*), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 8 (*Grace Period Extension*) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
- (b) Credit Linked Condition 9 (*Maturity Date Extension*) applies in respect of the Notes and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will accrue as provided in Credit Linked Condition 7 (*Repudiation/Moratorium Extension*), Credit Linked Condition 8 (*Grace Period Extension*) or Credit Linked Condition 9 (*Maturity Date Extension*), as the case may be.

## 7.7 Business Day Convention

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the **Floating Rate Business Day Convention**, such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 7.2 (*Interest on Floating Rate Notes and Indexed Notes*), be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

## 8. REDEMPTION AND PURCHASE

A Tranche of Notes will, subject to Credit Linked Condition 1 (*Redemption following the occurrence of a Credit Event*) in the case of Credit Linked Notes or as otherwise specified in the Terms and Conditions, be redeemed on the Maturity Date in accordance with Condition 8.1 (*Scheduled Redemption*). If the "*Early Redemption at the option of the Issuer (Call Option)*" and/or "*Early Redemption at the option of the Noteholders of Notes (Put Option)*" and/or "*Early Redemption following the occurrence of a Tax Event and/or Change in Law*" is specified as applicable in the Applicable Pricing Supplement, a Tranche of Notes may, or upon the

occurrence of an Event of Default as set out in Condition 12 (*Events of Default*), will be redeemed prior to its Maturity Date in accordance with this Condition 8 (*Redemption And Purchase*).

#### 8.1 **Scheduled Redemption**

In the case of Credit Linked Notes and subject to Credit Linked Condition 1 (*Redemption following the occurrence of a Credit Event*), unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed at the Final Redemption Amount on the Maturity Date subject to the provisions contained in Condition 9 (*Payments*).

#### 8.2 **Redemption following the occurrence of a Tax Event and/or Change in Law**

If so specified in the Applicable Pricing Supplement, and, to the extent required, subject to the prior written approval of the Bank of Namibia having been obtained, the Issuer may redeem the Notes of any Tranche of Notes in whole, but not in part:

- (a) at any time (if neither the Floating Rate Note provisions nor the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (b) on any Interest Payment Date (if the Floating Rate Note Provisions or the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders, the Note Trustee and to the Transfer Agent and the Paying Agent (which notice shall be irrevocable in accordance with Condition 17 (*Notices*), at their Early Redemption Amount, following the occurrence of a Tax Event and/or Change in Law, provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Notes may be redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would be entitled (as such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
- (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 (sixty) days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Note Trustee (A) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that a Tax Event and/or Change in Law has occurred. The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the Issuer's entitlement to invoke the provisions of this Condition 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*). Upon the expiry of any such notice as is referred to in this Condition 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*).

### 8.3 **Early Redemption at the option of the Issuer (Call Option)**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the Applicable Pricing Supplement, in part upon the Issuer having given:

- (a) not less than 15 (fifteen) and not more than 60 (sixty) days', or such other period as specified in the Applicable Pricing Supplement, notice to the Noteholders and the Note Trustee in accordance with Condition 17 (*Notices*); and
- (b) not less than 7 (seven) days before giving the notice referred to in (a) above, notice to the Transfer Agent,

(which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) (Call) and at the Optional Redemption Amount(s) (Call) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued up to (but excluding) the Optional Redemption Date(s) (Call).

Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement, if applicable, provided that if Unwind Costs are specified in the Applicable Pricing Supplement as applicable, the Optional Redemption Amount(s) (Call) may be reduced by Unwind Costs. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemable Notes**”) will be selected individually by lot and not more than 30 (thirty) days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”).

A list of the serial numbers of the Individual Certificates (and in the case of Redeemable Notes which are Order Notes, the relevant Receipts and/or Coupons) will be published in accordance with Condition 17 (*Notices*) not less than 10 (ten) days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes Outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination.

Holders of Redeemable Notes shall surrender the Individual Certificates, together with Receipts and Coupons (if any) relating to the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Certificates, Receipts and Coupons (as applicable) are redeemed, the Transfer Agent shall deliver new Individual Certificates, Receipts and Coupons (as applicable) to such Noteholders in respect of the balance of the Notes.

### 8.4 **Early Redemption at the option of Noteholders (Put Option)**

If the Noteholders of Notes are specified in the Applicable Pricing Supplement as having an option to put any Notes, and the Noteholders seek to put any Notes, they may do so by directing the Note Trustee to give a Put Notice to the Issuer. If a Put Notice is delivered to the Issuer, the Issuer shall, at the option of the Noteholders of such Tranche of Notes, redeem the Notes on the Optional Redemption Date(s) (Put) specified in the relevant Put Notice or in the Applicable Pricing Supplement, as the case may be, at the relevant Optional Redemption Amount(s) (Put) together with interest (if any) accrued to such date, provided that if Unwind Costs are specified in the Applicable Pricing Supplement as applicable, the Optional Redemption Amount(s) (Put) may be reduced by Unwind Costs. If the Optional Redemption Amount(s) (Put) is to be reduced

by the Issuer for Unwind Costs, within 3 (three) Business Days of receipt of the Put Notice the Issuer shall advise the Noteholders and Note Trustee in writing (the “**Optional Redemption Amount(s) (Put) Amendment Notice**”) as to the amount of the relevant Unwind Costs and the Noteholders shall have the option of directing the Note Trustee to revise the Put Notice or of persisting with the redemption at the amount indicated in the Put Notice as reduced by the Unwind Costs. The Note Trustee on behalf of the Noteholders shall notify the Issuer of their election within 3 Business Days of receipt of the Optional Redemption Amount(s) (Put) Amendment Notice.

In order to exercise the option contained in this Condition 8.4 (*Early Redemption at the option of Noteholders (Put Option)*), the Noteholders of such Notes must, not less than 30 (thirty) nor more than 60 (sixty) days, or such other period as specified in the Applicable Pricing Supplement, before the relevant Optional Redemption Date(s) (Put), surrender the Individual Certificates (if any) relating to such Notes with the Paying Agent in accordance with Condition 17 (*Notices*), together with a duly completed Put Notice. The Optional Redemption Amount(s) (Put) specified in such Put Notice in respect of any such Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as specified in the Applicable Pricing Supplement, if applicable.

Where a Noteholder puts Notes represented by an Individual Certificate, such Noteholder shall deliver the Individual Certificate, together with Receipts and/or Coupons (if any), to the Transfer Agent for cancellation by attaching it to a Put Notice. A holder of an Individual Certificate shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.

The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. Pro forma Put Notices shall be available from the Specified Office of the Issuer.

Any Put Notice given by a holder of any Note or by the Note Trustee on its behalf pursuant to this Condition 8.4 (*Early Redemption at the option of Noteholders (Put Option)*) shall be irrevocable except where after giving the notice, but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer and the Transfer Agent to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 12 (*Events of Default*).

#### 8.5 **Early Redemption upon the occurrence of an Event of Default**

Upon the occurrence of an Event of Default and receipt by the Issuer of a written notice declaring Notes held by the relevant Noteholder to be forthwith due and payable in accordance with Condition 12 (*Events of Default*), such Notes shall, become forthwith due and payable at the Early Redemption Amount in the manner set out in Condition 8.7 (*Early Redemption Amounts*), together with interest (if any) to the date of payment, in accordance with Condition 12 (*Events of Default*).

#### 8.6 **Intervening Credit Event in the case of Credit Linked Notes**

Any obligation on the part of the Issuer to redeem a Credit Linked Note pursuant to the provisions of Condition 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*), Condition 8.3 (*Early Redemption at the option of the Issuer (Call Option)*) or Condition 8.4 (*Early Redemption at the option of Noteholders (Put Option)*), shall terminate upon the occurrence before the performance of such obligation of a Credit Event.

## 8.7 **Early Redemption Amounts**

For the purpose of Condition 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*) and Condition 12 (*Events of Default*) (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount specified or determined in the manner specified in the Applicable Pricing Supplement, or if no such amount or manner is specified in the Applicable Pricing Supplement, at the Early Redemption Amount calculated as follows:

- (a) in the case of Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or
- (b) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price (to be determined in the manner specified in the Applicable Pricing Supplement), at that Final Redemption Amount or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount; or
- (c) in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable, or such other amount as is specified in the Applicable Pricing Supplement;

provided that if Unwind Costs are specified in the Applicable Pricing Supplement as applicable, the Early Redemption Amount determined in accordance with this Condition 8.7 (*Early Redemption Amounts*) may be reduced by Unwind Costs.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

## 8.8 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Conditions 8.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*) or 8.7 (*Early Redemption Amounts*), the Early Redemption Amount will be determined pursuant to this Condition 8 (*Redemption and Purchase*).

## 8.9 **Partly Paid Notes**

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 (*Redemption And Purchase*) and the Applicable Pricing Supplement.

## 8.10 **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner specified in the Applicable Pricing Supplement. Exchangeable Notes, in respect of which Mandatory Exchange is specified in the Applicable



Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner specified in the Applicable Pricing Supplement shall constitute the in specie redemption in full of such Notes.

#### 8.11 **Purchases**

The Issuer or any of its Subsidiaries may at any time purchase Notes (including all unmatured Coupons and Receipts) at any price in the open market or otherwise; provided that in respect of Subordinated Notes the prior approval of the Bank of Namibia shall first have been obtained.

#### 8.12 **Cancellation**

All Notes which are redeemed or purchased by the Issuer or any of its Subsidiaries may, at its option be cancelled and may, if cancelled, not be reissued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes.

### 9. **PAYMENTS**

#### 9.1 **General**

Only Noteholders named in the Register at 17h00 (Namibian time) on the relevant Last Day to Register shall be entitled to payment of amounts due and payable in respect of Registered Notes.

All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Issuer (where the Issuer itself acts as Paying Agent) or the Paying Agent on behalf of the Issuer (where the Issuer has appointed a third party to act as Paying Agent), as the case may be, on the terms and conditions of the Agency Agreement (if any) and this Condition 9 (*Payments*).

All references in this Condition 9 to "*Paying Agent*" shall be construed as references to the Issuer (where the Issuer itself acts as Paying Agent) or the Paying Agent on behalf of the Issuer (where the Issuer has appointed a third party entity to act as Paying Agent), as the case may be.

Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*).

#### 9.2 **Payments – Registered Notes represented by Certificates**

##### 9.2.1 *Method of payment*

The Paying Agent shall pay all amounts due and payable in respect of any Registered Notes in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders being permitted by the NSX, the bank account of the first one of them named in the Register in respect of such Notes; provided that if several persons are entered into the Register as joint registered Noteholders of such Notes then, without affecting the previous provisions of this Condition 9 (*Payments*), payment to any one of them shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Paying Agent and/or the Issuer may have of the right, title, interest or claim of any other person to or in any such Notes.

9.2.2 Neither the Issuer nor the Paying Agent shall be responsible for the loss in transmission of any such funds, and payment of any amount into the bank accounts referred to above, in accordance with this Condition 9.2.1 (*Method of payment*), shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the relevant Registered Notes and the applicable Terms and Conditions.

9.2.3 *Surrender of Individual Certificates*

Payments of principal in respect of any Registered Note(s) represented by Individual Certificate(s) shall be made to the Noteholder(s) of such Registered Note(s) only if, prior to the date on which the relevant Tranche of Notes are redeemed, such Individual Certificate(s) shall have been surrendered to the Transfer Agent at its Specified Office.

If the relevant Individual Certificate is not surrendered to the Transfer Agent at its Specified Office in accordance with this Condition 9.2.3 (*Surrender of Individual Certificates*), the amount of principal payable to the Noteholder of the Registered Note(s) represented by that Individual Certificate shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until that Individual Certificate shall have been surrendered to the Transfer Agent at its Specified Office, and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.

9.3 **Payments – Order Notes**

Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon or (in respect of interest bearing Order Notes issued without Coupons) only against presentation by the Payee or its Representative of the relevant Certificate to the Paying Agent at its Specified Office.

Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder only following presentation and surrender by the Payee or its Representative of the relevant Receipt to the Paying Agent at its Specified Office. Payments of the final instalment of principal in respect of Order Notes which are Instalment Notes, or of the principal of all other Order Notes, will be made to the Payee only following presentation and surrender by the Payee or its Representative of the Certificate evidencing such Order Notes.

Upon presentation and/or surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within Namibia (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within Namibia or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

9.4 **Method of Payment**

Payments of interest and principal will be made in the Specified Currency by electronic funds transfer.

