



# Standard Bank

## STANDARD BANK NAMIBIA LIMITED

(Incorporated with limited liability under Registration Number 78/ 01799 in the Republic of Namibia)

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### ZAR10,000,000,000 Note Programme

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Under this ZAR10,000,000,000 Note Programme (the **Programme**), Standard Bank Namibia Limited (the **Issuer**) may from time to time issue notes (the **Notes**), denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to all Applicable Laws (as defined herein) and, in the case of Notes listed on the Interest Rate Market of the JSE (as defined herein) or such other Financial Exchange(s) (as defined herein) as may be determined by the Issuer and the relevant authority, the debt listings requirements of the JSE Limited (the **JSE**) or such other Financial Exchange(s), that are subject to the terms and conditions (the **Terms and Conditions**) contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the **Applicable Pricing Supplement**).

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

As at the Programme Date, the Programme Amount is ZAR10,000,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR10,000,000,000 unless such amount is increased by the Issuer pursuant to the section of this Programme Memorandum headed "*General Description of the Programme*".

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes and/or Credit-Linked Notes and/or such combination of the foregoing 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.

This Programme Memorandum has been approved by the JSE on 22 September 2016. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be selected by the Issuer and the relevant Dealer (as defined below), subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE in accordance with the rules of the BESA Guarantee Fund Trust. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust. A copy of the Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the JSE will be delivered to the JSE and the CSD, before the Issue Date and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The placement of a Tranche of unlisted Notes may (at the sole discretion of the Issuer) be reported through the JSE reporting system, in which event the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE and the CSD. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section headed "*Summary of Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Programme Memorandum to the **relevant Dealer** shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

The Issuer may agree with any Dealer that Notes may be issued 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.

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*Arranger, Dealer and JSE Debt Sponsor*  
**The Standard Bank of South Africa Limited**  
(acting through its Corporate and Investment Banking division)

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## GENERAL

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

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum and all documents incorporated by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). To the best of the knowledge and belief of the Issuer (who have 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 any fact which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made. This Programme Memorandum contains all information required by law and the debt listings requirements of the JSE.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, or the annual reports of the Issuer (as amended or restated from time to time), 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 this Programme Memorandum, any Applicable Pricing Supplements, or the annual reports of the Issuer (as amended or restated from time to time).

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 document is to be read and construed with any amendment or supplement thereto (this document, as amended or supplemented, the Programme Memorandum) and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*") and, in relation to any Tranche of the Notes, should be read and construed together with the Applicable Pricing Supplement. 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.

The Arranger, the Dealer(s), the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**), other professional advisers name herein and the JSE have not 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, the Dealer(s), the JSE Debt Sponsor, the JSE 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. The Arranger, the Dealers, the JSE Debt Sponsor and other professional advisers do not 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.

No Person has been authorised by the Issuer to give any information or to make any representation not contained in or inconsistent with this Programme Memorandum or any other document entered into in relation to 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, the JSE Debt Sponsor or other professional advisers.

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, the Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase any Notes.

Each person contemplating subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to any Person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein 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 at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to subscribe for, or purchase any Notes.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes. The distribution of this Programme Memorandum, any Applicable Pricing Supplement and the issue, offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers to inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers or sales and deliveries of the Notes and on the distribution of this Programme Memorandum or or any Applicable Pricing Supplement and other offering material relating to the Notes see the section headed "*Subscription and Sale*".

None of the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor nor other professional advisers represents 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 thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer the Arranger, the Dealer(s), the JSE Debt Sponsor or other professional advisers 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 Law and regulations. The Dealer(s) has represented that all offers and sales by it will be made on the same terms.

**Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (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. In addition, there are restrictions on the distribution of this Programme Memorandum in South Africa, the European Economic Union and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of this Programme Memorandum, see the section of this Programme Memorandum headed "*Subscription and Sale*" below.**

All references in this document to "*Rand*", "*ZAR*", "*South African Rand*", "*R*" and "*cent*" refer to the currency of South Africa.

In connection with the issue and distribution of any Tranche of Notes under the Programme, the relevant Dealer(s) that is specified in the Applicable Pricing Supplement as the stabilisation manager (if any) or any Person acting for it (the Stabilisation Manager), and only if such stabilising is permitted by the debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilisation Manager or any of its agents to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws and regulations.

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

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## DOCUMENTS INCORPORATED BY REFERENCE

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*Capitalised terms used in this section headed “Documents Incorporated by Reference” shall bear the same meanings as used in the Terms and Conditions, except to the extent they are separately 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 /or supplements to this Programme Memorandum prepared and circulated by the Issuer from time to time;
- (b) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (c) the audited annual financial statements, and notes thereto, of the Issuer for the three financial years ended 31 December 2013, 2014 and 2015 as well as the published audited annual financial statements, and notes thereto, of the Issuer in respect of further financial years, as and when such audited annual financial statements become available;
- (d) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by the Stock Exchange News Service (**SENS**) established by the JSE, to SENS subscribers, if required and/or which is available on any electronic news service established or used or required by the JSE,

save that any statement contained herein or in any of the documents incorporated by reference in and forming part of their Programme Memorandum 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 for as long as any Note remains Outstanding, provide at its registered office as set out at the end of this Programme Memorandum, without charge, a copy of all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided, including the most recently obtained beneficial disclosure report made available by the Participant to the CSD. In addition, any Noteholder shall be entitled to request a copy of the Register in respect of the Notes held by that Noteholder. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum, where such documents will be made available. In addition, the constitutive documents of the Issuer will be available at the registered office of the Issuer as set out at the end of this Programme Memorandum.

This Programme Memorandum, any amendments and/or supplements thereto, the Applicable Pricing Supplements relating to any issue of listed Notes and 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). In addition, this Programme Memorandum, any supplements and/or amendments thereto and the Applicable Pricing Supplements relating to any issue of listed Notes will be filed with the JSE. The JSE will publish such documents on its website at [www.jse.co.za](http://www.jse.co.za). This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the Arranger and the Dealer(s) or their Affiliates, the JSE Debt Sponsor or any other professional advisors to any Person in any jurisdiction to subscribe for or purchase any Notes.

The Issuer will for so long as any Note remains Outstanding and listed on the Interest Rate Market of the JSE , publish a new Programme Memorandum or a further supplement to this Programme Memorandum where:

- (i) there is a material change in the financial or trading condition of the Issuer; or
- (ii) 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
- (iii) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or

(iv) 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 (iii) and (iv) 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 Namibian Companies Act.

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## GENERAL DESCRIPTION OF THE PROGRAMME

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*Capitalised terms used in this section headed “General Description of the Programme” 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.*

Under the Programme, the Issuer may from time to time issue one or more Notes denominated in the currency specified in the Applicable Pricing Supplement, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange. If the Issuer issues a Tranche of unlisted Notes or a Tranche of Notes is listed on any Financial Exchange other than (or in addition to) the JSE, the Issuer will, by no later than the last Day of the month of issue of that Tranche of Notes, inform the JSE in writing of the aggregate Nominal Amount and the Maturity Date (if any) of that Tranche of Notes.

As at the Programme Date, the Programme Amount is ZAR10,000,000,000 (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 South African Rand equivalent of the aggregate Nominal Amount of Notes Outstanding issued under the Programme from time to time the South African Rand equivalent of Notes denominated in another currency (as specified in the Applicable Pricing Supplement) shall be determined as of the date of agreement to issue such Notes (the **Agreement Date**) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the **Conversion Rate**) and in respect of:

- (a) Indexed Notes and Partly Paid Notes, the Conversion Rate shall be applied to the Nominal Amount regardless of the amount paid up on such Notes; and
- (b) Zero Coupon Notes and Other Notes the Conversion Rate shall be applied to the net subscription proceeds received by the Issuer for the relevant issue.

From time to time, the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, the Programme Agreement (as defined in the section headed “*Subscription and Sale*”) and all Applicable Laws, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering notice thereof to (i) the JSE Debt Sponsor, (ii) Noteholders, (iii) the relevant Financial Exchange(s), (iv) the Transfer, Paying and Calculation Agents, and (v) the Arranger and (vi) the Dealers in accordance with Condition 17 (*Notices*) of the Terms and Conditions and the Applicable Procedures. Upon such notices being given to the Noteholders, all references in this Programme Memorandum (and each agreement, deed or document in relation to the Programme and/or this Programme Memorandum), to the Programme Amount, will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

This Programme Memorandum will only apply to Notes issued under the Programme on or after the Programme Date.

A summary of the Programme and the Terms and Conditions appears below.

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## SUMMARY OF THE PROGRAMME

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*The following summary does not purport to be complete and is taken from, and is qualified in its entirety 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 terms defined in the Terms and Conditions, shall have the same meanings in this summary.*

### PARTIES

<b>Issuer</b>	Standard Bank Namibia Limited (Registration Number 78/01799), a public company with limited liability duly incorporated in accordance with the company and banking laws of the Republic of Namibia.
<b>Arranger</b>	The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) (Registration Number 1962/000738/06) ( <b>Standard Bank South Africa</b> ), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa.
<b>Dealers</b>	(a) Standard Bank South Africa.  (b) any other additional Dealer(s) appointed under the Programme by the Issuer 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(s).
<b>Calculation Agent</b>	Issuer or such entity appointed by the Issuer as Calculation Agent in which event that other entity shall act as Calculation Agent, as specified in the Applicable Pricing Supplement.
<b>Paying Agent</b>	Standard Bank South Africa or such entity appointed by the Issuer as Paying Agent in which event that other entity shall act as Paying Agent, as specified in the Applicable Pricing Supplement.
<b>Transfer Agent</b>	Standard Bank South Africa or such entity appointed by the Issuer as Transfer Agent in which event that other entity shall act as Transfer Agent, as specified in the Applicable Pricing Supplement.
<b>JSE</b>	JSE Limited (Registration Number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the laws of South Africa and a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor.
<b>JSE Debt Sponsor</b>	Standard Bank South Africa.
<b>CSD</b>	Strate Proprietary Limited (Registration Number 1998/022242/07), a private company with limited liability duly incorporated in accordance with the laws of South Africa, registered as a central securities depository in terms of the Financial Markets Act or such additional or alternative successor CSD as may be agreed between the Issuer and the relevant Dealer(s).