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be permitted or required in accordance with applicable banking law and practice) of any such amounts. Such payments by cheque shall be sent by post to:

- (a) the address of the Noteholder of Registered Notes as set forth in the Register or, in the case of joint Noteholders of Registered Notes being permissible, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note; or
- (b) the address nominated by the Bearer or the Payee in respect of Order Notes, as the case may be, upon presentation and surrender in accordance with Condition 9.3 (*Payments – Order Notes*), as the case may be.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Registered Notes being permissible, the first one of them named in the Register. Cheques may be posted by registered post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 9.5 (*Method of Payment*).

#### 9.5 **Surrender of Certificates, Receipts and Coupons**

No payment in respect of the final redemption of a Registered Note shall be made until 10 (ten) days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Payments of interest in respect of Order Notes shall be made in accordance with Condition 9.5 (*Method of Payment*) only following presentation and surrender of the relevant Coupon (if any) to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Order Notes shall be made by the Issuer in accordance with Condition 9.5 (*Method of Payment*) only following presentation and surrender of the relevant Receipt to the Paying Agent.

No payment in respect of the final redemption of an Order Note shall be made until the later of:

- (a) the Relevant Date; and
- (b) the date on which the Certificate in respect of the Note to be redeemed has been presented and surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unexpired Coupons relating to Order Notes, as the case may be, (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the office of the Paying Agent specified in the Applicable Pricing Supplement.

#### 9.6 **Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place for payment and shall not be entitled to further interest or other payment in respect of any such delay.

## 9.7 Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9.4 (*Method of Payment*);
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 8.7 (Early Redemption Amounts)); and
- (f) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Interest*).

## 10. TAXATION

10.1 A Noteholder whose Notes are redeemed shall pay all Taxes payable in connection with the payment of the Interest Amount, or the redemption of such Notes and/or the payment of the Final Redemption Amount and/or the Optional Redemption Amount and/or the Early Redemption Amount and/or the Credit Event Redemption Amount as a result of such redemption. The Issuer is not liable for or otherwise obliged to pay any Taxes that may arise as a result of the ownership, transfer, redemption or enforcement of any Note.

10.2 All payments of principal and interest in respect of the Notes by the Issuer will be made subject to such withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (“**taxes**”) of whatever nature imposed, levied, collected, withheld or assessed by, or in, or on behalf of, the country of domicile (or residence for tax reasons) of the Issuer or any political subdivision or any authority thereof or therein having power to tax, as required by law. In the event of any withholding or deduction in respect of taxes being levied or imposed on Interest or Principal Amount in respect of the Notes, the Issuer will not pay any additional amounts as would be necessary in order that the net amounts received by the Noteholders after such withholding or deduction would equal the respective amounts of Principal Amount and Interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction, and in addition no such additional amounts shall be payable with respect to any Note:

10.2.1 held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of his having some connection with Namibia other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

10.2.2 held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by complying with any statutory requirement or making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or

- 10.2.3 where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act) of any Noteholder; or
- 10.2.4 more than 30 (thirty) days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th (thirtieth) day; or
- 10.2.5 where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect to such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty;
- 10.2.6 held by or on behalf of a Noteholder, who is liable for such taxes in respect of such Note by reason of the source of any income earned thereon being in, or deemed to be in, Namibia;
- 10.2.7 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of disputers or alleged tax defaulters.
- 10.3 Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

11. **PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless presented for payment of principal and interest within a period of three years after the Relevant Date therefor save that any Certificate, Receipt or Coupon constituting a "bill of exchange or other negotiable instrument" in accordance with section 11 of the Prescription Act, 1969 will become void unless presented for payment of principal and interest within a period of six years from the Relevant Date thereof.

12. **EVENTS OF DEFAULT**

An Event of Default in relation to the Notes shall arise if any one or more of the following events shall have occurred and be continuing:

- (a) *Non-payment*: the failure by the Issuer to pay within 7 (seven) Business Days from the due date any amount due in respect of any of the Notes; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 (thirty) days after written notice thereof has been delivered by any Noteholder to the Issuer or to the Specified Office of the Transfer Agent (addressed to the Issuer); or
- (c) *Insolvency, winding-up etc*: the granting of an order by any competent court or authority for the liquidation, winding-up, dissolution or judicial management of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or placing the Issuer under the control of the Bank of Namibia as contemplated by the provisions of section 56(2) of the Banking Institutions Act, 1998, or the placing of the Issuer under voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up, dissolution or judicial management shall constitute an event of default if: (i) the liquidation, curatorship, winding-up, dissolution or judicial management is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the SB Group; or (ii)

in the case of the Issuer, in respect of a Solvent Reconstruction; or (iii) the liquidation, curatorship, winding-up, dissolution or judicial management is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Special Resolution of Noteholders before the date of the liquidation, curatorship, winding-up, dissolution, judicial management or commencement of business rescue proceedings; or

- (d) *Failure to take action*: any action, condition or thing (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders and the Note Trustee, and, in respect of listed Notes, shall forthwith notify the NSX or any successor exchange.

Upon the happening of an Event of Default, any holder of Notes may, or the Note Trustee shall, if directed to do so by holders of Notes of not less than 10 percent in Nominal Amount of the Notes then Outstanding, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Notes held by such Noteholder to be forthwith due and payable. Upon receipt of that notice, such Notes shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment.

## 13. EXCHANGE AND REPLACEMENT OF CERTIFICATES

### 13.1 Replacement

If any Individual Certificate, Receipt or Coupon is worn out, mutilated, defaced, stolen, destroyed or lost, it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer and the Transfer Agent may reasonably require. Mutilated or defaced Certificates, Receipts or Coupons must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

### 13.2 Death, sequestration or liquidation of Noteholder

Any Person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 13.2 (*Death, sequestration or liquidation of Noteholder*) or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 13.2 (*Death, sequestration or liquidation of Noteholder*) and Condition 14.1 (*Transfer of Registered Notes*), may transfer such Notes. The Issuer shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or shall duly transfer the Notes.

### 13.3 Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all Taxes and any and all governmental charges or insurance charges that may be imposed in relation to such Individual Certificate shall be borne by the holder of the Notes represented by

that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other Persons under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer. The costs and expenses of the printing, issue and delivery of Order Notes, and any Coupons, shall be borne by the Issuer, save as otherwise provided in the Applicable Pricing Supplement.

14. **TRANSFER OF NOTES**

14.1 **Transfer of Registered Notes**

14.1.1 *Transfer of Registered Notes represented by Individual Certificates*

14.1.1.1 In order for any transfer of Registered Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:

14.1.1.1.1 the transfer of such Registered Notes must be embodied in a Transfer Form;

14.1.1.1.2 the Transfer Form must be signed by the registered Noteholder of such Registered Notes and the transferee, or any authorised representatives of that registered Noteholder or transferee;

14.1.1.1.3 the transferee shall disclose whether it will hold or intends to hold the Notes beneficially, and if not, shall disclose the name and address of the beneficial holder thereof; and

14.1.1.1.4 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Individual Certificate representing such Registered Notes for cancellation.

14.1.1.2 Registered Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).

14.1.1.3 Subject to this Condition 14.1.1 (*Transfer of Registered Notes represented by Individual Certificates*), the Transfer Agent will, within 5 (five) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Registered Notes represented by an Individual Certificate (or the relevant portion of such Registered Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Registered Notes transferred reflecting the Nominal Amount Outstanding of the Registered Notes transferred.

14.1.1.4 Where a Noteholder has transferred a portion only of Registered Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Individual Certificate representing the balance of the Registered Notes held by such Noteholder.

14.1.1.5 The transferor of any Registered Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

14.1.1.6 Before any transfer of Registered Notes represented by an Individual Certificate is registered in the Register, all relevant transfer Taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.

- 14.1.1.7 No transfer of any Registered Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 15 (*Register*).
- 14.1.1.8 If a transfer of any Registered Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 14.1.1.9 In the event of a partial redemption of Notes under Condition 8.3 (*Early Redemption at the option of the Issuer (Call Option)*), the Transfer Agent shall not be required in terms of Condition 8.3 (*Early Redemption at the option of the Issuer (Call Option)*), to register the transfer of any Notes during the period beginning on the 10th (tenth) day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

#### 14.2 **Transfer of Order Notes**

Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the Endorsement of the Certificate evidencing such Order Note or Receipt or Coupon relating thereto, as the case may be, by the old Payee and the delivery of such Certificate, Receipt or Coupon to the new Payee.

#### 14.3 **Prohibition on Stripping**

Where so specified in the Applicable Pricing Supplement, Order Notes which are issued with Receipts and/or Coupons attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times. Stripping of Receipts and/or Coupons is otherwise permitted.

### 15. **REGISTER**

- 15.1 The Register shall be kept at the Specified Offices of the Transfer Agent. The Register shall reflect the number of Registered Notes issued and Outstanding, the date upon which each of the Noteholders was registered as such and whether they are Registered Notes or Order Notes. The Register shall contain the name, address, and bank account details of the Noteholders of Registered Notes. The Register shall set out the Nominal Amount of the Notes issued to such Noteholders and shall show the date of such issue. The Register shall show the serial number of Individual Certificates issued in respect of any Notes. The Register shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any person authorised in writing by any Noteholder. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall be closed from the Last Day to Register until each payment date of principal and interest in respect of the Notes, as the case may be.
- 15.2 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of any Registered Notes of which it is notified in accordance with these Terms and Conditions.
- 15.3 Except as provided for in these Conditions or as required by law, in respect of Registered Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.



16. **TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT**

16.1 Any third party appointed by the Issuer as Calculation Agent, Paying Agent and/or Transfer Agent shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

16.2 If the Issuer elects to appoint another entity (not being the Issuer) as Calculation Agent, Paying Agent and/or Transfer Agent, that other entity, on execution of an appropriate Agency Agreement or an appropriate accession letter to the Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Noteholders and the Note Trustee in the manner set out in Condition 17 (*Notices*) of any such appointment and, if any Notes are listed on the NSX, the Issuer shall notify the NSX of any such appointment.

16.3 The Issuer is entitled to vary or terminate the appointment of the Transfer Agent, the Calculation Agent and the Paying Agent and/or appoint additional or other agents and/or approve any change in the Specified Office through which any such agent acts on the terms of the Agency Agreement, provided that there will at all times be a Transfer Agent, Calculation Agent and a Paying Agent with an office in such place as may be required by the Applicable Procedures. The Transfer Agent, Paying Agent and Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

16.4 To the extent that the Issuer acts as the Transfer Agent, Calculation Agent or Paying Agent, all references in these Terms and Conditions to:

16.4.1 any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and

16.4.2 requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent, Calculation Agent or Paying Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.

17. **NOTICES**

17.1 **Notice by the Issuer**

17.1.1 All notices to Noteholders in respect of Registered Notes shall be sent by registered mail or delivered by hand to their addresses appearing in the Register, and in addition shall be sent to the Note Trustee. Any such notice shall be deemed to have been given on the 7<sup>th</sup> (seventh) day after the day on which it is mailed and on the day of delivery if delivered.

17.1.2 In the event of there being any Individual Certificates (whether evidencing Registered Notes or Order Notes) in issue, notices to such Noteholders shall be published:

- (a) in an English language daily newspaper of general circulation in Namibia; and
- (b) for so long as the Notes are listed on the NSX or a successor exchange, a daily newspaper of general circulation in the city in which the NSX or such successor exchange is situated or any electronic news service of general distribution,

and any such notices shall be deemed to have been given on the date of first publication.

17.2 **Notice by the Noteholders**

A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Certificate, Coupon or Receipt at the office of the Transfer Agent specified in the Applicable Pricing Supplement, with a copy to the Note Trustee. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the second Business Day after being hand delivered, or, if sent by registered mail, 7 (seven) days after posting.

17.3 **Notice in relation to Notes listed on the NSX**

For so long as any Notes are listed on the NSX, notwithstanding Conditions 17 and 17.2, all notices in respect of such NSX-listed Notes, shall be made by way of an announcement on SENS.

18. **MEETINGS OF NOTEHOLDERS**

18.1 **Convening of meetings**

The Issuer may at any time convene a meeting of all Noteholders or holders of any Class of Notes, and shall be obliged to do so upon the request in writing by the Note Trustee upon the direction of Noteholders holding not less than 10% of the aggregate Nominal Amount of all Notes or Notes in that Class, as the case may be, for the time being Outstanding. Should the Issuer fail to requisition a meeting within 7 (seven) days of such a request being delivered to the Specified Office of the Issuer, the Note Trustee may convene such meeting by written notice to the Issuer and the relevant Noteholders to which such meeting applies in accordance with Condition 17 (*Notices*). A meeting so convened will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer.

18.2 **Notice**

At least 21 (twenty one) Business Days' prior written notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) specifying the date, time and place of the meeting shall be given to the Noteholders, Note Trustee and the Transfer Agent (with a copy to the Issuer). Every such meeting shall be held at such time and place as the Transfer Agent may approve. The notice shall set out the nature of the business for which the meeting is to be held, the full text of any resolutions to be proposed and shall state that a Noteholder may appoint a proxy (as defined below) by delivering a form of proxy (as defined below) to the Specified Officers of the Transfer Agent by no later than 24 hours before the time fixed for the meeting.

A requisition notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 18.1 above may consist of several documents in like form, each signed by one or more requisitioning Noteholders. Such a requisition notice will be delivered to the Note Trustee, who shall deliver it to the Specified Offices of the Issuer.

18.3 **Proxy**

A Noteholder may by an instrument in writing (a **form of proxy**) signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.

Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its Representative in connection with any meeting or proposed meeting of the Noteholders.

Any proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.

#### 18.4 **Chairperson**

The Chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the Chairperson subject to the remaining provisions of this Condition 18. Should the Noteholder requisition a meeting, and the Issuer fails to call such a meeting within 7 (seven) days of the requisition, then the Chairperson of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in person, by Representative or by proxy. The Chairperson of an adjourned meeting need not be the same person as was Chairperson of the original meeting.

#### 18.5 **Quorum**

At any such meeting one or more Noteholders present in person, by Representative or by proxy, holding in aggregate not less than 30 (thirty) percent of the Nominal Amount of Notes for the time being Outstanding shall form a quorum for the transaction of business. The quorum at any such meeting for passing a Special Resolution shall (subject as provided below) be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate a clear majority in Nominal Amount of the Notes held by the applicable Class for the time being Outstanding. At any meeting the business of which includes any of the following matters (**Reserved Matters**), shall only be capable of being effected after having been approved by Special Resolution namely -

- (a) modification of the Maturity Date of any Notes or reduction or cancellation of the Nominal Amount payable upon maturity; or
- (b) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the Interest Rate in respect of the Notes; or
- (c) reduction or increase of any Minimum Interest Rate and/or Maximum Interest Rate specified in the Applicable Pricing Supplement of any Note; or
- (d) modification of the currency in which payments under the Notes are to be made; or
- (e) modification of the majority required to pass a Special Resolution; or
- (f) the sanctioning of any such scheme or proposal as is described in Condition 18.12(g) below; or
- (g) alteration of this proviso or the proviso to Condition 18.7(c) below.

At any meeting whose business includes any of such matters, the quorum shall be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate not less than 75% in Nominal Amount of the Notes of that Class for the time being Outstanding. A Special Resolution passed at any meeting of the holders of

Notes of that Class will be binding on all holders of Notes, whether or not they are present at the meeting. No amendment to or modification of the Conditions may be effected without the written agreement of the Issuer.

#### 18.6 **Adjournment of meetings**

The Chairperson may, with the consent of (and shall if directed by) any Noteholders, adjourn a meeting of Noteholders or a Class of Noteholders from time to time and from place to place.

If within thirty minutes after the time fixed for any such meeting a quorum is not present, then:

- 18.6.1 in the case of a meeting requested by Noteholders, it shall be dissolved; or
- 18.6.2 in the case of any other meeting, it shall be adjourned for such period (which shall be not less than 14 (fourteen) Business Days and not more than 21 (twenty-one) Business Days and to such time and place as the Chairperson determines and approved by the Transfer Agent; provided, however, that:
  - (a) the meeting shall be dissolved if the Issuer so decides; and
  - (b) no meeting may be adjourned more than once for want of a quorum.

No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which adjournment took place.

#### 18.7 **Notice following adjournment**

Condition 18.2 above shall apply to any meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 14 (fourteen) Business Days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) shall be sufficient; and
- (b) the notice shall state (except in the circumstances where subparagraph (c) below applies) that one or more Noteholders present in person, by Representative or by proxy whatever the Nominal Amount of the Notes held or represented by them will form a quorum;
- (c) in relation to any adjourned meeting the business of which includes any of Reserved Matter, the quorum shall be one or more Noteholders present in person, by Representative or by proxy holding or representing not less than one third in aggregate of the Nominal Amount of the Notes for the time being Outstanding.

It shall not be necessary to give notice of the resumption of a meeting which has been adjourned for any other reason.

#### 18.8 **Participation**

The following may attend and speak at a meeting:

- (a) Noteholders present, by Representative or by proxy provided that no such person shall be entitled to attend and speak (or vote) unless he provides proof acceptable to the Issuer that he is a Noteholder, its Representative or proxy if so required by the Issuer to do so;
- (b) any officer or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer provided that such person shall not be entitled to vote, other than as a proxy or Representative;

- (c) the legal counsel to the Issuer;
- (d) the Transfer Agent;
- (e) any other person approved by the Noteholders at such meeting; and
- (f) every director or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or Representative.

#### 18.9 **Poll**

Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided by a poll. The poll may be taken immediately or after any adjournment, as the Chairperson directs, but any vote on the election of the Chairperson or on any question of adjournment shall be taken at the meeting without an adjournment.

#### 18.10 **Votes**

Every Noteholder present in person, by Representative or by proxy and who provided proof acceptable to the Issuer of his entitlement to vote, if so required by the Issuer, shall have one vote per Specified Denomination (or the nearest rounded off multiple thereof) of the relevant Class of Notes Outstanding held or represented by him. For the avoidance of doubt, the holders of Coupons or Receipts shall be entitled to receive notice of and to attend and speak at any meeting in respect of which they fall within the Series of Noteholders but no such person shall have rights to vote at such meetings.

In the case of a voting tie, the Chairperson shall have a casting vote.

Unless the form of proxy states otherwise, a Representative or proxy shall not be obliged to exercise all the votes which he is entitled or cast all the votes which he exercises in the same way.

A majority shall be required to ordinarily pass a resolution of Noteholders.

#### 18.11 **Validity of votes by proxies**

Any vote by a proxy in accordance with the form of proxy shall be valid even if such form of proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Transfer Agent or the Issuer at its Specified Office has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant meeting. Unless revoked, any appointment of a proxy under a form of proxy in relation to a meeting shall remain in force in relation to any resumption of such meeting following an adjournment.

#### 18.12 **Powers**

A meeting of Noteholders will have power (exercisable by Special Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them;
- (b) to approve the substitution of any entity for the Issuer which shall be proposed by the Issuer;

- (c) to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Class of Noteholders against the Issuer or against any of its property whether such rights shall arise under the Notes or otherwise;
- (d) to assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer;
- (e) to give any authority or sanction which under the Terms and Conditions is required to be given by Special Resolution;
- (f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders of that Class and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Special Resolution;
- (g) to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stocks, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash.

**18.13 Binding effect of resolutions**

Any resolution passed at a meeting of a Class of Noteholders duly convened shall be binding upon all Noteholders of that Class whether or not present at such meeting and whether or not voting, and each Noteholder of that Class shall be bound to give effect to it accordingly.

Any Special Resolution shall be binding upon all Noteholders whether or not present at such meeting and whether or not voting, and each of the Noteholders shall be bound to give effect to it accordingly.

**18.14 Notice of the result of voting on any resolution**

Notice of the result of the voting on any resolution (including any Special Resolution) duly considered by the Noteholders shall be given by the Issuer to the Noteholders and Note Trustee within 14 (fourteen) Business Days of the conclusion of the meeting in accordance with Condition 17 (*Notices*), and shall be announced on SENS. Non-publication shall not invalidate any such resolution.

**18.15 Minutes**

Minutes shall be made of all resolutions and proceedings of meetings by the Transfer Agent and duly entered in books to be provided by the Issuer for that purpose. The Chairperson shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

**19. MODIFICATION**

19.1 The Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the

jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Notes are issued, provided that the consent of the NSX shall be required where such Notes are listed. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be notified to the relevant Class of Noteholders and the Note Trustee and to the NSX in accordance with Condition 17 (*Notices*) as soon as practicable thereafter. For the avoidance of doubt, the exercise by the Issuer of its rights under Condition 16 (*Transfer Agent, Calculation Agent and Paying Agent*) or the appointment of a successor Note Trustee shall not constitute a modification of these Terms and Conditions.

19.2 Save as provided in Condition 19.1, no modification of these Terms and Conditions may be effected unless:

- (a) in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Noteholders holding not less than 75% in Nominal Amount, of the Notes in that Class for the time being Outstanding; or
- (b) sanctioned by a Special Resolution of the relevant Class of Noteholders.

20. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes (the **Additional Notes**) having terms and conditions which are identical to any of the other Notes already issued under the Programme (the **Existing Notes**) or the same in all respects save for their respective Issue Prices, Issue Dates, NSX codes and aggregate Nominal Amounts, so that the Additional Notes shall be consolidated by the Issuer to form a single Series with the Existing Notes.

21. **GOVERNING LAW**

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum, the applicable Terms and Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of the Republic of Namibia.

A large, stylized handwritten signature in black ink, appearing to be a cursive name, possibly 'Mariusz...', written across the page.Handwritten initials 'MS' in black ink, located in the bottom right corner of the page.

## **USE OF PROCEEDS**

Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from the issue of the Notes will be applied by the Issuer to fund loans and advances to its customers and for other general corporate purposes, including liquidity and capital management, funding of long-term assets and to comply with regulatory long-term funding requirements. Proceeds will not be utilised towards funding the operating expenses of the Issuer.



## DESCRIPTION OF THE ISSUER

The Standard Bank of British South Africa (“**Standard Bank**”) was incorporated and registered as a limited liability company on 15 October 1862. Its capital was fixed at £1,000,000 comprised of 10,000 shares of £100 each.

Standard Bank opened its first branch in Lüderitz on 19 August 1915. By 1929 Standard Bank had 11 offices in South West Africa as Namibia was then known. In 1978 Standard Bank SWA Limited was established as an autonomous company. In 1990 its name was changed to Standard Bank Namibia Limited.

Standard Bank Namibia Limited (the “**Issuer**”) is a wholly-owned subsidiary of SB Group.

The Issuer also offers an international banking service through its association with SB Group.

The Issuer is a bank offering banking services across a broad spectrum of banking business, providing retail, corporate, commercial and investment banking services to individuals and companies across Namibia. The Issuer has a broad franchise and is active in almost all banking markets in Namibia. The Issuer is organised into two principal business units: Personal & Business Banking and Corporate & Investment Banking.

For a more detailed description of the Issuer, please refer to the Issuer’s annual report which is available online at the Issuer’s website, [www.standardbank.com.na](http://www.standardbank.com.na).

## NAMIBIAN EXCHANGE CONTROL

*Capitalised words used in this section headed "Namibian Exchange Control" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

*The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section headed "Namibian Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.*

### **Non-Namibian resident Noteholders and emigrants from the Common Monetary Area**

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the applicable Terms and Conditions may be subject to the Exchange Control Regulations.

### **Emigrant Blocked Namibia Dollar**

Emigrant Blocked Namibia Dollar may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Emigrant Blocked Namibia Dollar may not, in terms of the Exchange Control Regulations, be remitted out of Namibia or paid into any non-Namibian bank account.

For the purposes of this Section "Emigrant Blocked Namibia Dollar" means any funds which may not be remitted out of the Common Monetary Area or be paid into a bank account outside the Common Monetary Area.

The Common Monetary Area comprises the Kingdoms of Lesotho and Swaziland, the Republic of South Africa and Namibia.

### **Emigrants from the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "*non-resident*" by an authorised dealer. Such restrictively endorsed Individual Certificates shall be deposited with an Authorised Dealer controlling such emigrant's blocked assets.

All payments in respect of subscriptions for Notes by an emigrant from the Common Monetary Area, using Emigrant Blocked Namibia Dollar, must be made through the Authorised Dealer in foreign exchange controlling the blocked assets.

Any payments of interest and/or principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's Emigrant Blocked Namibia Dollar account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

### **Non-residents of the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "*non-resident*".

It will be incumbent on any such non-resident Noteholder to instruct the non-resident's nominated or Authorised Dealer as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into Namibia and provided that the relevant Individual Certificate has been endorsed "*non-resident*" or the relevant securities account has been designated as a "*non-resident*" account, as the case may be.

### **Order Notes**

Any Order Notes issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed in accordance with the applicable provisions of the Exchange Control Regulations. Any Order Notes issued to Noteholders who are emigrants from the Common Monetary Area will be subject to the applicable provisions of the Exchange Control Regulations.

Any Order Notes issued to Noteholders who are not resident in the Common Monetary Area will be endorsed in accordance with the applicable provisions of the Exchange Control Regulations. Any Order Notes issued to Noteholders who are not resident in the Common Monetary Area will be subject to the applicable provisions of the Exchange Control Regulations.