### GENERAL

<b>Blocked Rand</b>	Blocked Rand may be used to subscribe for or purchase Notes, subject to South African Exchange Control Regulations (see the section of this Programme Memorandum headed " <i>South African Exchange Control</i> ").
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<b>Clearing and Settlement</b>	Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. The CSD acts as the approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions carried out on the JSE. Each Tranche of Notes which is held in the CSD will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD (see the section of this Programme Memorandum headed “ <i>Settlement, Clearing and Transfers of Notes</i> ”).
<b>Cross Default</b>	Senior Notes will have the benefit of a cross default as described in Condition 12.1.4 ( <i>Cross default of Issuer</i> ).
<b>Denomination of Notes</b>	Notes will be issued in such denominations as may be agreed by the Issuer and relevant Dealer(s) and as specified in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
<b>Description of the Programme</b>	Standard Bank Namibia Limited ZAR10,000,000,000 Note Programme.
<b>Distribution</b>	Notes may be distributed by way of private placement, auction or bookbuild or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
<b>Method of Transfer</b>	The method of transfer is by registration for transfer of Notes to occur through the Register and by electronic book entry in the securities accounts of Participants or the CSD, as the case may be, for transfers of Beneficial Interests in the Notes, in all cases subject to the restrictions described in this Programme Memorandum. The Notes will be freely transferable.
<b>Form of Notes</b>	Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, and will be held in the CSD. The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate (see section of this Programme Memorandum headed “ <i>Form of the Notes</i> ” below).
<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 South Africa in force from time to time.
<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 and Transfer Taxes</b>	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed “ <i>Taxation</i> ”). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.
<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>This Programme has been approved by the JSE. Notes issued under the Programme may be listed on the JSE, or on a successor exchange or such other or additional Financial Exchange(s) as may be selected by the Issuer and the relevant Dealer in relation to such issue, subject to the Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.</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, on which Financial Exchange they are to be listed (if applicable) and, if such Tranche of Notes is to be listed on the JSE, the relevant platform or sub-market of the JSE on which such Tranche of Notes is to be listed.</p>
<b>Maturities of Notes</b>	Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.
<b>Negative Pledge</b>	Senior Notes will have the benefit of a negative pledge as described in Condition 6 ( <i>Negative Pledge</i> ).
<b>Noteholder(s)</b>	The holders of of Notes which are recorded as the registered holders of those Notes in the Register. The relevant Participants will be named in the Register as the registered Noteholder of each Tranche of Notes which is held in the CSD. Each holder of Notes which is represented by an Individual Certificate will be named in the Register as the registered Noteholder of such 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>Instalment Notes:</b> the Applicable Pricing Supplement in respect of each issue of Notes that are redeemable in two or more instalments</p>

will set out 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:** Credit-Linked Notes are credit derivative instruments which reference one or more Reference Obligation/s of one or more Reference Entity/ies, as specified in the Applicable Pricing Supplement.

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

## **Participants**

The persons accepted by the CSD as participants in terms of the Financial Markets Act. As at the Programme Date, the Participants are Citibank NA, South Africa branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch and the SARB. Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, *societe anonyme* (**Clearstream Banking**), may hold Notes through their Participant (see the section of this Programme Memorandum headed “*Settlement, Clearing and Transfer of Notes*”).

## **Rating**

As at the Programme Date, the Issuer and the Programme are not rated but may after the Programme Date be rated by a Rating Agency on a national or international scale basis. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, as well as the Rating Agency(ies) which assigned such Rating(s), will be specified in the Applicable Pricing Supplement.

A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, could adversely affect the trading price of all or any of the Notes. Any amendment in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, after the Programme Date, will be announced on SENS.

## **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, ZAR10,000,000,000 (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

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

If none of the Credit Events applicable to a Tranche of Credit-Linked Notes occur on or prior to the Maturity Date, that Tranche of Credit-Linked Notes will (unless previously redeemed or purchased and cancelled), be redeemed by the Issuer, on the Maturity Date, at the Final Redemption Amount, in terms of Condition 8.2 (*Redemption of Credit-Linked Notes on the Maturity Date*).

If "*Redemption at the option of the Issuer*": is specified as applicable in the Applicable Pricing Supplement, or pursuant to Condition 8.4 (*Redemption at the Option of the Issuer*) the Issuer may (having given not less than 30 (thirty) and not more than 60 (sixty) days' notice to the Noteholders in accordance with Condition 17 (*Notices*)) redeem the Tranche of Notes on any Optional Redemption Dates, unless otherwise set out in the Applicable Pricing Supplement.

If *Redemption at the option of Noteholders of Senior Notes* is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any such Tranche of Senior Notes may, having given not less than 30 (thirty) Days' nor more than 60 (sixty) Days' notice (or such other period of notice as may be specified in the Applicable Pricing Supplement), , require the Issuer to redeem Senior Notes on the Optional Redemption Dates in the manner set out in, and in accordance with, Condition 8.5 (*Redemption at the option of the Noteholders of Senior Notes*).

*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 8.3 (*Early Redemption following the occurrence of a Tax Event and/or Change in Law*).

If "*Redemption in the event of a Change of Control*" is specified as being applicable in the Applicable Pricing Supplement and (i) a Change of Control occurs (as defined below); and (ii) within the Change of Control Period (as defined below), (A) a Rating Downgrade (as defined below) occurs in relation to the Issuer and/or the Programme and/or any Tranche of Notes, as the case may be; or (B) if, the Issuer and/or the Programme and/or any Tranche of Notes are not so rated, a Negative Rating Event (as defined below) in respect of that Change of Control occurs, (in either case, a Change of Control Event) (C) and the Noteholders resolve by way of an Extraordinary Resolution to have their Notes redeemed by the Issuer, then each Noteholder in that Class of Noteholders shall have the option to require the Issuer to redeem each Note in that Tranche of Notes held by that Noteholder at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days after the delivery by that Noteholder of a Change of Control Redemption Notice (as defined below), in the manner specified in Condition 8.5 (*Redemption in the event of a Change of Control*), unless otherwise set out in the Applicable Pricing Supplement.

If "*Redemption in the event of a failure to maintain JSE Listing and Rating*" is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may, after

having been notified by the Issuer to redeem Notes on any Optional Redemption Date in the manner specified in Condition 8.7 (*Redemption in the event of failure to maintain JSE Listing and/or Rating*) and the Applicable Pricing Supplement.

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.

**Register** The Register will be maintained by the Transfer Agent in terms of the Terms and Conditions. The CSD will be named in the Register as the registered holder of Notes held in the CSD. 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*").

**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 of America, the United Kingdom, the European Economic Area, South Africa 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.

**Specified Currency** South African Rand or, subject to all Applicable Laws and, in the case of Notes listed on the JSE, the debt listings requirements of the JSE, such other currency as specified in the Applicable Pricing Supplement.

**Status of Notes** Notes may be issued on a senior or subordinated basis, as specified in the Applicable Pricing Supplement.

**Status of the Senior Notes** The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer, all as described in Condition 5.1 (*Status of the Senior Notes*) and the Applicable Pricing Supplement, save for certain debts required to be (preferred by law), equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

**Status of the Characteristics relating to Subordinated Notes** The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer.

Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up or is subject to judicial management, then and in any such event the claims of the persons entitled to be paid amounts due in respect of the

Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness of the Issuer, to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or business rescue proceedings (or judicial management (if applicable)) (other than Subordinated Indebtedness) has been paid or discharged in full

**Taxation**

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 "*Taxation*". 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.

**Terms and Conditions**

The Terms and Conditions of the Notes are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". The Applicable Pricing Supplements may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Notes of any Tranche of Notes issued.

**Use of Proceeds**

The Issuer will use the issue proceeds of the Notes for its general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

**Withholding Tax**

In the event that certain withholding tax or such other deduction is required by Applicable Law, then the Issuer will, subject to the Issuer's rights to redeem Notes for Reasons pursuant to Condition 8.3 (*Redemption following the occurrence of a Tax Event and/or Change in Law*) (and subject to certain exceptions as provided in Condition 10 (*Taxation*) of the Terms and Conditions), pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

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## RISK FACTORS

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*The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. 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. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.*

*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. 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. The information given below is as at the date of this Programme Memorandum.*

*Capitalised terms used in this section headed "Risk Factors" shall bear the meanings as used in the "Terms and Conditions of the Notes" except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### **Risks relating to the Issuer**

The investments, business, profitability and results of operations of the Issuer may be adversely affected as a result of the difficult conditions in the global and Namibian financial markets.

#### **1. Global conditions**

Since the financial crisis in 2008, global economic outlook has strengthened, led by advanced economies. While the improved performance of advanced economies should support emerging markets, downside risks to developing and emerging economies (including Namibia) have grown. Downside risks potentially derive from, but are not limited to, the normalisation of US monetary policy, geopolitical risks, and slowing Chinese economic growth. US monetary policy normalisation could trigger periodic bouts of investor risk aversion and capital outflows from emerging markets, contributing to asset-price volatility, balance of payments stress and lower growth. Global economic activity and investor risk sentiment is also vulnerable to geopolitical risk such as that experienced in the Ukraine and neighbouring Russia during 2014, for example. A more rapid than anticipated deceleration in Chinese growth presents a material downside risk to overall global risk appetite, trade flows and economic performance. The Namibia as a relatively resource-dependent developing African economy, would be comparatively vulnerable to a rapid Chinese growth deceleration given the potentially material adverse impact it may have on global commodity prices.

#### **2. Namibian conditions**

- 2.1. The Issuer's business is wholly focussed on Namibia and therefore adverse changes affecting the Namibian economy are likely to have an adverse impact on the Issuer's financial condition and the results of its operations. No assurance can be given that a further economic downturn or financial crisis will not occur, or that the Issuer would be able to sustain its current performance levels if such events or circumstances affecting the Namibian economy were to occur.
- 2.2. Namibia's economy is strongly linked to that of South Africa. South Africa's credit rating has been downgraded by rating agencies which cite labour unrest and uncertain policy decisions in key sectors of the economy as negatively impacting investor confidence. Other key risks the South African economy faces are slowing demand from developing economies, lower commodity prices and a reduction in domestic demand resulting from higher inflation, tighter monetary policy and limited fiscal stimulus. These factors have a negative impact on Namibia's economy.

### **3. Failures in risk management**

- 3.1. The Issuer, in common with other banks in Namibia and elsewhere, is exposed to commercial and market risks in its ordinary course of business, the most significant of which are credit risk, market risk, liquidity risk, interest rate risk and operational risk, with credit risk being the largest.
- 3.2. Whilst the Issuer believes that it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and reputation of the Issuer.