## NAMIBIAN TAXATION

*Capitalised words used in this section headed "Namibian Taxation" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

*The comments below are intended as a general guide to the relevant tax laws of Namibia as at the Programme Date. The contents of this section headed "Namibian Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.*

For purposes of this section, “**Taxes**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, Namibia, whether in terms of the Income Tax Act, 1981, as amended (the “**Income Tax Act**”), or in terms of any other legislation.

Namibia taxes income on a source basis.

### STAMP DUTY ON CREATION AND TRANSFER OF NOTES

In terms of the Stamp Duties Act, 1993 -

- (a) stamp duty of 0,2 percent (NAD2 for every NAD1,000 or part thereof) of the nominal value of the Notes and any premium payable on Notes issued is payable by the Issuer to the Commissioner for Inland Revenue upon the original issue thereof;
- (b) stamp duty of 0,2 percent (NAD2 for every NAD1,000 or part thereof) of issue price of the Notes issued is payable by the transferee to the Commissioner for Inland Revenue upon transfer of the Notes;
- (c) the issuing of the Certificate in respect of Notes in substitution of a similar Certificate which has been withdrawn, cancelled or lost, does not attract stamp duty, provided that the new instrument is endorsed as a *bona fide* substitution without a change in beneficial ownership;
- (d) the registration of transfer of any Notes qualifying as “interest-bearing debentures” which are not convertible into shares or similar equity interest or eligible to participate in dividends are exempt from the payment of stamp duty or any other transfer duty if they are listed and purchased on any licensed exchange as defined in section 1 of the Stock Exchanges Control Act (currently only the NSX).

### INCOME TAX

#### Taxation generally

Profits or gains which are of a capital nature are generally not subject to tax in Namibia due to the fact that Namibia does not impose capital gains tax.

Interest received or accrued to any person from a Namibian source is generally of a revenue nature. However, a premium payable in addition to interest at the commercial rate may be regarded as a sum paid for a capital risk and is not of a revenue nature.

Furthermore, income, profits and gains which are of a revenue nature are subject to tax in Namibia only if they are derived from a source within, or deemed to be within, Namibia. Interest will be regarded as being from a Namibian source where such interest is derived from the utilisation or application in Namibia of the funds or credit obtained.

Corporate taxpayers are liable to tax on interest earned at the normal corporate tax rates. Similarly, individuals and trusts are taxable on interest earned at the tax rates for individuals. There is an obligation on the Issuer to withhold tax at a rate of 10 percent from all interest earned by any person other than a Namibian company, deemed Namibian company or any institution exempted from income tax in terms of section 16 of the Income Tax Act.

Namibian companies remain taxable on interest at the corporate tax rate.

Double taxation agreements (“DTA”) are in place between Namibia and several countries, including the Republic of South Africa, which may affect the tax liability of a Noteholder in respect of interest earned.

Non-resident Noteholders are advised to contact their own advisors to establish the effect of the provisions of the relevant country’s DTA with Namibia on the taxability of interest earned in Namibia.

#### **Treatment of discount on original issue of Notes**

Any original issue discount to the face value of the Notes will be treated as interest for tax purposes, when the Notes are issued, since the income benefit accrues on entitlement to claim payment of the full sum, even if this is on redemption at a future date.

Interest will be deemed to accrue to the Noteholder when interest payments become due until the Noteholder disposes of the Notes or until maturity.

Profits or losses on the transfer of the Notes will generally be capital in nature and will not be taken into account for income tax purposes. Where, however, a company deals in interest-bearing instruments as part of its business it will be taxable on any gain realised on the sale of the instrument. On a similar basis a dealer in financial instruments will be able to deduct any losses arising from the sale of those instruments.

#### **Withholding tax on interest**

All interest earned in Namibia by any person other than a Namibian company from any investment in any Namibian banking institution or Namibian unit trust is subject to withholding tax in terms of sections 34A of the Income Tax Act, as amended, at the rate of 10 percent.

As stated above, the liability for tax may be affected by the provisions of a DTA where the recipient of the interest is resident in a country with which Namibia has concluded a DTA.

**Definition of Interest**

The references to "*interest*" above mean "*interest*" as understood in Namibian tax law. The statements above do not take any account of any different definitions of "*interest*" or "*principal*" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

**VALUE-ADDED TAX**

No value-added tax (VAT) is payable on the issue or transfer of Notes. In terms of paragraph 1 of Schedule IV to the Value Added Tax Act, 2000, as amended, financial services are defined to include the issue, allotment and transfer of ownership of a debt security. In terms of paragraph 2(a) of Schedule IV to the Act financial services are categorised as an exempt supply. Commissions, fees or similar charges raised for the facilitation of these services will however be subject to VAT at the standard rate (currently 15%).

## SUBSCRIPTION AND SALE

*Capitalised words used in this section headed "Subscription and Sale" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

### **Selling restrictions**

#### ***Republic of Namibia***

The Issuer, Arranger and the Sponsor have agreed not to solicit any offers for subscription for the Notes in contravention of any Applicable Laws and/or regulation of the Republic of Namibia, including the Companies Act, 2004, the Banking Institutions Act, 1998 and the Exchange Control Regulations.

The Notes will be issued in terms of a private placement and no prospectus will be registered.

The Issuer, Arranger and the Sponsor will ensure that any offers solicited will not be solicited from the public. Section 150 of the Companies Act, 2004 provides that an offer of securities (which includes a Note for the purposes of this section) shall not be construed as an offer to the public –

- (a) if it can properly be regarded, in all the circumstances, as not being calculated to result, directly or indirectly, in the securities becoming available to persons other than those to whom the offer was made;
- (b) if it is an offer for subscription to the members or debenture-holders of the company without the right to renounce any right to take up such shares in favour of other persons;
- (c) if such offer can properly be regarded, in all the circumstances, as being a domestic concern of the persons making and receiving it; or
- (d) if it is a rights offer.

This Programme Memorandum and any offer or resultant sale of Notes is only available to, and may only be relied and acted upon by, the persons to whom this Programme Memorandum is addressed and may not be ceded, transferred, copied, distributed, disseminated, disclosed or made over (whether in whole or in part) to any other person. The Issuer reserves the right to reject any offer or application for the sale and issue of Notes, if, in its sole discretion, it believes that such offer or application is made by or on behalf of any person, juristic or otherwise, to whom this Programme Memorandum has not been addressed. Should any offer or application be rejected, the Issuer shall not be required or obliged to give any reason or explanation for such rejection.

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*Namibian Exchange Control*").

#### ***South Africa***

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche, and will itself not sell the Notes in that Tranche of Notes, in South Africa, in contravention of the Companies Act, 2008, the Banks Act, 1990, the Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to

time. In particular, this Programme Memorandum does not, nor is it intended to constitute a "*prospectus*" (as that term is defined in the Companies Act) and each Dealer who has (or will have) agreed to place a Tranche of Notes will be required to represent and agree that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of Notes in that Tranche (whether for subscription, purchase or sale).

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations as applied in Namibia.

### ***United States***

#### ***Regulation S Category 2***

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that: it has not offered, sold, resold or delivered any Notes in that Tranche and will not offer, sell, resell or deliver any such Notes:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 (forty) days after the later of (i) the closing date of such Tranche of Notes and (ii) the completion of the distribution of all of the Notes in such Tranche of Notes, as determined and certified by all of the relevant Dealers or, in the case of an issue of such Tranche of Notes on a syndicated basis, the relevant Lead Managers, of all Notes of the Series of which such Notes is a part,

within the United States of America or to, or for the account or benefit of U.S. persons, only in accordance with Regulation S and it will send to each dealer or distributor to which it sells any Notes in such Tranche of Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons to substantially the following effect:

*"The Notes covered hereby have not been registered under the US. Securities Act of 1933, as amended the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, US, persons (a) as part of their distribution at any time and (b) otherwise until 40 days after the later of (i) the commencement of their offering and (ii) completion of the distribution of such Notes, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant Lead Manager, except in either case (a) or (b), in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."*

In addition, an offer or sale of the Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering of such Notes) during the distribution compliance period described in the preceding paragraph may violate the registration requirements of the Securities Act.

Each of the Dealers (and in the case of the issue of such Tranche of Notes on a syndicated basis, the relevant Lead Managers) shall determine and certify to the Issuer when it has completed the distribution of the Notes in such Tranche of Notes.



Each Relevant Dealer further represents and agrees that, in relation to a Tranche of Notes, neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any "*directed selling efforts*" (as that term is defined in Regulation S under the Securities Act) with respect to the relevant Tranche of Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

### ***European Economic Area***

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that, in relation to the relevant Tranche of Notes and each Member State of the European Economic Area which has implemented the Prospectus Directive (each a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of any of such Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant Member State:

- (a) if the Applicable Pricing Supplement specifies that an offer of such Notes may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant State, provided, if applicable, that any such prospectus has subsequently been completed by the Applicable Pricing Supplement (as constituting Applicable Pricing Supplement for the purposes of the prospectus) contemplated in such a Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable;
- (b) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (c) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (d) at any time to any legal entity which has two or more of:
  - (i) an average of at least 250 employees during the last financial year;
  - (ii) a total balance sheet of more than €43,000,000.00 and
  - (iii) an annual turnover of more than €50,000,000.00 as shown in its last annual or consolidated accounts; or
- (e) at any time to fewer than 100 natural or legal persons per Relevant Member State (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or Dealers nominated by the Issuer for any such offer; or
- (f) at any time in any other circumstances falling within Article 3 of the Prospectus Directive,

provided that no such offer of such Notes referred to in paragraphs (b) and (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State and the expression "*Prospectus Directive*" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out in this Programme Memorandum.

### ***United Kingdom***

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any of the Notes in that Tranche in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

### ***General***

No action has been, or will be, taken by the Issuer, the Arranger or Sponsor that would permit a public offering of Notes, or possession or distribution of this Programme Memorandum or any other offering material in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and the Programme Memorandum or any circular, prospectus, form of application, advertisement or other material relating to the Programme or the Notes may not be distributed in or from, or published in, any jurisdiction except in circumstances that are in compliance with any Applicable Laws or regulations.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription

for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of any Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales;

- (b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Neither the Issuer nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available there under or assumes any responsibility for facilitating such subscription or sale.

## GENERAL INFORMATION

*Capitalised words used in this section headed "General Information" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

### AUTHORISATION

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Namibia have been or will be given or obtained for the establishment of the Programme, its update from time to time and the issue of Notes and for the Issuer, Transfer Agent, Calculation Agent and Paying Agent to undertake and perform their respective obligations under the Notes, the Programme Memorandum and Agency Agreement.

### LISTING

The Programme has been approved by the NSX. Notes issued under the Programme may be listed on the NSX, subject to all Applicable Laws. Unlisted Notes may also be issued under this Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed. Notes issued under the Programme and listed under a Stock Code allocated by the NSX may be traded by and through members of the NSX as set out in the Applicable Pricing Supplement and in accordance with the Applicable Procedures.

### DOCUMENTS AVAILABLE FOR INSPECTION

So long as Notes are in issue under this Programme Memorandum copies of the following documents will, if applicable, when published, be available for inspection during normal business hours of the Issuer at the Specified Office of the Issuer:

- (a) the constitutional documents of the Issuer;
- (b) the audited Annual Financial Statements of the Issuer, prepared in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act No. 61 of 1973 or the Companies Act No. 28 of 2004, as applicable, for the three most recently completed financial years;
- (c) the latest publicly available audited annual and interim financial statements (if any) of the Issuer, from time to time, prepared in accordance with IFRS;
- (d) this Programme Memorandum;
- (e) the Programme Agreement;
- (f) the Agency Agreement entered into by and between the Issuer and the agent in respect of the relevant Notes;
- (g) the Trust Deed; and
- (h) any future supplements to this Programme Memorandum and any other documents incorporated herein or therein by reference, including the Applicable Pricing Supplements.

## **MATERIAL CHANGE**

Save as disclosed herein, there has been no material change in the financial or trading conditions of the Issuer since the date of its latest audited financial statements 2010.

## **MATERIAL CONTRACTS**

There are no material contracts outstanding as at the date of this Programme Memorandum that were not entered into in the ordinary course of the Issuer's business and which would result in the Issuer or any of its subsidiaries being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

## **LITIGATION AND RISKS**

Save as disclosed herein, the Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the results of which might have or have had a material effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

An investment in Notes by a Noteholder is subject to the risks detailed in the section of this Programme Memorandum headed "*Risk Factors*".

## **CONFLICTS OF INTEREST**

At the date of this Programme Memorandum, there are no potential conflicts of interest between any duties to the Issuer of the members of its administrative, management or supervisory bodies and their private interests or other duties. However, it cannot generally be ruled out that such persons have interests at the time of the offer or issue of Notes. Whether this is the case will depend upon the facts at the time of the offer or issue. A description of any potential conflicting interests that are of importance to an offer or issue of Notes will be included in the Applicable Pricing Supplement, specifying the persons involved and the types of interests.

## **AUDITORS**

PricewaterhouseCoopers have acted as the auditors of the financial statements of the Issuer for the financial years ending 31 December 2008, 2009 and 2010, and in respect of these years, have issued unqualified audit reports in respect of the Issuer.

## ANNEX

### ADDITIONAL CREDIT LINKED NOTE TERMS AND CONDITIONS

The terms and conditions applicable to Credit Linked Notes shall comprise the Terms and Conditions of the Notes set out above (the **General Conditions**) and the Additional Credit Linked Note Terms and Conditions set out below (the **Credit Linked Conditions**), in each case subject to replacement or modification to the extent specified in the Applicable Pricing Supplement. In the event of any inconsistency between the General Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Credit Linked Conditions and (ii) the Applicable Pricing Supplement, the Applicable Pricing Supplement shall prevail.

#### 1. CREDIT LINKED DEFINITIONS

**Accreted Amount** means with respect to an Accreting Obligation, an amount equal to (A) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (B) any cash payments made by the obligor there under that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (A)(2) above), in each case calculated as of the earlier of (X) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (Y) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash and interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified in the Applicable Pricing Supplement. If an Accreting Obligation is expressed to accrete pursuant to a straight line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of (A)(2) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (X) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (Y) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

**Accreting Obligation** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable;

**Affiliate** means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "control" of an entity means ownership of a majority of the voting power of the entity;

**Asset Amount** means, in respect of each nominal amount of Notes equal to the Nominal Amount, Deliverable Obligations, as selected by the Calculation Agent, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified in the Applicable Pricing Supplement, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the Applicable Pricing Supplement, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Applicable Pricing Supplement, excluding accrued but unpaid interest); or
- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Nominal Amount (i) less, if Unwind Costs are specified in the Applicable Pricing Supplement as applicable and are payable by the Noteholder, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Event Determination Date to and including the Delivery Date equal to Unwind Costs, and (ii) less, if the Noteholder has instructed that Delivery Expenses be deducted in the calculation of the Asset Amount in the Asset Transfer Notice or if the Noteholder has not paid the Delivery Expenses on or prior to the Delivery Expenses Cut-off Date as provided in Credit Linked Condition 5 below (*Physical Settlement*), Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Event Determination Date to and including the Delivery Date equal to Delivery Expenses.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance;

**Asset Transfer Notice** means a notice that complies with Credit Linked Condition 5 (*Physical Settlement*) delivered by a Noteholder to the Issuer;

**Auction Cut-Off Date** means the date falling five Business Days prior to the date falling 35 calendar days after the Scheduled Maturity Date;

**Auction Final Price** means:

- (a) if the relevant Credit Derivatives Determinations Committee determines that an Auction (as defined in the Credit Derivatives Auction Settlement Terms) will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity, the relevant **Auction Final Price** determined in accordance with such Auction; or
- (b) if the relevant Credit Derivatives Determinations Committee determines that more than one Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity:
  - (i) the **Auction Final Price** determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection buyer there

under (**Buyer Credit Derivatives Transactions**) with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls;

- (ii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates of a range within which the Scheduled Maturity Date falls, the **Auction Final Price** determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date;
- (iii) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next earliest to the Scheduled Maturity Date, the **Auction Final Price** determined in accordance with the Auction applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date; or
- (iv) if no Auction is held applicable to Buyer Credit Derivatives Transactions with Scheduled Termination Dates falling next following the Scheduled Maturity Date, the **Auction Final Price** determined in accordance with the Auction applicable to credit derivatives transactions triggered by the credit protection seller there under;

**Bankruptcy** means a Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, liquidation or the commencement of business rescue proceedings, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up, liquidation or the commencement of business rescue proceedings or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding-up, official management, liquidation or the commencement of business rescue proceedings (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, business rescue practitioner, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets;
- (g) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains



possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Maturity Date, whichever is earlier; or

- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive) of this definition;

**Best Available Information** means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of Successor, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of Successor.

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information;

**Cash Settlement Amount** means:

- (a) the amount specified as such in the Applicable Pricing Supplement; or
- (b) if no such amount is specified as such in the Applicable Pricing Supplement, an amount calculated by the Calculation Agent in accordance with a formula specified in the Applicable Pricing Supplement for that purpose; or
- (c) if an amount is not specified in the Applicable Pricing Supplement and a formula to determine the Cash Settlement Amount is not specified in the Applicable Pricing Supplement, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

A is the Nominal Amount;

B is (i) the Credit Linked Reference Price minus (ii) one minus the Final Price or, if Auction Settlement is specified in the Applicable Pricing Supplement and Credit Linked Condition 4(A) (*Cash Settlement*) does not apply, the Auction Final Price; and

C is Unwind Costs,

provided that in no event shall the Cash Settlement Amount be less than zero;

**Cash Settlement Date** means (a) if the Cash Settlement Amount is not specified in the Applicable Pricing Supplement or is calculated by reference to the Auction Price or the Final Price, the day falling the number of Business Days specified in the Applicable Pricing Supplement (or, if a number of Business Days is not specified in the Applicable Pricing Supplement, three Business Days) after the calculation of the Final Price or the publication of the Auction Final Price, as the case may be, or (b) in all other cases, the date that is the number of Business Days specified in the Applicable Pricing Supplement (or, if a number of Business Days is not so specified in the Applicable Pricing Supplement, three Business Days) following the satisfaction of all Conditions to Settlement;

**"Clearstream, Luxembourg"** means Clearstream Banking, société anonyme;

**Conditionally Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of Conditionally Transferable Obligation.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

**Conditions to Settlement** means either:

- (a) if Auction Settlement is specified in the Applicable Pricing Supplement and other than where the relevant Credit Event is a Restructuring, following the occurrence of a Credit Event Resolution Request Date on or following the Trade Date or, if specified as applicable in the Applicable Pricing Supplement, the Credit Event Backstop Date, ISDA publicly announces during the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that such event constitutes a Credit Event; or
- (b) the delivery by the Calculation Agent to the Issuer of a Credit Event Notice that is effective and if Notice of Publicly Available Information is specified as applying in the Applicable Pricing Supplement, a Notice of Publicly Available Information, that is effective, in each case, during the Notice Delivery Period,

Provided that,

- (i) in the case of sub-paragraph (a) above, if the relevant Credit Derivatives Determinations Committee subsequently resolves that the relevant event does not constitute a Credit Event, Conditions to Settlement shall be deemed not to have been satisfied; and
- (ii) in the case of sub-paragraph (b) above and if Auction Settlement is specified in the Applicable Pricing Supplement, if following the delivery of the Credit Event Notice by the Calculation Agent a Credit Event Resolution Request Date occurs in relation to the event referred to in the Credit Event Notice and prior to the Valuation Date:
  - (A) the Credit Event Notice is deemed to be revoked in accordance with its definition below, Conditions to Settlement shall be deemed not to have been satisfied; or
  - (B) the relevant Credit Derivatives Determinations Committee Resolves that such event constitutes a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Calculation Agent may, other than where such Credit Event is a Restructuring, revoke the Credit Event Notice by giving notice to the Issuer, in which case Conditions to Settlement shall be deemed not to have been satisfied in accordance with sub-paragraph (b) above but shall be deemed to be satisfied in accordance with sub-paragraph (a) above;

**Convened DC** means the Credit Derivatives Determinations Committee composed in accordance with the provisions of the ISDA Annex;

**Convertible Obligation** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

**Credit Derivatives Auction Settlement Terms** means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules;

**Credit Derivatives Determinations Committee** means a committee established by ISDA for purposes of reaching certain DC Resolutions in connection with Credit Derivative Transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the “**Rules**”);

**Credit Event** means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event, in each case as specified in the Applicable Pricing Supplement, as determined by the Calculation Agent. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

**Credit Event Backstop Date** means:

- (a) for the purposes of any event that the relevant Credit Derivatives Determinations Committee has Resolved as constituting a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium), the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise, the date that is 60 calendar days prior to the earlier of:
  - (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the Applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer during the Notice Delivery Period; and
  - (ii) in circumstances where:
    - (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules;
    - (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and
    - (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the Applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters,

the Credit Event Resolution Request Date.

For the avoidance of doubt, the Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

**Credit Event Notice** means a notice from the Calculation Agent (which may be by telephone, confirmed in writing) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after 12:01 a.m. (Greenwich Mean Time) on the Trade Date or, if earlier and if specified as applicable in the Applicable Pricing Supplement, the Credit Event Backstop Date and at or prior to 11:59 p.m., (Greenwich Mean Time), on the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in the Applicable Pricing Supplement, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date; and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date if: (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date; (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and (iii) the Repudiation/Moratorium Extension Condition is satisfied,

provided that if Auction Settlement is specified in the Applicable Pricing Supplement, if the relevant Credit Derivatives Determinations Committee subsequently Resolves that the event described in the Credit Event Notice does not constitute a Credit Event with respect to the relevant Reference Entity or Obligation thereof, the Credit Event Notice shall be deemed to be revoked and Conditions to Settlement shall be deemed not to have been satisfied. For the avoidance of doubt, such deemed revocation of the Credit Event Notice shall not prevent the Calculation Agent from delivering a further Credit Event Notice subsequently.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date that the Credit Event Notice is effective;

**Credit Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Credit Event has occurred with respect to the Reference Entity or Obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

unless the DC Resolutions in respect of which the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Credit Event under the 2003 ISDA Credit Derivatives Definitions and the definition of Credit Event hereunder and such other factor(s) as it deems appropriate, determines are inappropriate to follow for the purposes of the Notes,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the

Rules, of Publicly Available Information with respect to the DC Resolutions referred to in paragraphs (a) and (b) above;

**Credit Linked Reference Price** means the percentage specified as such in the Applicable Pricing Supplement;

**Currency Amount** means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate;

**Currency Rate** means the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency that is (i) the mid-point rate of conversion published by Reuters at 11:00 a.m. (Namibian time) or any successor rate source determined by the Calculation Agent in a commercially reasonable manner on the date that the Notice of Physical Settlement is deemed given or on such date as it shall determine or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner;

**DC Secretary** means ISDA;

**Decision** means the answer to a Reviewable Question determined in accordance with Section 4.6(d) of the Rules;

**Default Requirement** means the amount specified as such in the Applicable Pricing Supplement or its equivalent in the relevant Obligation Currency, or if a Default Requirement is not specified in the Applicable Pricing Supplement, NAD10 000 000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event;

**Deliver** means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Asset Amount to the relevant Designated Transferee free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of Credit Event above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if all or a portion of the Asset Amount consists of Direct Loan Participations, Deliver means to create (or procure the creation) of a participation in favour of the relevant Designated Transferee and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, Deliver means to Deliver both the Qualifying Guarantee and the Underlying Obligation. Delivery and Delivered will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time;

**Deliverable Obligation** means, subject as provided in Credit Linked Condition 5 (*Physical Settlement*) and determined in accordance with “A (*Method for Determining Deliverable Obligations*)” and “B (*Interpretation of Provisions*)” below:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee) determined pursuant to the method described in "(A) Method for Determining Deliverable Obligations" below

(but excluding any Excluded Deliverable Obligation specified in the Applicable Pricing Supplement) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of Credit Event above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

- (b) subject to the second paragraph of the definition of Not Contingent in "(A) Method for Determining Deliverable Obligations" below, each Reference Obligation, unless specified in the Applicable Pricing Supplement as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of Credit Event above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any Additional Deliverable Obligation of a Reference Entity specified in the Applicable Pricing Supplement as such;

(A) ***Method for Determining Deliverable Obligations.*** For the purposes of this definition of **Deliverable Obligation**, the term **Deliverable Obligation** may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the Applicable Pricing Supplement, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement, in each case, as of the date on which the Notice of Physical Settlement is deemed given. The following terms shall have the following meanings:

- (1) **Deliverable Obligation Category** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of **Obligation** below, except that, for the purpose of determining Deliverable Obligations, the definition of Reference Obligations Only shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only);

(2) **Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of **Obligation** below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as specified in the Applicable Pricing Supplement, where:

(i) **Not Contingent** means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (A) and (B) of the preceding paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

(ii) **Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iii) **Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iv) **Direct Loan Participation** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with



recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

- (v) **Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
  - (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
  - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (vi) **Maximum Maturity** means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the Applicable Pricing Supplement;
- (vii) **Accelerated or Matured** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (viii) **Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Strate, Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) ***Interpretation of Provisions.***

- (1) If the Obligation Characteristic “**Listed**” is specified in the Applicable Pricing Supplement, the Applicable Pricing Supplement shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;

- (2) if (i) either of the Deliverable Obligation Characteristics "**Listed**" or "**Not Bearer**" is specified in the Applicable Pricing Supplement, the Applicable Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "**Transferable**" is specified in the Applicable Pricing Supplement, the Applicable Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "**Assignable Loan**", "**Consent Required Loan**" or "**Direct Loan Participation**" is specified in the Applicable Pricing Supplement, the Applicable Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;
- (3) if any of Payment, Borrowed Money, Loan or Bond is specified in the Applicable Pricing Supplement as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified in the Applicable Pricing Supplement and need not satisfy all such Deliverable Obligation Characteristics; and
- (4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
  - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Applicable Pricing Supplement, (A) the lawful currency of any of Canada, Namibia, Japan, the Republic of South Africa, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of Namibia, the Republic of South Africa, the laws of England and the laws of the State of New York shall not be a Domestic Law.