### **4. Credit Risk**

- 4.1. The Issuer's businesses are subject to inherent risks regarding borrower credit quality and the recoverability of loans and amounts due from counterparties. Changes in the credit quality of the Issuer's borrowers and counterparties or arising from systemic risk in the financial systems could reduce the value of the Issuer's assets, and require increased provisions for bad and doubtful debts.
- 4.2. As at 31 December 2015, non-performing loans represented 2.79 per cent. of gross loans and advances (compared with 2.24 per cent. as at 31 December 2014). For the year ended 31 December 2015 the Issuer's credit impairment charges decreased by 24 per cent. to NAD85 million and the credit loss ratio decreased to 0.5 per cent. (0.70 per cent. for the year ended 31 December 2014).
- 4.3. A significant proportion of the Issuer's core banking business has been, and is expected to continue to be, loans to retail customers. As at 31 December 2015, the total value of the Issuer's home loan book was NAD7,080.5 million (41.12%) (2014: NAD6,616.8 million), of which 3.63 per cent. comprised of non-performing loans (compared to 2.56 per cent. as at 31 December 2014). As at 31 December 2015, 18.68 per cent. of the Issuer's loan portfolio consisted of VAF debtors, of which 2.29 per cent. were classified as non-performing (compared to 1.83 per cent. as at 31 December 2014).
- 4.4. Since 2010, the Issuer has grown its retail unsecured lending book, lending mainly to its own transactional banking customers, aiming to ensure that customers are able to manage their debt by pricing correctly for the loans, whilst at the same time having a strong collections capability. However, given the increased pressure on consumers during 2013, the Issuer scaled back its appetite for unsecured personal loans. As at 31 December 2015, 10.18 per cent. of the Issuer's loan portfolio consisted of personal unsecured loans, of which 4.81 per cent. were classified as non-performing (compared to 3.73 per cent. as at 31 December 2014).
- 4.5. Many factors affect the ability of the Issuer's customers to repay their loans. Some of these factors, including adverse changes in consumer confidence levels due to local, national and global factors, consumer spending, bankruptcy rates, and increased market volatility, might be difficult to anticipate and are completely outside of the Issuer's control. The Issuer conducts stress tests on its portfolios to identify the key factors driving change in the credit risk tendency, to anticipate possible future outcomes, and to implement necessary actions to constrain risk.
- 4.6. The Issuer continues to apply appropriate and responsible lending criteria to ensure prudent lending practices in line with anticipated economic conditions and risk appetite. If macroeconomic conditions in Namibia deteriorate, there can be no assurance that the rate of the Issuer's non-performing loans and credit impairments will not increase which, in turn, could have an adverse effect on the Issuer's financial condition or results of operations.

### **5. Market Risk**

The Issuer's businesses are inherently subject to the risk of market fluctuations. In particular, the Issuer's activities are subject to interest rate, foreign exchange, bond price, equity price and commodity price risks. Changes in interest rate levels, yield curves and spreads may affect overall profitability, and rate and price movements in the financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer

is exposed. Stress testing provides an indication of the potential losses that could occur under extreme market conditions and where longer holding periods may be required to exit positions. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance.

## 6. **Liquidity Risk**

- 6.1. The Issuer's primary funding sources are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital and loan markets. The banking sector in Namibia is characterised by certain structural features, such as a low discretionary savings rate in general and a high percentage of these are captured by institutions such as pension funds, provident funds and providers of asset management services. A portion of these savings translates into institutional funding for the banking system that comprises wholesale funding from financial institutions across a range of deposits, loans and financial instruments. These deposits have a different liquidity profile to retail deposits. As a result, the Issuer, along with other banks in South Africa, has a higher reliance on wholesale funding than retail deposits, especially compared to peers in other emerging markets. As at 31 December 2015, retail deposits comprised 31.85 per cent of the total funding-related liabilities of the Issuer.
- 6.2. Wholesale funding sourced by the Issuer is usually of a short-to-medium term on a contractual basis, is more expensive than retail deposits, and is sourced from a small number of depositors (principally fund managers). As at 31 December 2015, 73.8 per cent of the Issuer's deposit and current accounts had a contractual maturity date of 12 months or less or were repayable on demand. As at 31 December 2015, the largest single depositor accounted for 4.0 per cent of total deposits and the top 10 depositors accounted for 16 per cent of total deposits.
- 6.3. If a substantial portion of the Issuer's depositors withdraw their demand deposits or do not roll over their term deposits upon maturity, the Issuer may need to seek more expensive sources of funding to meet its funding requirements, and no assurance can be made that the Issuer will be able to obtain additional funding on commercially reasonable terms as and when required or at all. The Issuer's inability to refinance or replace such deposits with alternative funding could adversely affect the Issuer's liquidity and financial condition.
- 6.4. Disruptions, uncertainty or volatility in the capital and credit markets may limit the Issuer's ability to refinance maturing liabilities with long-term funding and increase the cost of such funding. The availability to the Issuer of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Issuer's financial condition, credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Issuer's financial prospects if, for example, the Issuer incurs large losses, experiences significant deposit outflows or if the level of the Issuer's business activity decreases.
- 6.5. Although the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allow and will continue to allow the Issuer to meet its short-term and long-term liquidity needs, any maturity mismatches may have an adverse impact on its financial condition and results of operations. Furthermore, there can be no assurance that the Issuer will be successful in obtaining additional sources of funds on acceptable terms or at all.

## 7. **Operational Risk**

The Issuer's businesses are subject to operational risk, and losses can result from (i) inadequate or failed internal processes, documentation, people, systems, and/or equipment (ii) fraud, (iii) natural disasters and/or (iv) the failure of external systems, including those of the Issuer's suppliers and counterparties. The Issuer's systems, processes and internal controls are designed to ensure that the operational risks associated with its activities are appropriately monitored and controlled. In addition, business resumption and disaster recovery processes have been implemented to mitigate operational risks inherent in the Issuer's business. However, operational risk may have an adverse effect on the Issuer's financial condition and results of operations. Notwithstanding anything in this risk factor, this risk factor should not be

taken as implying that the Issuer will be unable to comply with its obligations as a company with securities listed on a Financial Exchange.

**8. Concentration risk**

8.1. Concentration risk is the risk of loss to the Issuer as a result of excessive build-up of exposure to a specific counterparty or counterparty group, an industry, market, product, financial instrument or type of security, a country or geography, or a maturity.

8.2. The Issuer's portfolio contains a concentration of exposure to the Namibian Government, through prudential requirements and direct lending. The Issuer manages this exposure within a clearly defined risk appetite framework and also stress tests the portfolio against weaknesses and downgrades of the Government.

**9. The Issuer's risk management policies and procedures may not have identified or anticipated all potential risk exposures**

The Issuer has devoted significant resources to developing its risk management policies and procedures, particularly in connection with credit, market, liquidity, interest rate and operational risks, and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of the Issuer's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Any failure arising out of the Issuer's risk management techniques may have an adverse effect on its results of operations and financial condition.

**10. A downgrade in the credit rating of the Namibian sovereign could have an adverse effect on the Issuer's access to liquidity sources and funding costs**

There can be no assurance that the rating agencies will maintain the Namibian Sovereign's current ratings or outlooks. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

**11. The Issuer may suffer a failure or interruption in or breach of its information systems**

The Issuer has a high dependency on its IT systems and operations infrastructure to conduct its business. The Issuer regards these systems as critical to improving productivity and maintaining the Bank's competitive edge. Any failure, interruption or breach in security of these systems could result in failures or interruptions in its risk management, general ledger, deposit servicing, loan servicing, debt recovery, payment custody and/or other important systems. If the Issuer's information systems fail, even for a short period of time, it could be unable to serve some or all customers' needs on a timely basis which could result in a loss of business. In addition, a temporary shutdown of the Issuer's information systems could result in costs that are required for information retrieval and verification. The Issuer has developed business continuity management plans; however no guarantee can be given that failure in or interruptions to the business continuity processes will not occur.

**12. Competitive Landscape**

The Issuer is subject to significant competition from other major banks operating in Namibia. Other Namibian banks operating in the Issuer's markets compete for substantially the same customers as the Issuer. The Issuer also faces competition from other non-bank entities that increasingly provide similar services to those offered by banks, including entities such as retailers, mobile telephone companies and entities in the shadow banking industry. Increased competition from non-bank entities in the money markets and capital markets could impact the Issuer's ability to attract funding. Competition may increase in some or all of the Issuer's principal markets and may have an adverse effect on its financial condition and results of operations.

**13. The Issuer is subject to capital requirements that could affect its operations**

13.1. The Issuer is subject to capital adequacy requirements specified by the Bank of Namibia (**BON**), which provide for minimum common equity tier 1, tier 1 and total capital adequacy ratios.

13.2. Basel III is being phased in by the Bank of Namibia, using a phased approach, starting 2017. The new Basel III capital buffers will make it more challenging for banks to comply with minimum capital ratios in future. Failure by the Issuer to meet certain of these buffers, for example the capital conservation and counter-cyclical buffers could result in restrictions being placed on distributions, including dividends and discretionary payments, and any failure by the Issuer to maintain its capital ratios may result in action taken in respect of the Issuer, which may in turn impact on its ability to fulfil its obligations under the Notes.

**14. The Issuer may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and have a material adverse effect on it**

The Issuer is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in Namibia. These laws and regulations require the Issuer, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. While the Issuer has adopted policies and procedures aimed at detecting and preventing the use of its banking network for money laundering activities by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances in which the Issuer may be used by other parties to engage in money laundering or other illegal or improper activities. To the extent the Issuer may fail to fully comply with applicable laws and regulations, the relevant government agencies to which it reports have the power and authority to impose fines and other penalties on the Issuer. In addition, the Issuer's business and reputation could suffer if customers use it for money laundering or illegal or improper purposes.

**15. The Issuer may be unable to recruit, retain and motivate key personnel**

The Issuer's performance is dependent on the talents and efforts of key personnel, some of whom may have been employed by the Issuer for a substantial period of time and have developed with the business. The Issuer's continued ability to compete effectively and further develop its businesses also depends on its ability to attract new employees.

**16. Cyber-crime could have a negative impact on the Issuer's operations**

The Issuer's operations are dependent on its own information technology systems and those of its third party service providers. The Issuer could be negatively impacted by cyber-attacks on any of these. As the Issuer moves banking to the digital and mobile world, the risk of cyber-crime increases, especially as infiltrating technology is becoming increasingly sophisticated and there can be no assurance that the Issuer will be able to prevent all threats.

**17. Terrorist acts and other acts of war could have a negative impact on the business**

Terrorist acts, and other acts of war or hostility and responses to those acts, may create economic and political uncertainties, which could have a negative impact on Namibia, and international economic conditions generally, and more specifically on the business and results of operations of the Issuer in ways that cannot be predicted.

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

The Issuer's operations are concentrated in Namibia with the vast majority of its revenues deriving from operations in Namibia. Operations in this market are subject to various risks, which include political, economic and social influences. Factors such as economic growth, inflation, interest rates, foreign exchange rates and currency controls could affect an investment in the Notes, and in a manner that may be difficult to predict.