- (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the Applicable Pricing Supplement.
- (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (vi) The terms “**Outstanding Principal Balance**” and “**Due and Payable Amount**” (as they are used in the Terms and Conditions, including without limitation, the definitions of “**Cash Settlement Amount**” and “**Quotation Amount**” in Credit Linked Condition 6 (*Partial Cash Settlement*)), when used in connection with Qualifying Guarantees are to be interpreted to be the then **Outstanding Principal Balance** or **Due and Payable Amount**, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this subparagraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits;

**Delivery Date** means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered;

**Delivery Expenses** shall have the meaning specified in Credit Linked Condition 5.9 (*Physical Settlement*);

**Designated Transferee** means the person specified in an Asset Transfer Notice, to whom Delivery of the Deliverable Obligations is to be made, which person may be the Noteholder or any other person;

**Domestic Currency** means the currency specified as such in the Applicable Pricing Supplement and any successor currency. If no currency is so specified in the Applicable Pricing Supplement, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Namibia, Japan, the Republic of South Africa, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency);

**Downstream Affiliate** means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50% owned, directly or indirectly, by the Reference Entity;

**Due and Payable Amount** means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

**Eligible Global Dealer** means each institution on the relevant list maintained by the DC Secretary in accordance with the provisions of the ISDA Annex;

**Eligible Regional Dealer** means each institution on the relevant list maintained by the DC Secretary in accordance with the provisions of the ISDA Annex;

**Eligible Reviewable Question** means a question determined in accordance with Section 4.1(a) of the Rules;

**Eligible Transferee** means each of the following:

- (a) (i) any bank or other financial institution; (ii) an insurance or reinsurance company; (iii) a mutual fund, unit trust or similar collective investment vehicle; and (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship);
- (b) an Affiliate of an entity specified in the preceding paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organization, trust or other entity:
  - (i) that is an investment vehicle (including without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least NAD250 000 000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least NAD250 000 000;
  - (ii) that has total assets of at least NAD500 000 000; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in sub-paragraphs (a) and (b) above; and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

**Equity Securities** means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depository receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depository receipts

representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"**Euroclear**" means Euroclear S.A./N.V., as operator of the Euroclear System;

**Exchangeable Obligation** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

**Excluded Deliverable Obligation** means any obligation of a Reference Entity specified as such in the Applicable Pricing Supplement or of a type described in the Applicable Pricing Supplement;

**Excluded Obligation** means any Obligation of a Reference Entity specified as such in the Applicable Pricing Supplement or of a type described in the Applicable Pricing Supplement;

**External Reviewer** means each External Reviewer determined in accordance with Section 4.3 of the Rules;

**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure;

**Final Decision** means a Decision published in accordance with Section 4.6(f) of the Rules;

**Final Price** means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the Applicable Pricing Supplement. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the Specified Office of the Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price;

**Full Quotation** means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, with an Outstanding Principal Balance equal to the Quotation Amount;

**Fully Transferable Obligation** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of **Fully Transferable Obligation**. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of **Fully Transferable Obligation**, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

**Governmental Authority** means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity;

**Grace Period** means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as being applicable in the Applicable Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Applicable Pricing Supplement or, if no period is specified in the Applicable Pricing Supplement, 30 calendar days; and
- (c) if, at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the Applicable Pricing Supplement, such deemed Grace Period shall expire no later than the Scheduled Maturity Date;

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places, and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency;

**Grace Period Extension Date** means, if (a) Grace Period Extension is specified as applicable in the Applicable Pricing Supplement and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, the date that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay;

**Intervening Period** means such period of time as any person other than the relevant Designated Transferee shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount;

**ISDA Annex** means Annex A to the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA on 14 July 2009;

**ISDA Member** means any entity listed, from time to time, as a Primary Member of ISDA or a Subscriber Member of ISDA on the Website;

**July 2009 Protocol** means the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol, as published by ISDA on 14 July, 2009;

**July 2009 Protocol Adherent** means an entity that has effectively adhered to the July 2009 Protocol in accordance with its terms;

**Latest Permissible Physical Settlement Date** means the 30th Business Day following the Physical Settlement Date;

**Market Value** means, with respect to a Reference Obligation on a Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to subparagraph (b) of the definition “**Quotation**”, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation is obtained; and (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

**Minimum Quotation Amount** means the amount specified as such in the Applicable Pricing Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified in the Applicable Pricing Supplement, the lower of (a) USD 1 million (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount;

**Modified Eligible Transferee** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets;

**Modified Restructuring Maturity Limitation Date** means, with respect to a Deliverable Obligation, the date that is the later of (x) the Scheduled Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations;

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event;

**Non-dealer Committee** means the committee of non-dealers established in accordance with Schedule 2 of the Rules;

**Notice Delivery Period** means the period from and including the Issue Date to and including (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified in the Applicable Pricing Supplement, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled

Maturity Date; (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or (d) the Postponed Maturity Date if the Maturity Date is postponed pursuant to Credit Linked Condition 9 (*Maturity Date Extension*);

**Notice of Publicly Available Information** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applying in the Applicable Pricing Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information;

**Obligation** means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee) determined pursuant to the method described in "**Method for Determining Obligations**" below (but excluding any Excluded Obligation), (b) each Reference Obligation specified in the Applicable Pricing Supplement, unless specified in the Applicable Pricing Supplement as an Excluded Obligation, and (c) any Additional Obligation of a Reference Entity specified as such in the Applicable Pricing Supplement;

**Method for Determining Obligations.** For the purposes of paragraph (a) of this definition of **Obligation**, the term "**Obligation**" may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the Applicable Pricing Supplement, and having each of the Obligation Characteristics (if any) specified in the Applicable Pricing Supplement, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (A) **Obligation Category** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Applicable Pricing Supplement, where:
- (1) **Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (2) **Borrowed Money** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);



- (3) **Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
  - (4) **Bond** means any obligation of a type included in the **Borrowed Money** Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
  - (5) **Loan** means any obligation of a type included in the **Borrowed Money** Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (6) **Bond or Loan** means any obligation that is either a Bond or a Loan.
- (B) **Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the Applicable Pricing Supplement, where:
- (1) (a) **Not Subordinated** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the Applicable Pricing Supplement, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of **Substitute Reference Obligation** herein has occurred with respect to all of the Reference Obligations or if the events described in the final paragraph of the definition of **Successor** herein have occurred with respect to the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date on which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date;
  - (b) **Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, re-organisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference

Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;

- (2) **Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the Applicable Pricing Supplement (or, if Specified Currency is specified in the Applicable Pricing Supplement and no currency is so specified in the Applicable Pricing Supplement, any of the lawful currencies of Canada, Namibia, Japan, the Republic of South Africa, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the Applicable Pricing Supplement as the **Standard Specified Currencies**);
- (3) **Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";
- (4) **Not Domestic Currency** means any obligation that is payable in any currency other than the Domestic Currency;
- (5) **Not Domestic Law** means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (6) **Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) **Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

**Obligation Acceleration** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

**Obligation Currency** means the currency or currencies in which an Obligation is denominated;

**Obligation Default** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

**Outstanding Principal Balance** means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (b) with respect to any other obligation, the outstanding principal balance of such obligation,

provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, **Outstanding Principal Balance** shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

**Payment Requirement** means the amount specified as such in the Applicable Pricing Supplement or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the Applicable Pricing Supplement, NAD10 000 000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

**Permitted Currency** means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof;

**Physical Settlement Date** means the last day of the longest Physical Settlement Period following (x) the date on which the Physical Settlement Notice is deemed given to Noteholders in accordance with Condition 17 (*Notices*) or (y) if Physical Settlement is the applicable Fallback Settlement Method, the earlier to occur of the No Auction Announcement Date or the Auction Cut-Off Date;

**Physical Settlement Period** means the number of Business Days specified as such in the Applicable Pricing Supplement or, if a number of Business Days is not so specified in the Applicable Pricing Supplement, then, with respect to a Deliverable Obligation comprising the Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent;

**Potential Failure to Pay** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure;

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium;

**Public Source** means each source of Publicly Available Information specified in the Applicable Pricing Supplement (or, if a source is not so specified in the Applicable Pricing Supplement, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), and each of any Reuters screen, any Telerate screen, The Namibian, Die Republikein, Namibia Economist, Business Day, The Star, Die Beeld, Financial Mail, Finansies en Tegniek, The Economist (and in each case any successor publications thereto), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources);

**Publicly Available Information** means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if either the Calculation Agent or the Issuer or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with, a court, tribunal, exchange regulatory authority or similar administrative, regulatory or judicial body;
- (b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by an officer or manager (or other substantively equivalent title) of the Calculation Agent, which will certify the occurrence of a Credit Event with respect to such Obligation.
- (c) In relation to any information of the type described in paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

- (d) Publicly Available Information need not state: (i) in relation to the definition of **Downstream Affiliate**, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and (ii) that such occurrence (A) has met the Payment Requirement or Default Requirement; (B) is the result of exceeding any applicable Grace Period; or (C) has met the subjective criteria specified in certain Credit Events;

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**) and that is not at the time of the Credit Event Subordinated to any unsecured Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation;

**Qualifying Participation Seller** means any participation seller that meets the requirements specified in the Applicable Pricing Supplement. If no such requirements are specified in the Applicable Pricing Supplement, there shall be no Qualifying Participation Seller;

**Quotation** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (c) (i) If **Include Accrued Interest** is specified in the Applicable Pricing Supplement in respect of Quotations, such Quotations shall include accrued but unpaid interest, (ii) if **Exclude Accrued Interest** is specified in the Applicable Pricing Supplement in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if

neither **Include Accrued Interest** nor **Exclude Accrued Interest** is specified in the Applicable Pricing Supplement in respect of Quotations, the Calculation Agent shall, based on then current market practice in the market of the Reference Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price;

**Quotation Amount** means the amount specified as such in the Applicable Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is so specified in the Applicable Pricing Supplement, the aggregate Nominal Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

**Quotation Dealer** means a dealer (other than the Issuer or any Affiliate of the Issuer) in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the Applicable Pricing Supplement. If no Quotation Dealers are specified in the Applicable Pricing Supplement, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s);

**Quotation Method** means the applicable Quotation Method specified in the Applicable Pricing Supplement by reference to one of the following terms:

- (a) **Bid** means that only bid price quotations shall be requested from Quotation Dealers;
- (b) **Offer** means that only offer price quotations shall be requested from Quotation Dealers;  
or
- (c) **Mid-market** means that bid and offer price quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the Applicable Pricing Supplement, Bid shall apply;

**Reference Entity** means the entity or entities specified as such in the Applicable Pricing Supplement. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of **Successor** below on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant Notes, unless in the case of paragraph (b) the Calculation Agent, acting in good faith and a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolution for the purposes of the Notes;

**Reference Obligation** means each obligation specified as such in the Applicable Pricing Supplement or of a type described in the Applicable Pricing Supplement (if any are so specified or described in the Applicable Pricing Supplement) and any Substitute Reference Obligation;

**Relevant Obligations** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case;

**Repudiation/Moratorium** means the occurrence of both of the following events:

- (i) an authorized officer of a Reference Entity or a Governmental Authority:
  - (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
  - (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty days after the date of such Potential Repudiation/Moratorium;

**Repudiation/Moratorium Extension Condition** means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the Applicable Pricing Supplement, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from (and including) the Issue Date to (and including) the Scheduled Maturity Date or, if Credit Linked Condition 9(y) (*Maturity Date Extension*) applies, the Postponed Maturity Date;

**Repudiation/Moratorium Extension Notice** means an irrevocable notice (which may be by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of

the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective;

**Resolve, Resolved and Resolves** mean a Convened DC making (a) a specific determination through a binding vote that satisfies the applicable voting threshold and (b) where the applicable voting threshold is not met, the specific determination that is deemed to be made by a Convened DC following a Final Decision of the External Reviewers or the failure of the External Reviewers to come to a Decision, and each such determination, a **DC Resolution**;

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred;

**Restructuring** means, with respect to one or more Obligations, and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs, is agreed between a Reference Entity or a Governmental Authority and the holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (i) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e), above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business;
- (iii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above, in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity; and
- (iv) unless Multiple Holder Obligation is specified as not applicable in the Applicable Pricing Supplement, the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above, unless the Obligation in respect of such events is a Multiple Holder Obligation.