**19. Contagion Risk**

Due to the fact that Namibia is part of the Common Monetary Area, and that South Africa continues to be Namibia's largest trading partner, there is significant contagion risk for Namibia.

## 20. Risks relating to emerging markets

- 20.1. Due to its liquidity and use as a proxy for emerging market trades, the South African Rand (to which the Namibian Dollar is pegged) is particularly exposed to changes in investor sentiment and resulting periods of volatility. In addition to this, economic instability in South Africa and in other emerging market countries is caused by many different factors, including the following:
- 20.1.1. labour unrest;
  - 20.1.2. policy uncertainty;
  - 20.1.3. widening of the current account deficit;
  - 20.1.4. currency volatility;
  - 20.1.5. falling commodity prices;
  - 20.1.6. capital inflows; and
  - 20.1.7. a decline in domestic demand.
- 20.2. Any of these factors, as well as volatility in the markets for securities similar to the Notes, may adversely affect the value or liquidity of the Notes.
- 20.3. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and prospective investors are urged to consult with their own legal and financial advisors before making an investment in the Notes.
- 20.4. Investors should also note that developing markets, such as Namibia, are subject to rapid change and that the information set out in this Programme Memorandum may become outdated relatively quickly.

## 21. Regulatory Environment

- 21.1. The Issuer is subject to government regulation in Namibia. Regulatory agencies have broad jurisdiction over many aspects of the Issuer's business, which may include capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.
- 21.2. Changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Issuer operates may adversely affect the Issuer's product range, distribution channels, capital requirements and, consequently, reported results and financing requirements.

### 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:

- 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;
- 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;
- 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;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- 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.

#### **There is no active trading market for the Notes**

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made or may be made for the Notes issued under the Programme to be listed on the Financial Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### **The Notes may be redeemed prior to maturity**

Unless in the case of any particular Tranche of Notes the relevant Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

#### **Because the uncertificated Notes are held by or on behalf of the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer**

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, will be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*), investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes and/or issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their beneficial interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD or the Participants for distribution to their account holders. A holder of a Beneficial Interest in an uncertificated Note, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in the uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

### **Recourse to the BESA Guarantee Fund Trust**

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

### **Credit Rating**

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. If a rating is assigned to any issue of Notes, the rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme

### **Exchange rate risks**

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 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 Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) 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 results of operations.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

### **The Notes may be de-listed, which may materially affect an investor's ability to resell**

Any Notes that are listed on the JSE or any other listing authority, stock exchange or quotation system may be de-listed. If any Notes are delisted, the relevant Issuer is obliged to endeavour promptly to obtain an alternative listing. Although no assurance is made as to the liquidity of the Notes as a result of listing on the JSE or any other listing authority, stock exchange or quotation system, delisting the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

### **Risks related to the structure of the particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Index-Linked and Dual Currency Notes*

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### *Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same

reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes where denominations involve integral multiples: Individual Certificates*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Principal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### *Credit-Linked Notes*

##### Credit Events – Credit Exposure to Reference Entity/ies

Credit-Linked Notes are credit derivative instruments which reference one or more Reference Obligation(s) of one or more Reference Entity/ies, as indicated in the Applicable Pricing Supplement. The amount payable under a Tranche of Credit-Linked Notes may be dependent in part upon whether or not a Credit Event has occurred. A Credit Event may be related to various credit-related events occurring in respect of one or more Reference Obligation/s of one or more Reference Entity/ies, as specified in the Applicable Pricing Supplement.

If none of the Credit Events applicable to a Tranche of Credit-Linked Notes (specified in the Applicable Pricing Supplement) occur on or prior to the Maturity Date, the interest on the Credit-Linked Notes will be paid over the life of the Credit-Linked Notes in accordance with the applicable provisions of Condition 7 (*Interest*) (where the Credit-Linked Notes are interest-bearing Notes), and the Tranche of Credit-Linked Notes will (unless previously redeemed or purchased and cancelled), be redeemed on the Maturity Date, at the Final Redemption Amount, in terms of Condition 8.2.

Following the occurrence of a Credit Event applicable to a Tranche of Credit-Linked Notes and satisfaction of all of the Conditions to Settlement, the Issuer's obligation to redeem that Tranche of Credit-Linked Notes, on the Maturity Date, at the Final Redemption Amount, will cease and will be replaced by an obligation to redeem that Tranche of Credit-Linked Notes with the applicable Settlement Method specified in the Applicable Pricing Supplement.

The Cash Settlement Amount or the Auction Settlement Amount or the Market Value of the Deliverable Obligations (or any similar or related amount) may be less than the Principal Amount of a Tranche of Credit-Linked Notes or zero. Accordingly, Noteholders may be exposed to the credit of the Reference Entity/ies to the full extent of their investment in Credit-Linked Notes.

##### Reliance on creditworthiness of the Issuer and the Reference Entity/ies

The Noteholders of Credit-Linked Notes are, in effect, taking on the credit risk of the Reference Entity/ies and the credit risk of the Issuer through their investment in the Credit-Linked Notes. Consequently, Noteholders of Credit-Linked Notes are relying not only on the creditworthiness of the Issuer but also on the creditworthiness of the Reference Entity/ies.

##### Exchange Control Regulations

Any Listed Deliverable Obligations due to a non-resident Noteholder of Credit-Linked Notes may be Delivered to such non-resident Noteholder, and any distributions under such Deliverable Obligations and any proceeds due to such non-resident Noteholder on the sale at market value of such Deliverable Obligations may be remitted from the Common Monetary Area. The delivery of any other Deliverable Obligations to a non-resident Noteholder may require the prior approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section headed "*Exchange Control*").

The issue of a Tranche of Credit-Linked Notes (or any other Tranche of Notes) which references one or more foreign Reference Entity/ies and/or foreign Reference Obligation/s and/or other foreign

asset/s requires the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section headed “*Exchange Control*”).

#### Conflict of interest

The Issuer is also acting as Calculation Agent (unless the Issuer elects to appoint another entity as Calculation Agent, as contemplated in the Terms and Conditions), and will be responsible for determining whether a Credit Event has occurred, calculating the payments to be made in respect of a Tranche of Credit-Linked Notes, and determining the dates of such payments in accordance with the Terms and Conditions. The Issuer may also deal in Credit-Linked Notes.

The Issuer may have business or other relationships with any Reference Entity and may hold debt obligations (whether or not constituting Reference Obligations) of, or otherwise have credit exposure to, any Reference Entity. Nothing contained in this Programme Memorandum must be construed as restricting or imposing any liability, duty or restriction on the Issuer, the Group and or any of the officers or directors of the Issuer or the Group, in respect of dealing with, or otherwise extending credit to or advising any Reference Entity. Performance of the Terms and Conditions will be determined without regard to any credit exposure or actual loss the Issuer, or any other person, may have incurred with respect to any Reference Entity.

#### **Modification and waivers and substitution**

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### **Change of law**

This Programme Memorandum, the Notes and the applicable Terms and Conditions, are governed by, and will be construed in accordance with, the laws of South Africa. No assurance can be given as to the impact of any possible judicial decision or change to the laws of South Africa or administrative practice in South Africa after the Programme Date.

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## FORM OF THE NOTES

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*Capitalised terms used in this section headed "Form of the Notes" 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.*

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

All certificated Notes will be represented by single Individual Certificates in definitive registered form and will be registered in the Register in the name of the individual Noteholders of such Notes.

Subject to the Applicable Laws, title to Notes represented by Individual Certificates will be freely transferable and will pass upon registration of transfer in accordance with Condition 14.1.2 (*Transfer of Notes represented by Individual Certificates*) of the Terms and Conditions.

The Issuer shall regard the Register as the conclusive record of title to the Notes represented by Individual Certificates.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 (*Payments*) of the Terms and Conditions to the Person reflected as the registered Noteholder of such Notes in the Register at 17:00 (South African time or Windhoek time, as the case may be) on the Last Day to Register, and the payment obligations of the Issuer's obligations will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

### **Notes issued in uncertificated form**

A Tranche of Notes which is listed on the Interest Rate Market of the JSE must, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held by the CSD, in accordance with the Applicable Procedures.

Title to Notes issued in uncertificated form will pass upon registration of transfer in accordance with Condition 14.1 (*Transfer of Registered Notes*) of the Terms and Conditions.

Payments of all amounts due and payable in respect of Notes issued in uncertificated form will be made in accordance with Condition 9 (*Payments*) of the Terms and Conditions to the Person reflected as the registered Noteholder of such Registered Notes in the Register at 17:00 (South African time or Namibian time, as the case may be) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

### **Beneficial Interests in Notes held in the CSD**

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD. While a Tranche of Notes is held in the CSD, the relevant Participant(s) will be named in the Register as the registered Noteholder(s) of the Notes in that Tranche.

The CSD will hold each Tranche of Notes subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.

The CSD maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Citibank NA, Johannesburg branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Link Investor Services, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, Société Générale Johannesburg branch, and the South African Reserve Bank. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.

The Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities

accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (**Clearstream**) may hold Notes through their Participant.

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Outstanding Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Outstanding Nominal Amount of such Notes standing to the account of any Person shall be *prima facie* proof of such Beneficial Interest. The CSD will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that outstanding Nominal Amount of such Notes for all purposes.

Subject to the Applicable Laws, title to Beneficial Interests held by Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such Participants. Subject to the Applicable Laws, title to Beneficial Interests held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the security accounts maintained by such Participants for such clients. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Terms and Conditions.

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**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

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

**Standard Bank Namibia Limited**

(Incorporated with limited liability under Registration Number 78/01799 in the Republic of Namibia)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [Maturity Date]****Under its ZAR10,000,000,000 Note Programme**

The Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 22 September 2016, prepared by Standard Bank Namibia Limited in connection with the Standard Bank Namibia Limited ZAR10,000,000,000 Note Programme as amended and/or supplemented from time to time (the **Programme Memorandum**).

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

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this 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] [Secured/Unsecured]  |
| 3. (a) Series Number   | [•]  |
| (b) Tranche Number   | [•]  |
|  | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>   |
| 4. Aggregate Nominal Amount  | [•]  |
| 5. Redemption/Payment Basis  | [Partly Paid/ Instalment/ Exchangeable/ Other]   |
| 6. Type of Notes   | [Fixed Rate Notes] [Floating Rate Notes] [Indexed Notes] [Exchangeable Notes] [Partly Paid Notes] [Zero Coupon Notes] [Instalment Notes] [Credit-Linked Notes] [specify other] |
| 7. Interest Payment Basis  | [Fixed Rate/Floating Rate/Zero Coupon/Indexed Interest/Indexed Redemption Amount/ Credit-Linked]   |
| 8. Form of Notes   | [Listed/Unlisted] Notes, issued in [uncertificated form and held by the CSD] / [certificated form represented by an Individual Certificate(s)]                                 |
| 9. Automatic/Optional Conversion from one Interest/ Payment Basis to another | <i>[insert details including date for conversion]</i>  |

10. Issue Date/Settlement Date	[•]
11. Business Centre	[•]
12. Additional Business Centre	[•]
13. Specified Denomination	[•]
14. Calculation Amount	[•]
15. Issue Price	[•]
16. Interest Commencement Date	[•]
17. Maturity Date	[•]
18. Maturity Period	[•]
19. Specified Currency	[•]
20. Applicable Business Day Convention	[Floating Rate Business Day/ Following Business Day/ Modified Following Business Day/ Preceding Business Day/ other convention – <i>insert details</i> ]
21. Calculation Agent	[•]
22. Paying Agent	[•]
23. Transfer Agent	[•]
24. Specified office of the Calculation Agent, Paying Agent and Transfer Agent	[•]
25. Final Redemption Amount	[•]
<b>PARTLY PAID NOTES</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
26. Amount of each payment comprising the Issue Price	[•]
27. Date upon which each payment is to be made by Noteholder	[•]
28. Consequences (if any) of failure to make any such payment by Noteholder	[•]
29. Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments	[•] per cent.
<b>INSTALMENT NOTES</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
30. Instalment Dates	[•]
31. Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes)	[•]
<b>FIXED RATE NOTES</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
32. (a) Fixed Interest Rate(s)	[•] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly/other ( <i>specify</i> )] in arrear]

(b) Interest Payment Date(s)	[•] in each year [adjusted in accordance with <i>specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"</i> ][not adjusted]
(c) Fixed Coupon Amount(s)	[•] per Calculation Amount
(d) Initial Broken Amount	[•]
(e) Final Broken Amount	[•]
vi. Any other terms relating to the particular method of calculating interest	[Not Applicable/ <i>give details</i> ]
<b>FLOATING RATE NOTES</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
33. (a) Interest Payment Date(s)	[•], with the first Interest Payment Date being [•]
(b) Interest Period(s)	[•]
(c) Definitions of Business Day (if different from that set out in Condition 1 ( <i>Interpretation</i> ))	[•]
(d) Interest Rate(s)	[•] per cent.
(e) Minimum Interest Rate	[•] per cent.
(f) Maximum Interest Rate	[•] per cent.
(g) Other terms relating to the method of calculating interest (e.g. Day Count Fraction, rounding up provision, if different from Condition 7.2 ( <i>Interest on Floating Rate Notes and Indexed Notes</i> ))	[•]
34. Manner in which the Interest Rate is to be determined	[ISDA Determination/ Screen Rate Determination/ other ( <i>give details</i> )]
35. Margin	[(+/- ) [•] per cent. to be added to/ subtracted from the relevant (ISDA Rate/Reference Rate)]
36. If ISDA Determination:	
(a) Floating Rate	[•]
(b) Floating Rate Option	[•]
(c) Designated Maturity	[•]
(d) Reset Date(s)	[•]
37. If Screen Rate Determination:	
(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	[e.g. ZAR-JIBAR-SAFEX / Prime Rate]
(b) Interest Determination Date(s)	[The second day on which the TARGET system is open prior to the start of each Interest Period/The first day of each Interest Period/other ( <i>give details</i> )]
(c) Relevant Screen Page	[•]
(d) Relevant Time	[•]

38. If Interest Rate to be calculated otherwise than by reference to 35 or 36 above
- (a) Margin [•]
  - (b) Minimum Interest Rate [•]
  - (c) Maximum Interest Rate [•]
  - (d) Business Day Convention [•]
  - (e) Day Count Fraction [•]
  - (f) Default Rate [•]
  - (g) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes [•]
39. If different from Calculation Agent, agent responsible for calculating amount of principal and interest [[Name] shall be the Calculation Agent (no need to specify if the Calculation Agent is to perform this function)]
- ZERO COUPON NOTES** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
40. (a) Implied Yield [•] per cent. per annum
- (b) Reference Price [•]
  - (c) Any other formula or basis for determining amount(s) payable [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 8.9 (c) (Early Redemption Amounts)]
- INDEXED NOTES** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
41. (a) Type of Indexed Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- (b) Index/ Formula by reference to which Interest Amount/ Final Redemption Amount is to be determined [Give or annex details]
  - (c) Manner in which the Interest Amount/ Final Redemption Amount is to be determined [•]
  - (e) Interest Payment Date(s) [•], with the first Interest Payment Date being [•]
  - (f) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest [[Name] shall be the Calculation Agent (no need to specify if the Calculation Agent is to perform this function)]
  - (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

- |   |          |
|---|----------|
| 42. Mandatory Exchange applicable?          | [Yes/No] |
| 43. Noteholders' Exchange Right applicable? | [Yes/No] |
| 44. Exchange Securities                     | [•]      |
| 45. Manner of determining Exchange Price    | [•]      |
| 46. Exchange Period                         | [•]      |
| 47. Other                                   | [•]      |

## CREDIT-LINKED NOTES

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

### A. INCORPORATION OF THE ISDA CREDIT DERIVATIVES DEFINITIONS

48. (a) ISDA Credit Derivatives Definitions
- Save (and to the extent) expressly otherwise provided in this Applicable Pricing Supplement, the ISDA Credit Derivatives Definitions (as defined in Condition 1) (as at [the Issue Date] [*specify other*]) are incorporated by reference into and form part of this Applicable Pricing Supplement and the applicable Terms and Conditions of this Tranche of Credit-Linked Notes.

In principle, the ISDA Credit Derivatives Definitions (subject to the paragraph below) comprise the 2003 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association Inc. (**ISDA**), as supplemented by (i) the May 2003 Supplement (published by ISDA) to the aforesaid 2003 ISDA Credit Derivatives Definitions, (ii) the 2009 ISDA Credit Derivatives Determinations Committee and Auction Settlement Supplement (published by ISDA) to the aforesaid 2003 ISDA Credit Derivatives Definitions, and (iii) each other Supplement (published by ISDA from time to time) to the aforesaid 2003 ISDA Credit Derivatives Definitions.

Save (and to the extent) expressly otherwise provided in this Applicable Pricing Supplement, if any of the provisions of the ISDA Credit Derivatives Definitions are amended and/or updated and/or supplemented at any time after [the Issue Date] [*specify other*] then, to the extent only that any such amendment and/or update and/or supplement is of a formal, minor or technical nature or is made to correct a manifest error or is made in order to clarify existing provisions of the ISDA Credit Derivatives Definitions, the ISDA Credit Derivatives Definitions (and the corresponding provisions of this Part B) shall be deemed to have been amended and/or updated and/or supplemented in like fashion.

(b) Definitions

Subject to Condition 8.8.2, save (and to the extent) expressly otherwise provided in this Applicable Pricing Supplement, capitalised terms and expressions used in this Part B which are not defined in Condition 1 shall have the meanings given to such terms and expressions in the ISDA Credit Derivatives Definitions; provided that all references in the ISDA Credit Derivatives Definitions to:

- (a) **Fixed Rate Day Count Fraction** shall be construed as references to the Day Count Fraction;
- (b) **Fixed Rate Payer** shall be construed as references to the Issuer;
- (c) **Fixed Rate Payer Calculation Amount** shall be construed as references to the amount specified as such in this Applicable Pricing Supplement or, if no such amount is specified in this Applicable Pricing Supplement, the amount which is equivalent to the Floating Rate Payer Calculation Amount;
- (d) **Fixed Rate Payer Calculation Period** shall be construed as references to an Interest Period;
- (e) **Floating Rate Payer Calculation Amount** shall be construed as references to the aggregate Principal Amount of this Tranche of Credit-Linked Notes;
- (f) **Floating Rate Payer** shall be construed as references to the Noteholders of the Notes in this Tranche of Credit-Linked Notes;
- (g) **Scheduled Termination Date** shall be construed as references to the Maturity Date.

**B. GENERAL**

- 49. (a) Reference Entity/ies
- (b) Reference Obligation/s

[•]

[ ] *(Note: specify if required. A Reference Obligation must be specified where Cash Settlement is applicable. If a Reference Obligation is specified where Physical Settlement is applicable then, subject to the applicable provisions of the ISDA Credit Derivatives Definitions, such Reference Obligation is a Deliverable Obligation even though at the time of Delivery it does not fall into the Obligation Category or lacks any or all Deliverable Obligation Characteristics)*

The obligation(s) identified as follows:

Primary Obligor: [•]

Guarantor: [•]

- (c) All Guarantees Applicable Maturity: [●]  
 [Yes] [No]
- (d) Reference Price Coupon: [●]  
 [ ]% (Note: If a percentage is not so specified, the Reference Price will be 100%)  
 ISIN: [●]

**C. CONDITIONS TO SETTLEMENT**

50. (a) Credit Event Notice [●]
- (b) Notice of Physical Settlement [ ] (Note: a Notice of Physical Settlement is a required Condition to Settlement where Physical Settlement is applicable. It is not required where Cash Settlement is applicable)
- (c) Notice of Publicly Available Information [●]
- (i) Public Sources(s): [Yes] [No]
- a. Standard International Public Sources Applicable
- b. Standard Namibia Public Sources Applicable [Yes] [No]
- c. Additional Public Sources [●]
- (ii) Specified Number [ ] (Note: If a number of Public Sources is not specified, the Specified Number will be two)
- (d) Credit Event Notice after Restructuring [●]
- (i) Terms of Credit Event Notice following the occurrence of a Restructuring Credit Event if different from the applicable provisions of the ISDA Credit Derivatives Definitions [Not Applicable] [give details]

**D. CREDIT EVENTS AND OBLIGATIONS** (\*delete any provisions of this Item D below that are not applicable)

51. (a) Credit Events The following Credit Event(s) shall apply:
- (i) Bankruptcy [Yes; provided that the definition of "Bankruptcy" in the ISDA Credit Derivatives Definitions shall, where any Reference Entity listed in Item B(1) above is incorporated in South Africa, be amended by the addition of the following new sub-paragraph (cc): "(cc) institutes or has instituted against it any business rescue proceedings as contemplated in Chapter VI of the South African Companies Act, 2008;"]
- (ii) Failure to Pay [Yes] [No]
- d. Grace Period Extension Applicable [Yes] [No] (Note: specify whether the parties intend Grace Period Extension to apply. If

*Grace Period Extension is not specified here as being applicable, Grace Period Extension will not apply)*

- e. Grace period [•] Business Days *(Note: If Grace Period Extension is applicable, specify the number of Business Days in the Grace Period)*
  
  - f. Payment Requirement [•]
  - (iii) Obligation Default [Yes] [No]
  