For purposes of the definition of Restructuring and the definition of Multiple Holder Obligation above, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the initial paragraph and sub-paragraphs (a) to (e) of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity;

**Restructuring Date** means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

**Restructuring Maturity Limitation Date** means the date that is the earlier of (x) 30 months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than thirty months following the Scheduled Maturity Date and if it is, it shall be deemed to be the Scheduled Maturity Date or thirty months following the Scheduled Maturity Date, as the case may be;

**Reviewable Question** means an Eligible Reviewable Question rephrased in accordance with Section 4.1(b) of the Rules;

**Settlement Currency** means the currency specified as such in the Applicable Pricing Supplement or if no such currency is specified in the Applicable Pricing Supplement, the Specified Currency;

**Sovereign** means any state, political sub-division or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

**Sovereign Agency** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (i) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (ii) described by the Deliverable Obligation Category specified in the Applicable Pricing Supplement and, subject to paragraph (3) of "(B) *Interpretation of Provisions*" in the definition of Deliverable Obligation, having each of the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

**Specified Number** means the number of Public Sources specified in the Applicable Pricing Supplement (or, if a number is not so specified in the Applicable Pricing Supplement, two);

**Substitute Reference Obligation** means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that:
- (i) a Reference Obligation is redeemed in whole; or
  - (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (iii) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If:
- (i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or

(ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date (if any) and (C) the Repudiation/Moratorium Evaluation Date (if any). If (1) either **Cash Settlement** is specified in the Applicable Pricing Supplement and the Cash Settlement Amount is determined by reference to a Reference Obligation or **Physical Settlement** is specified in the Applicable Pricing Supplement and the Reference Obligation is the only Deliverable Obligation and (2) on or prior to the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the Issuer's obligations under the Notes shall cease as of the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date;

(iii) or (C) the Repudiation/Moratorium Evaluation Date.

(f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation;

**Succession Event** means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, **Succession Event** shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event;

**Succession Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective;

**Successor** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
  - (i) if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
  - (ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity by way of a Succession Event and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each directly or indirectly succeed to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the Applicable Pricing Supplement will be adjusted as provided below;
  - (iv) if one or more entities each directly or indirectly succeed to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the Applicable Pricing Supplement will be adjusted as provided below;
  - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and
  - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and
- (b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under(a)(vi) above, as applicable; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in the definition of Successor in relation to the relevant Reference Entity, and in paragraphs (a) and (b)(i) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor or the request the subject of the Succession Event Resolution Request Date is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event with respect to the relevant Reference Entity has occurred, unless in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such DC Resolutions for the purposes of the Notes. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by Noteholders at the Specified Office of the Agent.

In the case of (b) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of occurrence of the relevant Succession Event), and with effect from the date of occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in the definition of Successor in relation to the relevant Reference Entity, and in paragraphs (a) and (b)(ii) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor or the request the subject of the Succession Event Resolution Request Date is withdrawn in accordance with the Rules prior to the first meeting at which deliberations are held with respect to such request) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event with respect to the relevant Reference Entity has occurred, unless in either case the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account the differences between the definition of Successor under the 2003 ISDA Credit Derivatives Definitions and the definition of Successor hereunder and such other factor(s) as it deems appropriate, determines that it is inappropriate to follow such Resolutions for the purposes of the Notes.

Where pursuant to paragraph (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and Conditions and/or the Applicable Pricing Supplement as it shall determine to be appropriate to reflect that the relevant

Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the Applicable Pricing Supplement in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2003 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 17 (*Notices*), stating the adjustment to the Terms and Conditions and/or the Applicable Pricing Supplement and giving brief details of the relevant Succession Event.

For the purposes of this definition of **Successor**, “**succeed**” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations) that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (a) of this definition of **Successor** shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

- (A) a Reference Obligation is specified in the Applicable Pricing Supplement;
- (B) one or more Successors to the Reference Entity have been identified; and
- (C) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of **Substitute Reference Obligation** above;

**Supranational Organisation** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;

**Transaction Type** has the meaning specified in the 2005 Matrix supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by ISDA;

**Valuation Date** means (a) where “**Physical Settlement**” is specified in the Applicable Pricing Supplement, the date that is the number of Business Days specified in the Applicable Pricing Supplement or, if the number of Business Days is not specified in the Applicable Pricing Supplement, five Business Days, after the Latest Permissible Physical Settlement Date, or (b) where “**Cash Settlement**” is specified in the Applicable Pricing Supplement, (A) if “**Single Valuation Date**” is specified in the Applicable Pricing Supplement, the date that is the number of Business Days specified in the Applicable Pricing Supplement or if the number of Business Days is not so specified in the Applicable Pricing Supplement, five Business Days, in either case after (x) the Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, the earlier to occur of the No Auction Announcement Date or the Auction

Cut-Off Date, and (B) if "**Multiple Valuation Dates**" is specified in the Applicable Pricing Supplement, each of the following dates:

- (i) the date that is the number of Business Days specified in the Applicable Pricing Supplement after (x) the Event Determination Date or (y) if Cash Settlement is the applicable Fallback Settlement Method, the earlier to occur of the No Auction Announcement Date or the Auction Cut-Off Date (or, in either case, if the number of Business Days is not so specified in the Applicable Pricing Supplement, five Business Days); and
- (ii) each successive date that is the number of Business Days specified in the Applicable Pricing Supplement (or, if the number of Business Days is not so specified in the Applicable Pricing Supplement, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When **Multiple Valuation Dates** is specified in the Applicable Pricing Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Applicable Pricing Supplement (or, if the number of Valuation Dates is not so specified in the Applicable Pricing Supplement, five Valuation Dates). If neither Single Valuation Date nor Multiple Valuation Dates is specified in the Applicable Pricing Supplement, Single Valuation Date shall apply;

**Valuation Method:**

- (a) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a Series with only one Reference Obligation and only one Valuation Date:
  - (i) **Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
  - (ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a Series with only one Reference Obligation and more than one Valuation Date:
  - (i) **Average Market** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
  - (ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
  - (iii) **Average Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Average Highest.

(c) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a Series with more than one Reference Obligation and only one Valuation Date:

- (i) **Blended Market** means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or
- (ii) **Blended Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Blended Highest.

(d) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a Series with more than one Reference Obligation and more than one Valuation Date:

- (i) **Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or
- (ii) **Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Average Blended Highest.

(e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be;

**Valuation Time** means the time specified in the Applicable Pricing Supplement, or if no such time is so specified in the Applicable Pricing Supplement, 11:00 a.m. in the principal trading market for the Reference Obligation;

**Voting Shares** means those shares or other interests that have the power to elect a board of directors or similar governing body of an entity;

**Website** means [www.isda.org](http://www.isda.org) or any such successor website of ISDA; provided that if the Website is unavailable for any reason, another comparable media outlet may be used by the DC Secretary as a replacement for purposes of publication of information that the DC Secretary is required to publish in accordance with the Rules;

**Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the Applicable Pricing Supplement, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation



Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

## 2. REDEMPTION FOLLOWING THE OCCURRENCE OF A CREDIT EVENT

2.1 If a Credit Event occurs and the Conditions to Settlement are satisfied during the Notice Delivery Period:

- (a) if Auction Settlement is specified in the Applicable Pricing Supplement as the applicable Settlement Method, the provisions of Credit Linked Condition 3 (*Auction Settlement*) will apply;
- (b) if Cash Settlement is specified in the Applicable Pricing Supplement as the applicable Settlement Method or if Credit Linked Condition 3(A) below (*Auction Settlement*) applies, the provisions of Credit Linked Condition 4 (*Cash Settlement*) will apply; or
- (c) subject to the Partial Cash Settlement Terms, if Physical Settlement is specified in the Applicable Pricing Supplement as the applicable Settlement Method or if Credit Linked Condition 3(B) below (*Auction Settlement*) applies, the provisions of Credit Linked Condition 5 (*Physical Settlement*) will apply.

Upon discharge by the Issuer of its relevant payment or delivery obligations, as the case may be, on the due date for redemption, or otherwise as provided herein, the Issuer's obligations in respect of a Note shall be discharged.

2.2 The Calculation Agent shall be responsible for making such determinations, performing such acts and exercising such discretions as may be provided pursuant to the Terms and Conditions and/or the Applicable Pricing Supplement, including without limitation and as required:

- (a) determining a Successor;
- (b) determining whether the Substitute Reference Obligation provisions apply and, if applicable, identifying a Substitute Reference Obligation;
- (c) obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Final Price;
- (d) converting any amount from one currency to another;
- (e) choosing the Quotation Dealers and substituting Quotation Dealers in connection with obtaining Quotations; and
- (f) determining the Currency Rate.

Whenever the Calculation Agent is required to act or to exercise judgment, unless otherwise specified it will do so in its sole and absolute discretion.

## 3. AUCTION SETTLEMENT

If Conditions to Settlement are satisfied during the Notice Delivery Period (the date of satisfaction, the **Event Determination Date**) and Auction Settlement is specified in the Applicable Pricing Supplement as the applicable Settlement Method, the Issuer shall give notice to the Noteholders in accordance with Condition 17 (*Notices*) and redeem each Note by payment of the Cash Settlement Amount on the Cash Settlement Date, provided that if the relevant

Conditions to Settlement are subsequently deemed not to have been satisfied in accordance with the definition thereof, the Event Determination Date previously determined shall be deemed not to have occurred and the redemption of the Notes shall be cancelled and the Notes shall continue in accordance with their terms as if the relevant Conditions to Settlement had not been satisfied, subject to such adjustments as the Calculation Agent determines appropriate to reflect the retrospective effect of this proviso (including, without limitation, adjusting the due date for payment of any amount payable under the Notes). The Issuer shall give notice to the Noteholders in accordance with Condition 17 (*Notices*) that the relevant Conditions to Settlement are deemed not to have been satisfied as soon as practicable thereafter.

Unless settlement has occurred in accordance with the paragraph above, if on or prior to the Auction Cut-Off Date:

- (i) ISDA publicly announces that no Auction will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity (the date on which ISDA first makes such announcement, the **No Auction Announcement Date**); or
- (ii) No Auction Announcement Date has occurred but the relevant Credit Derivatives Determinations Committee has not determined that one or more Auctions will be held in accordance with any Credit Derivatives Auction Settlement Terms in relation to obligations of appropriate seniority of the Reference Entity,

then:

- (A) if Cash Settlement is specified in the Applicable Pricing Supplement as the applicable Fallback Settlement Method, the Issuer shall redeem the Notes in accordance with Credit Linked Condition 4 (*Cash Settlement*) below; or
- (B) if Physical Settlement is specified in the Applicable Pricing Supplement as the applicable Fallback Settlement Method, the Issuer shall redeem the Notes in accordance with Credit Linked Condition 5 below (*Physical Settlement*).

**If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Credit Linked Condition 3, upon payment of the Cash Settlement Amount in respect of the Notes the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Cash Settlement Amount may be less than the nominal amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.**

#### 4. CASH SETTLEMENT

If Conditions to Settlement are satisfied during the Notice Delivery Period (the date of satisfaction, the **Event Determination Date**) and "Cash Settlement" is specified in the Applicable Pricing Supplement as the applicable Settlement Method or if Credit Linked Condition 3(A) (*Auction Settlement*) above applies, the Issuer shall give notice to the Noteholders in accordance with Condition 17 (*Notices*) and redeem each Note by payment of the Cash Settlement Amount on the Cash Settlement Date.

**If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Credit Linked Condition 4, upon payment of the Cash Settlement Amount in respect of the Notes the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Cash**

**Settlement Amount may be less than the Nominal Amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.**

5. **PHYSICAL SETTLEMENT**

- 5.1 If Conditions to Settlement are satisfied during the Notice Delivery Period (the date of satisfaction, the **Event Determination Date**) and "Physical Settlement" is specified in the Applicable Pricing Supplement as the applicable Settlement Method or Credit Linked Condition 3(B) (*Auction Settlement*) above applies, the Issuer shall, within 45 calendar days of the Event Determination Date, give notice (a **Notice of Physical Settlement**) to the Noteholders in accordance with Condition 17 (*Notices*) and redeem each Note by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with this Credit Linked Condition 5 (*Physical Settlement*) and Credit Linked Condition 6 (*Partial Cash Settlement*).