  - g. Default Requirement [•]
  - (iv) Obligation Acceleration [Yes] [No]
  - h. Default Requirement [•]
  - (v) Repudiation/Moratorium [Yes] [No]
  - i. Default Requirement [•]
  - (vi) Restructuring [Yes] [No]
  - j. Multiple Holder Obligation [Applicable] [Not Applicable] *(Note: unless not applicable is specified, Restructurings are limited to Multiple Holder Obligations)*
  
  - k. Default Requirement [•]
  
  - Permitted Currency/ies [•]
  - (b) Obligations
  - (i) Obligation Category: *(Note: select only one)*
    - Payment [Yes] [No]
    - Borrowed Money [Yes] [No]
    - Reference Obligations Only [Yes] [No]
    - Bond [Yes] [No]
    - Loan [Yes] [No]
    - Bond or Loan [Yes] [No]
  - (ii) Obligation Characteristics *(Note: select all that apply)*
    - Not Subordinated [Yes] [No]
    - Specified Currency [Yes] [No]
    - Not Sovereign Lender [Yes] [No]
    - Not Domestic Currency [Yes] [No]
    - Not Domestic Law [Yes] [No]
    - Listed [Yes] [No]
    - Not Domestic Issuance [Yes] [No]
  - (iii) Additional Obligations [•]
  - (iv) Excluded Obligation(s) [•]
- (Note: unless specified here as an Excluded Obligation the Reference Obligation will be*

*an Obligation)*

- (c) Specified Currency [•]
- (d) Domestic Currency [•]

**E. SETTLEMENT METHOD**

52. (a) Cash Settlement [Yes] [No] (*Note: see Item F (Terms Relating to Cash Settlement) below*)
- (b) Physical Settlement [Yes] [No] (*Note: see Item G (Terms Relating to Physical Settlement) below*)
- (i) Cash Settlement election [•]

*(Note 1: see Item F (Terms Relating to Cash Settlement) below)*

*(Note 2: if specified as applicable then (provided that the Issuer shall have completed Item F (Terms Relating to Cash Settlement) below), even if Physical Settlement is specified as the applicable Settlement Method in this Pricing Supplement, if the Issuer elects to apply Cash Settlement as the applicable Settlement Method, then Cash Settlement will be deemed to apply to this Tranche with respect to such of the Reference Obligation/s (all or any of them) as are selected by the Issuer. In this event, the relevant Noteholders will, on the Cash Settlement Date, receive the Cash Settlement Amount)*

- (ii) Partial Cash Settlement Terms [•]

*(Note 1: see Item H (Partial Cash Settlement Terms) below)*

*(Note 2: if specified as applicable then (provided that the Issuer shall have completed Item H (Partial Cash Settlement Terms) below), even if Physical Settlement is specified as the applicable Settlement Method in this Pricing Supplement (and, if Cash Settlement election is specified as applicable in the Pricing Supplement, the Issuer does not elect to apply Cash Settlement as the applicable Settlement Method) then if, among other things, it becomes impossible or illegal for the Issuer to deliver all or any of the Deliverable Obligation/s, Cash Settlement pursuant to the Partial Cash Settlement Terms will be deemed to apply to the Tranche of Credit-Linked Notes with respect to those Deliverable Obligation/s that cannot be delivered to the relevant Noteholders. In this event, the relevant Noteholders will receive those Deliverable Obligation/s that can be delivered and/or a Cash Settlement Amount in respect)*

- (iii) Delivery of Deliverable Obligations Applicable (subject to sub-paragraphs (a) and (b) above)

- (c) Auction Settlement [Yes] [No] (*Note: see Item I below*)

**F. TERMS RELATING TO CASH SETTLEMENT** (*\*delete any provisions of this Item F below that are not applicable*)

53. (a) Cash Settlement Amount [Condition 8.8.2 (a) applicable] [*specify other*]  
(*Note: See Condition 10.7*)
- (b) Credit Event Redemption Date [Condition 8.8.2 (c) applicable] [*specify other*]  
(*Note: See Condition 8.8*)
- (c) Cash Settlement Date [[•] Business Days following the calculation of the Final Price (*Note: if a number of Business Days is not specified, the number of Business Days will be three*)] [*specify other*]
- (d) Settlement Currency [•]  
(*Note: if no currency is specified, the Settlement Currency will be the currency of denomination of the Floating Rate Payer Calculation Amount*)
- (e) Valuation (*Note: include if the Cash Settlement Amount is not a fixed amount*)
- (i) Valuation Date (*Note: if neither Single Valuation Date nor Multiple Valuation Dates is specified, Single Valuation Date will apply*)
- Single Valuation Date [•] Business Days  
(*Note: if the number of Business Days is not specified, the number of Business Days will be five*)
- Multiple Valuation Dates [•] Business Days  
(*Note: if the number of Business Days is not specified, the number of Business Days will be three*) and each [ ] Business Days thereafter (*Note: if the number of Business Days is not specified, the number of Business Days will be three*)
- Specify number of Valuation Date [•]
- (ii) Valuation Time [•]
- (iii) Valuation Method
- one Reference Obligation and one Valuation Date [Market] [Highest]
- one Reference Obligation and more than one Valuation Date [Average Market] [Highest] [Average Highest]
- more than one Reference Obligation and one Valuation Date [Blended Market] [Blended Highest]
- more than one Reference Obligation and more than one Valuation Date [Average Blended Market] [Average Blended Highest]
- (f) Quotation (*Note: include if the Cash Settlement Amount is not a fixed amount*)
- (i) Quotation Method [Bid] [Offer] [Mid-market] (*Note: if no Quotation Method is specified, Bid will apply*)
- (ii) Quotation Amount [•]  
[Representative Amount] (*Note: specify either an amount in a currency or the*)

*Representative Amount. If no Quotation Amount is specified, the Quotation Amount will be the Floating Rate Payer Calculation Amount)*

- (iii) Minimum Quotation Amount [specify]
- (iv) Quotations [Include Accrued Interest] [Exclude Accrued Interest] *(Note: if neither Include Accrued Interest nor Exclude Interest is specified with respect to Quotations, the Calculation Agent will determine (after consultation with the Issuer (if the Issuer is not the Calculation Agent)), based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest)*
- (g) Reference Dealer(s) *(Note: include if the Cash Settlement Amount is not a fixed amount.)*
  - (i) Specify the Reference Dealer(s) [•] *(Note: specify the Reference Dealers. If no Reference Dealers are specified, the Calculation Agent will select the Reference Dealers (in consultation with the Issuer (if the Issuer is not the Calculation Agent)); provided that in the case of Item H(5) below, the Noteholders will select the Reference Dealers)*
  - (ii) Capacity of the Reference Dealer(s) – specify whether a Reference Dealer may be:
    - the Issuer [Yes] [No]
    - any Affiliate of the Issuer [Yes] [No]
    - the Noteholders [Yes] [No]
    - any Affiliates of the Noteholders [Yes] [No]

**G. TERMS RELATING TO PHYSICAL SETTLEMENT** *(\*delete any provisions of this Item G below that are not applicable)*

- 54. (a) Physical Settlement Period [•] Business Days *(Note: if a number of Business Days is not specified, the Physical Settlement Period will be, with respect to a Deliverable Obligation, 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, after consultation with the Issuer (if the Issuer is not the Calculation Agent))*
- (b) Credit Event Redemption Date [Condition 8.8.2 (c) applicable] [specify other] *(Note: See Condition 8.8)*
- (c) Physical Settlement Date [The last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement] [specify other]
- (d) Physical Settlement Amount Not Applicable *(Note: see Condition 8.8)*
- (e) Deliverable Obligations [Include Accrued Interest] [Exclude Accrued Interest] *(Note: specify whether, in respect of*

*Deliverable Obligations with an outstanding principal balance, the Deliverable Obligation is to include or exclude accrued but unpaid interest. If neither Include Accrued Interest nor Exclude Interest is specified, the Deliverable Obligations shall exclude accrued but unpaid interest)*

- |        |  |   |
|--------|--|---|
| (f)    | Deliverable Obligation Category<br><i>(Note: select only one)</i>              |   |
| (i)    | Payment  | [Yes][No]   |
| (ii)   | Borrowed Money   | [Yes][No]   |
| (iii)  | Reference Obligations Only   | [Yes] [No] <i>(Note: if Reference Obligations Only is specified as the Deliverable Obligation Category, no Deliverable Obligation Characteristic should be specified)</i> |
| (iv)   | Bond   | [Yes][No]   |
| (v)    | Loan   | [Yes][No]   |
| (vi)   | Bond or Loan   | [Yes][No]   |
| (g)    | Deliverable Obligation Characteristics<br><i>(Note: select all that apply)</i> |   |
| (i)    | Not Subordinated   | [Yes][No]   |
| (ii)   | Specified Currency   | [Yes][No]   |
| (iii)  | Not Sovereign Lender   | [Yes][No]   |
| (iv)   | Not Domestic Currency  | [Yes][No]   |
| (v)    | Not Domestic Law   | [Yes][No]   |
| (vi)   | Listed   | [Yes][No]   |
| (vii)  | Not Contingent   | [Yes][No]   |
| (viii) | Not Domestic Issuance  | [Yes][No]   |
| (ix)   | Assignable Loan  | [Yes][No]   |
| (x)    | Consent Required Loan  | [Yes][No]   |
| (xi)   | Direct Loan Participation  | [Yes][No]   |
| (xii)  | Transferable   | [Yes][No]   |
| (xiii) | Maximum Maturity   | [Yes][No]   |
| (xiv)  | Accelerated or Matured   | [Yes][No]   |
| (xv)   | Not Bearer   | [Yes][No]   |
| (h)    | Additional Deliverable Obligations   | [•]   |
| (i)    | Excluded Deliverable Obligations   | [•]   |

*(Note: unless specified as an Excluded Deliverable Obligation, the Reference Obligation will, subject to the applicable provisions of the ISDA Credit Derivatives Definitions, be a Deliverable Obligation even though at the time of delivery it does not fall into the Obligation Category or lacks any or all of the Deliverable Obligation Characteristics)*

- (j) Qualifying Participation Seller [•]  
*(Note: if Direct Loan Participation is specified as a Deliverable Obligation Characteristic, specify any requirements for the Qualifying Participation Seller here. If no requirements are so specified, there will be no Qualifying Participation Seller with the result that only a participation pursuant to a participation agreement between the Issuer and the Noteholders will constitute a Direct Loan Participation)*
- (k) Maximum Maturity [•]  
*(Note: if Maximum Maturity is specified as a Deliverable Obligation Characteristic, specify the maximum remaining period to maturity from the Physical Settlement Date)*
- (i) Designator  
 - Affiliate of Issuer [•]  
 - Affiliate of Noteholder [•]
- (ii) Designatee  
 - Affiliate of Issuer [•]  
 - Affiliate of Noteholder [•]

**H. PARTIAL CASH SETTLEMENT TERMS** *(\*delete any provisions of this Item H below that are not applicable)*

55. (a) Partial Cash Settlement of Consent Required Loans Applicable [Yes] [No] *(Note: include if the parties intend that the Partial Cash Settlement Terms are to be applicable in relation to Consent Required Loans)*
- (b) Partial Cash Settlement of Assignable Loans Applicable [Yes] [No] *(Note: include if the parties intend that the Partial Cash Settlement Terms are to be applicable in relation to Assignable Loans)*
- (c) Partial Cash Settlement of Participations Applicable [Yes] [No] *(Note: include if the parties intend that the Partial Cash Settlement Terms are to be applicable in relation to Direct Loan Participations)*
- (d) Partial Cash Settlement Terms [•]  
 (i) Valuation  
 (ii) Partial Cash Settlement Terms if different from those set out in the applicable provisions of the ISDA Credit Derivatives Definitions [Not Applicable] *[give details]*  
 (iii) Buy-in of Bonds not Delivered [•]

**I. TERMS RELATING TO AUCTION SETTLEMENT** *(\*delete any provisions of this Item H below that are not applicable)*

56. (a) Fallback Settlement Method [Cash Settlement] [Physical Settlement]  
 (b) Auction Settlement Amount [Condition 8.8.2(b) applicable] *[specify other]*  
 (c) Credit Event Redemption Date [Condition 8.8.2(c) applicable] *[specify other]*  
*(Note: see Condition 8.8)*  
 (d) Auction Final Price Determination Date The day, if any, on which the Auction Final Price is determined

- (e) Auction Settlement Date [The date that is [•] Business Days following the Auction Final Price Determination Date (Note: if a number of Business Days is not specified, the number of Business Days will be five)] [specify other]
- (f) ISDA Credit Derivatives Auction Settlement Terms if different from those set out in the applicable provisions of the ISA Credit Derivatives Definitions [Not Applicable] [give details]

**J. OTHER TERMS** (\*delete if not applicable)

57. (a) Specify any other terms which modify or supplement this Part B [specify]

**OTHER NOTES**

- [Applicable/Not Applicable]
58. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Credit Linked Notes, Zero Coupon Notes, Index-Linked Notes, Dual Currency Notes or Exchangeable Notes or 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**

59. If applicable the prior consent of the Bank of Namibia required for any redemption prior to the Maturity Date? [Yes/No]  
(N.B. Only relevant where the Notes are Subordinated Notes that are also Capital Notes)
60. Redemption at the option of the Issuer: [Yes/No]  
If yes:
- (a) Optional Redemption Date(s) [•]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [•]
- (c) Minimum period of notice (if different from Condition 8.4 (Redemption at the option of the Issuer)) [•]
- (d) If redeemable in part: [•]  
Minimum Redemption Amount(s) [•]  
Higher Redemption Amount(s) [•]
- (e) Other terms applicable on redemption
61. Redemption at the option of the Senior Noteholders: [Yes/No]  
If yes:
- (a) Optional Redemption Date(s) [•]
- (b) Optional Redemption Amount(s) [•]
- (c) Minimum period of notice (if different [•]

from Condition 8.5 (*Redemption at the option of the Senior Noteholders*))

- (d) If redeemable in part:
- Minimum Redemption Amount(s) [•]  
Higher Redemption Amount(s) [•]
- (e) Other terms applicable on redemption [•]
- (f) Attach *pro forma* put notice(s)
62. Redemption in the event of a Change of Control at the election of the Noteholders pursuant to Condition 10.5 (*Redemption in the event of a Change of Control*) or any other terms applicable to a Change of Control [Yes/No]
63. Redemption in the event of a failure to maintain JSE listing and/or Rating at the election of Noteholders pursuant to Condition 10.6 (*Redemption in the event of a failure to maintain JSE listing and Rating*) [Yes/No]
64. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required or if different from Condition 8.9 (*Early Redemption Amounts*)). [Yes/No]
- If no:
- (a) Amount payable; or [•]  
(b) Method of calculation of amount payable [•]
- GENERAL**
65. Other terms or special conditions [Not Applicable/*give details*]
66. [Date [Board] approval for issuance of Notes obtained] [•]  
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
67. Additional selling restrictions [•]
68. (a) International Securities Numbering (ISIN) [•]  
(b) Stock Code [•]
69. (a) Financial Exchange [•]  
(b) Relevant sub-market of the Financial Exchange [•]
70. If syndicated, names of managers [•]
71. Credit Rating assigned to the [Issuer]/[Programme]/[Notes] [•]
72. Date of issue of Credit Rating and date of next review [•]
73. Applicable Rating Agency [•]
74. Governing law (if the laws of South Africa are not applicable) [•]

75. 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 [●]
76. Books Closed Period [●]
77. Stabilisation Manager (if any) [●]
78. Method of distribution [Private Placement/Auction/Bookbuild]
79. Other provisions [●]

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES**

80. **Paragraph 3(5)(a)**

The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the [Issuer].

81. **Paragraph 3(5)(b)**

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

82. **Paragraph 3(5)(c)**

The auditor of the Issuer is [insert].

83. **Paragraph 3(5)(d)**

As at the date of this issue:

- (i) the Issuer has [not issued]/[issued] [ZAR•,000,000,000] Commercial Paper (as defined in the Commercial Paper Regulations); and
- (i) the Issuer estimates that it may issue [ZAR•,000,000,000] of Commercial Paper during the current financial year, ending [insert].

84. **Paragraph 3(5)(e)**

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

85. **Paragraph 3(5)(f)**

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

86. **Paragraph 3(5)(g)**

The Notes issued will be [listed/unlisted].

87. **Paragraph 3(5)(h)**

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

88. **Paragraph 3(5)(i)**

The obligations of the Issuer in respect of the Notes are unsecured.

89. **Paragraph 3(5)(j)**

[Insert], the statutory auditor of the Issuer, have confirmed that [their review did not reveal anything which indicates / nothing has come to their attention to indicate] that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility statement**

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 Applicable Laws and the JSE 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 JSE 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.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR10,000,000,000 has not been exceeded.

Application [**is hereby**]/[**will not be**] made to list this issue of Notes [**on • ••••**]. The Programme was registered with the JSE on [**•**].

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2016

For and on behalf of  
**STANDARD BANK NAMIBIA LIMITED**  
**Issuer**

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

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

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## TERMS AND CONDITIONS OF THE NOTES

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*The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note. A Tranche of Notes will be issued on, and subject to, the below 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.*

Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE or such other or further Financial Exchange(s) and the CSD a pricing supplement based on the *pro forma* Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes. The Issuer may determine that particular Notes will not be listed on the Interest Rate Market of the JSE or such other Financial Exchanges and, in that case, no Applicable Pricing Supplement will be delivered to JSE or such other or further Financial Exchange(s).

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

### 1. INTERPRETATION

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>Affiliate</b>	in relation to any Person, a Subsidiary of that Person or a Holding Company of that person or any other Subsidiary of that Holding Company;
<b>Applicable Laws</b>	in relation to a Party, means all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, 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 other similar provisions from time to time, compliance with which is mandatory for that Person;
<b>Applicable Pricing Supplement</b>	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
<b>Applicable Procedures</b>	the rules and operating procedures from time to time of the CSD, the Participants and the debt listing requirements of the JSE and/or any Financial Exchange, as the case may be;
<b>Banks Act</b>	the Banks Act, 1990;
<b>Beneficial Interest</b>	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as a co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the portion that the aggregate Nominal Amount of such number of Notes Outstanding bears to the aggregate Nominal Amount of all of the Notes in that Tranche Outstanding, as provided in section 37(3) of the Financial Markets Act;

<b>BESA Guarantee Trust</b>	the guarantee fund trust established and operated by the JSE as a separate guarantee fund in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund;
<b>Books Closed Period</b>	in relation to a Tranche of Notes, the period as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive principal and/or interest;
<b>Business Day</b>	a day (other than a Saturday, a Sunday or official public holiday) on which banks are open for general business in Windhoek and Johannesburg;
<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, as indicated in the Applicable Pricing Supplement;
<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);
<b>Class of Noteholders</b>	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
<b>Credit Event</b>	in relation to a Tranche of Credit-Linked Notes, each event specified as such in the Applicable Pricing Supplement (as read with the ISDA Credit Derivatives Definitions);
<b>Credit-Linked Notes</b>	a Tranche of Notes (being credit derivative instruments) which references one or more Reference Obligation(s) of one or Reference Entity/ies, as indicated in the Applicable Pricing Supplement;
<b>CSD</b>	Strate Proprietary Limited (Registration Number 1998/022242/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s);
<b>Day</b>	a Gregorian calendar unless qualified by the word “ <i>Business</i> ”
<b>Day Count Fraction</b>	<p>in respect to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the <b>Calculation Period</b>), the day count fraction as may be specified in these Terms and Conditions or the Applicable Pricing Supplement:</p> <p>(a) if <b>Actual/365</b> (Fixed) or <b>Act/365</b> (Fixed) or A/365 (Fixed) or A/365F is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;</p> <p>(b) if <b>Actual/Actual (ICMA)</b> or Act/Act (ICMA) is so specified, means:</p> <p style="padding-left: 40px;">(i) where the Calculation Period is equal to or shorter than</p>

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;
- (c) if **Actual/365**, **Actual/Actual (ISDA)**, Act/Act or Act/Act (ISDA) is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made 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);
- (d) if **Actual**;
- (d) **360 Act/360** or **A/360** is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) **30/360** , **360/360** or **Bond Basis** is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360 (the number of days to be calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

**D<sub>1</sub>** is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the day, expressed as a number, immediately following the last day included in the Calculation Period unless such

number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30;

- (f) if **30E/360** or **Eurobond Basis** is so specified means, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$Y_1$  is the year, expressed as a number, in which the first Day of the Calculation Period falls;

$Y_2$  is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

$M_1$  is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

$D_1$  is the first day, expressed as a number, of the Calculation Period unless such number would be 31, in which case  $D_1$  will be 30; and

$D_2$  is the day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31, in which case  $D_2$  will be 30.