The Notice of Physical Settlement shall describe the Deliverable Obligations comprising the Asset Amount that the Issuer expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If "**Restructuring Maturity Limitation and Fully Transferable Obligation**" is specified in the Applicable Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation**" is specified in the Applicable Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

**If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Credit Linked Condition 5, upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the Nominal Amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.**

- 5.2 Subject as provided herein, the Issuer shall Deliver the Deliverable Obligations comprising the Asset Amount to the Designated Transferee on or before the Physical Settlement Date in the manner referred to in Credit Linked Condition 5.3 below.

- 5.3 In order to obtain Delivery of the Deliverable Obligations comprising the Asset Amount in respect of any Note, the relevant Noteholder must deliver to the Transfer Agent within five Business Days of the date of delivery of the Notice of Physical Settlement (the **Cut-Off Date**), a duly completed Asset Transfer Notice as referred to in Credit Linked Condition 5.4 below together with, where applicable, the Certificates relating to the Notes. No Asset Transfer Notice may be withdrawn after receipt thereof. Where applicable, no transfers of the Notes the subject thereof will be effected by the Transfer Agent after delivery of an Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the Specified Office of the Agent.

5.4 An Asset Transfer Notice shall:

- (a) specify the name of the Noteholder;
- (b) specify the name, physical and postal address and the banking and securities safe custody account details of the Designated Transferee;
- (c) specify the Nominal Amount of Notes which are the subject of such notice;
- (d) irrevocably instruct and authorise the Transfer Agent to cancel the relevant Notes and Certificates;
- (e) authorise the production of such notice in any applicable administrative or legal proceedings; and
- (f) either (i) include an undertaking to pay all Delivery Expenses on or prior to the Delivery Expenses Cut-off Date (as defined below); or (ii) instruct the Issuer to deduct in the calculation of the Asset Amount Deliverable Obligations with a market value determined by the Calculation Agent equal to the Delivery Expenses.

***Noteholders should note that if they elect to pay all Delivery Expenses but have not done so on or prior to the Delivery Expenses Cut-off Date, notwithstanding such election, the Delivery Expenses will be deducted in the calculation of the Asset Amount as provided in the definition thereof.***

Failure to properly complete and deliver an Asset Transfer Notice and, where applicable, the relevant Certificates may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered shall be made by the Transfer Agent in its sole and absolute discretion and shall be binding on the relevant Noteholder and the Issuer.

5.5 Upon receipt of a duly completed Asset Transfer Notice the Transfer Agent shall, in the case of Registered Notes, verify that the person specified in the notice as the Noteholder is the holder of the Note referred to therein according to the Register and in the case of Order Notes, the Transfer Agent may for all purposes regard the person disclosed as the Noteholder in the Asset Transfer Notice as the holder of the Note and the Transfer Agent shall not be required to perform any further verification or confirmation as to the identity of the holder of the Note.

The Deliverable Obligations comprising the Asset Amount in respect of each Note will be Delivered at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the Designated Transferee or in such manner as specified in the Applicable Pricing Supplement. Any Designated Transferee other than the Noteholder shall be deemed to be the duly authorised agent of the Noteholder and any Delivery or payment to such person shall be deemed for all purposes to be a Delivery or payment to the Noteholder and shall satisfy the Issuer's obligations in respect thereof. Such person shall not be entitled to enforce any of the Noteholder's rights against the Issuer and the Issuer shall have no liability or obligation to or in respect of the Designated Transferee. By delivery of an Asset Transfer Notice, the Noteholder shall be deemed to represent that the Designated Transferee has agreed to the foregoing.

If the Asset Transfer Notice and where applicable, the relevant Certificates, are delivered to the Issuer later than close of business on the Cut-Off Date, then the Deliverable Obligations comprising the Asset Amount in respect of the relevant Notes will be Delivered as soon as practicable after the date on which the duly completed Asset Transfer Notice is received, at the

risk of the relevant Noteholder in the manner provided above. For the avoidance of doubt, such Noteholder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of such later Delivery of the Deliverable Obligations comprising the Asset Amount and such later Delivery shall not constitute an Event of Default.

If the Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or, where applicable, fails to deliver the Certificates related thereto within one calendar year of the Event Determination Date, the Issuer shall be discharged from its obligations in respect of such Notes and shall have no further obligation or liability whatsoever in respect thereof.

- 5.6 If due to an event beyond the control of the Issuer the Calculation Agent determines that it is impossible, impracticable or illegal for the Issuer to Deliver or procure the Delivery of any Deliverable Obligations (the **Undeliverable Obligations**) comprising an Asset Amount on the Physical Settlement Date (including, without limitation, due to failure of any relevant settlement system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consent with respect to the Delivery of Loans) the Issuer shall Deliver or procure the Delivery of the Deliverable Obligations which it is not impossible, impracticable or illegal to Deliver and, as soon as possible thereafter, the Issuer shall Deliver or procure the Delivery of the Undeliverable Obligations.

If all or a portion of such Undeliverable Obligations are not Delivered by the Latest Permissible Physical Settlement Date, the provisions of Credit Linked Condition 6 (*Partial Cash Settlement*) below shall apply.

The relevant Noteholder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of such late Delivery of or failure to Deliver such Undeliverable Obligations and such late Delivery or failure to Deliver shall not constitute an Event of Default.

- 5.7 Until Delivery of the Deliverable Obligations comprising the Asset Amount is made, the Issuer or any person holding such assets on behalf of the Issuer shall continue to be the legal owner of those assets. After Delivery of the Deliverable Obligations comprising the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to the Noteholder or its Designated Transferee of any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount (ii) be under any obligation to exercise or procure the exercise of any or all rights (including voting rights) attaching or appertaining to such securities or obligations included in such Asset Amount or (iii) be under any liability to a Noteholder for any loss, liability, damage, cost or expense that such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

- 5.8 Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Deliverable Obligation(s) capable of being Delivered at the relevant time, (i) the Issuer shall not Deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of a Deliverable Obligation which is less than a whole number (the **Fractional Entitlement**) and (ii) the Issuer shall pay to the relevant Noteholder a cash amount (to be paid at the same time as Delivery of the Deliverable Obligations comprising the Asset Amount) equal to the fair market value (as determined by the Calculation Agent) of such Fractional Entitlement.

- 5.9 The costs, taxes, duties and/or expenses (including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes) (the **Delivery Expenses**) of effecting any Delivery of the Deliverable Obligations comprising the Asset Amount (except for the expenses of delivery by

uninsured regular mail (if any) which shall be borne by the Issuer) shall, in the absence of any provision to the contrary in the Applicable Pricing Supplement, be borne by the relevant Noteholder and shall, unless otherwise specified in the Applicable Pricing Supplement, either be:

- (a) paid to the Issuer by such Noteholder on or prior to the day falling ten Business Days following the date of delivery of the Asset Transfer Notice (the **Delivery Expenses Cut-off Date**) and in any event prior to the Delivery of the Deliverable Obligations comprising the Asset Amount (and, for the avoidance of doubt, the Issuer shall not be required to Deliver such Deliverable Obligations until it has received such payment); or
- (b) if so instructed by such Noteholder in the Asset Transfer Notice or if the Noteholder has not paid the Delivery Expenses on or prior to the Delivery Expenses Cut-off Date, deducted by the Issuer in the calculation of the Asset Amount.

## 6. PARTIAL CASH SETTLEMENT

- 6.1 If all or a portion of any Undeliverable Obligations comprising the Asset Amount are not Delivered on or prior to the Latest Permissible Physical Settlement Date, the Issuer shall give notice to Noteholders in accordance with Condition 17 (*Notices*) (a **Cash Settlement Notice**) and the Issuer shall pay in respect of each Undeliverable Obligation the Cash Settlement Amount (as defined in Credit Linked Condition 6.2(a) below) on the Cash Settlement Date (as defined in Credit Linked Condition 6.2(b) below).

In the Cash Settlement Notice the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations.

- 6.2 Unless otherwise specified, in this Credit Linked Condition 6 (*Partial Cash Settlement*):

- (a) **Cash Settlement Amount** is deemed to be, for each Undeliverable Obligation, the greater of (x) (i) the aggregate of the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation multiplied by (ii) the Final Price with respect to such Undeliverable Obligation less (iii) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (y) zero;
- (b) **Cash Settlement Date** is deemed to be the date that is three Business Days after the calculation of the Final Price;
- (c) **Reference Obligation** is deemed to be each Undeliverable Obligation;
- (d) **Valuation Method** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case, "Valuation Method" is deemed to be Market;
- (e) **Quotation Method** is deemed to be Bid;
- (f) **Quotation Amount** is deemed to be, with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation;

- (g) There shall be no **Minimum Quotation Amount**;
- (h) **Valuation Time** is the time specified in the Applicable Pricing Supplement as such or, if no such time is specified in the Applicable Pricing Supplement, 11.00 a.m. in the principal trading market for the Undeliverable Obligation;
- (i) **Market Value** means, with respect to an Undeliverable Obligation on a Valuation Date,
  - (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
  - (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
  - (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
  - (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
  - (v) if Indicative Quotations are specified in the Applicable Pricing Supplement as applicable and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest value or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded);
  - (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then subject to clause (j)(ii) below, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations, a Weighted Average Quotation or (if applicable) three Indicative Quotations are obtained;
  - and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
- (j) **Quotation** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified in the Applicable Pricing Supplement as applicable, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:
  - (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is not able to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a

Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified in the Applicable Pricing Supplement as applicable, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers;

- (ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified in the Applicable Pricing Supplement as applicable, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day;
- (iii) The Calculation Agent shall, based on then current market practice in the market of the relevant Undeliverable Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination;
- (iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price;
- (k) "**Indicative Quotation**" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

## 7. **REPUDIATION/MORATORIUM EXTENSION**

Where Repudiation/Moratorium is specified in the Applicable Pricing Supplement as a Credit Event, the provisions of this Credit Linked Condition 7 (*Repudiation/Moratorium Extension*) shall apply.



Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 9(y) (*Maturity Date Extension*) applies, the Postponed Maturity Date (as defined below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 17 (*Notices*) that a Potential Repudiation/Moratorium has occurred and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
  - (A) each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of Credit Linked Condition 3 (*Auction Settlement*), Credit Linked Condition 4 (*Cash Settlement*) or Credit Linked Condition 5 (*Physical Settlement*) as applicable, shall apply to the Notes.

## 8. **GRACE PERIOD EXTENSION**

If "Grace Period Extension" is specified in the Applicable Pricing Supplement as applicable, the provisions of this Credit Linked Condition 8 (*Grace Period Extension*) shall apply:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligations(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
  - (A) each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the Grace Period Extension Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of Credit Linked Condition 3 (*Auction Settlement*), Credit Linked Condition 4 (*Cash Settlement*) or Credit Linked Condition 5 (*Physical Settlement*), as applicable, shall apply to the Notes.

9. **MATURITY DATE EXTENSION**

If:

- (x) on (A) the Scheduled Maturity Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, or (C) if Grace Period Extension is specified in the Applicable Pricing Supplement as applicable, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (y) on the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may notify the Noteholders in accordance with Condition 17 (*Notices*) that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the **Postponed Maturity Date**) specified in such notice falling 35 calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, or if such date is not a Business Day, the immediately succeeding Business Day and

where:

- (i) In the case of paragraph (x) above, Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date, or, in the case of paragraph (y) above, the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date;
  - (A) subject as provided below each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the Postponed Maturity Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where:
  - (A) in the case of paragraph (x) above, Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 3 (*Auction Settlement*), Credit Linked Condition 4 (*Cash Settlement*) or Credit Linked Condition 5 (*Physical Settlement*), as applicable, shall apply to the Notes; or

- (B) in the case of paragraph (y) above, the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 7 (*Repudiation/Moratorium Extension*) shall apply to the Notes.

**ISSUER, ARRANGER AND PLACEMENT AGENT**

**Standard Bank Namibia Limited**

(Registration Number 78/01799)

5th Floor, Standard Bank Centre

Corner Post Street Mall and Werner List Street

Windhoek

Namibia

Contact: Mr W. Weber

**SPONSOR**

**IJG Securities (Proprietary) Limited**

Member of the NSX

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Windhoek

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Contact: Mr M. Späth

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**LEGAL ADVISERS TO THE ARRANGER**

**H.D. Bossau & Co**

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Contact: Mr H. Bossau

**TRANSFER AGENT / COMPANY SECRETARY**

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Namibia

Contact: Ms S. Tjijorokisa

**NOTE TRUSTEE**

**Jurie Badenhorst**

Ellis Shilengudwa, Inc.

8 Sinclair Street

Windhoek

Namibia

Handwritten signature or scribble, possibly containing the letters 'es' and 'P'.

MS