<b>Dealer</b>	<b>Standard Bank South Africa</b> and any other entity appointed as Dealer by the Issuer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of such Dealer, as indicated in the Applicable Pricing Supplement;
<b>Default Rate</b>	in relation to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;
<b>Dual Currency Notes</b>	Notes which pay interest in a base currency and the principal in a non-base currency or vice versa, as indicated in the Applicable Pricing Supplement;
<b>Early Redemption Amount</b>	in relation to a Tranche of Notes, the amount, as set out in Condition 8.9 ( <i>Early Redemption Amounts</i> ) at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Condition 8.2 ( <i>Redemption for Credit-Linked Notes</i> ) Condition 8.3 ( <i>Redemption following the occurrence of a Tax Event and/or Change in Law</i> ), Condition 8.4 ( <i>Redemption at the Option of the Issuer</i> ), Condition 8.5 ( <i>Redemption at the Option of the Senior Noteholders</i> ), Condition 8.6 ( <i>Redemption in the event of a Change of Control</i> ), Condition 8.7 ( <i>Redemption in the event of a failure to maintain JSE Listing and Rating</i> ) and/or Condition 12 ( <i>Events of Default</i> );
<b>Encumbrance</b>	any mortgage, pledge, lien, hypothecation, assignment, cession-in- <i>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 Encumbrance;

<b>Event of Default</b>	In relation to the Series of Notes, any event described in Condition 12 ( <i>Events of Default</i> );
<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 Control Regulations</b>	the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;
<b>Exchange Period</b>	in relation to a Tranche of Notes, 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>	in relation to a Tranche of Exchangeable Notes the amount determined in accordance with the manner described 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>	in relation to a Tranche of Exchangeable Notes, the securities indicated 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>Extraordinary Resolution</b>	a resolution passed at a meeting (duly convened) of the Noteholders or a Class of Noteholders, as the case may be, by a majority consisting of not less than 66.67% (sixty-six point sixty seven percent) of the Persons voting thereat upon a show of hands or if a poll be duly demanded, then by a majority consisting of not less than 66.67% (sixty-six point sixty seven percent) of the votes given on such poll;
<b>Final Broken Amount</b>	in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;
<b>Final Redemption Amount</b>	in relation to a Tranche of Notes, the amount of principal specified in the Applicable Pricing Supplement payable in respect of such Tranche of Notes upon the Maturity Date;
<b>Financial Exchange</b>	the JSE and/or such other or additional financial exchange(s) as may be determined by the Issuer and the relevant Dealer(s), subject to Applicable Laws, and upon which the Notes are listed as specified in the Applicable Pricing Supplement;
<b>Financial Indebtedness</b>	any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of: <ul style="list-style-type: none"> <li>(a) amounts raised by acceptance under any acceptance credit facility;</li> <li>(b) amounts raised under any note purchase facility;</li> <li>(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with the Applicable Law and generally accepted accounting principles, be treated as finance and capital leases;</li> <li>(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 (ninety) days; and</li> <li>(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> </ul>

<b>Financial Markets Act</b>	the Financial Markets Act, 2012;
<b>Fixed Coupon Amount</b>	in relation to a Tranche of Fixed Rate Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;
<b>Fixed Interest Payment Date</b>	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
<b>Fixed Interest Period</b>	in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or as otherwise set out in the Applicable Pricing Supplement;
<b>Fixed Interest Rate</b>	the rate or rates of interest applicable to Fixed Rate Notes, the fixed rate of interest as specified as such 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>Guarantee</b>	in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness including (without limitation): <ul style="list-style-type: none"> <li>(a) any obligation to purchase such Financial Indebtedness;</li> <li>(b) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;</li> <li>(c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and</li> <li>(d) any other agreement to be responsible for such Financial Indebtedness;</li> </ul>
<b>IFRS</b>	the International Financial Reporting Standards issued by the International Accounting Standards Board ( <b>IASB</b> ) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);
<b>Income Tax Act</b>	the Income Tax Act, 1962;
<b>Implied Yield</b>	in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price of such 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-Linked Notes</b>	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable and as indicated in the Applicable Pricing Supplement;
<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>	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 13 ( <i>Exchange of Beneficial Interests and</i>

	<i>Replacement of Individual Certificates)</i> and any further certificate issued in consequence of a transfer thereof
<b>Instalment Amount</b>	in relation to a Tranche of Notes, the amount expressed (in the Applicable Pricing Supplement) 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 issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement;
<b>Instalment Dates</b>	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
<b>Interest Amount</b>	in relation to a Tranche of Notes, the amount of interest payable in respect of each Nominal Amount of the Fixed Rate Notes, Floating Rate Notes and Indexed Interest Notes, as determined by the Calculation Agent in accordance with Condition 7 ( <i>Interest</i> );
<b>Interest Commencement Date</b>	in relation to a Tranche of Notes (where applicable) 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>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>Interest Payment Date</b>	in relation to a Tranche of Notes, the Interest Payment Date(s) and/or Redemption Date specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of each Interest Period commencing on the preceding Interest Payment or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
<b>Interest Period</b>	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
<b>Interest Rate and Rate of Interest</b>	in relation to a Tranche of Notes, the rate or rates of interest applicable to Notes other than Zero Coupon Notes, as indicated in the Applicable Pricing Supplement;
<b>Interest Rate Market of the JSE</b>	the separate platform or sub-market of the JSE designated as the " <i>Interest Rate Market</i> ", or such other platform or submarket designated by the JSE from time to time, and on which Notes (and other debt securities) may be listed;
<b>ISDA</b>	International Swaps and Derivatives Association, Inc.;
<b>ISDA Credit Derivatives Definitions</b>	in relation to a Tranche of Credit-Linked Notes (subject to Part B Item A ( <i>Incorporation of the ISDA Credit Derivatives Definitions</i> ) sub-paragraph 1 of the Applicable Pricing Supplement), the 2003 ISDA Credit Derivatives Definitions published by ISDA, as supplemented by (i) the May 2003 Supplement (published by ISDA) to the aforesaid 2003 ISDA Credit Derivatives Definitions, (ii) the 2009 ISDA Credit Derivatives Determinations Committee and Auction Settlement Supplement (published by ISDA) to the aforesaid 2003 ISDA Credit Derivatives Definitions, and (iii) each other Supplement (published by ISDA from time to time) to the aforesaid 2003 ISDA Credit Derivatives Definitions;
<b>ISDA Definitions</b>	the ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;

<b>Issue Date</b>		in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>Issuer</b>		Standard Bank Namibia Limited (Registration Number 78/01799), a public company with limited liability incorporated in accordance with the laws of Namibia;
<b>JSE</b>		JSE Limited (Registration Number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, licensed as an exchange under the Financial Markets Act;
<b>JSE Debt Sponsor</b>		Standard Bank South Africa
<b>Last Day to Register</b>		with respect to a particular Tranche 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 Tranche of Notes and whereafter, the Register is closed for further transfers or entries until the Payment Day;
<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>		in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
<b>Maturity Date</b>		in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>Maturity Period</b>		in relation to a Tranche of Notes, the maturity period specified as such in the Applicable Pricing Supplement;
<b>Maximum Amount</b>	<b>Redemption</b>	in relation to a Tranche of Notes, the maximum redemption amount specified as such in the Applicable Pricing Supplement;
<b>Minimum Amount</b>	<b>Redemption</b>	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
<b>Namibian Companies Act</b>		the Namibian Companies Act, 2004;
<b>Nominal Amount</b>		in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;
<b>Noteholders</b>		the registered holders of the Notes as recorded in the Register;
<b>Noteholders' Right</b>	<b>Exchange</b>	in relation to Exchangeable Notes, if specified applicable 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>		secured or unsecured registered notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum ;
<b>Optional Amount</b>	<b>Redemption</b>	in relation to a Tranche Notes, the optional redemption amount specified in the Applicable Pricing Supplement;
<b>Optional Date(s)</b>	<b>Redemption</b>	in relation to a Tranche Notes, the optional redemption date(s) specified as such in the Applicable Pricing Supplement;
<b>Outstanding</b>		in relation to the Notes, all the Notes issued under the Programme other than:  (a) those which have been redeemed in full;

- (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 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 Individual Certificates (if any);
- (c) those which have been purchased and cancelled as provided in Condition 8 (*Redemption and Purchase*);
- (d) those which have become prescribed under Condition 11 (*Prescription*);
- (e) Notes represented by those mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual 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 Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*),

provided that for each of the following purposes:

- (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 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 shall (unless and until ceasing to be so held); and shall be deemed not to be Outstanding;

<b>Participants</b>	a Person accepted by the CSD as a participant in terms of section 31 of the Financial Markets Act, and who is approved by the JSE, in terms of the debt listings requirements of the JSE, as a Settlement Agent to perform electronic settlement of funds and scrip;
<b>Partly Paid Notes</b>	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);
<b>Paying Agent</b>	Standard Bank South Africa, unless the Issuer elects to appoint another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
<b>Payment Day</b>	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
<b>Permitted Encumbrance</b>	any Security Interest arising out of: <ul style="list-style-type: none"> <li>(a) any statutory preferences;</li> <li>(b) by operation of law or which is incidental to the conduct of the business of the Issuer;</li> <li>(c) any Encumbrance on or with respect to the receivables of the Issuer which is created pursuant to any securitisation scheme,</li> </ul>

	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 <i>bona fide</i> 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 ZAR500,000,000 (Five Hundred Million Rand), calculated on a cumulative basis during a given financial year;
<b>Person</b>	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>Programme</b>	Standard Bank Namibia Limited ZAR10,000,000,000 Note Programme under which the Issuer may from time to time issue Notes;
<b>Programme Amount</b>	the maximum aggregate Nominal Amount of all Notes that may be issued under the Programme at any one point in time being as at the Programme Date, ZAR10,000,000,000 (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 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>	the date of this Programme Memorandum being 22 September 2016;
<b>Rating</b>	in relation to the Issuer and/or the Programme and/or a Tranche of Notes (where applicable), as the case may be, the rating of the Issuer and/or the Programme and/or the Tranche of Notes, as the case may be, granted by the Rating Agency, specified in the Applicable Pricing Supplement;
<b>Rating Agency</b>	Global Credit Rating Co. Proprietary Limited (GCR), Standard & Poor's Ratings Services ( <b>S&amp;P</b> ) or Moody's Investors Service Limited ( <b>Moody's</b> ), as the case may be, and their successors or any other rating agency of equivalent international standing, as the case may be, and as specified in the Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 17 ( <i>Notices</i> );
<b>Reference Entity</b>	as specified in the Applicable Pricing Supplement in relation to Credit-Linked Notes;
<b>Reference Obligation</b>	as specified in the Applicable Pricing Supplement in relation to Credit-Linked Notes;
<b>Reference Price</b>	in relation to a Tranche of Zero Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;

<b>Reference Banks</b>	four leading banks in the South African inter-bank market selected by the Calculation Agent;
<b>Reference Rate</b>	in relation to a Tranche of Floating Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
<b>Register</b>	the register of Noteholders maintained by the Transfer Agent in terms of Condition 15 ( <i>Register</i> ), including any Uncertificated Securities Register, as the case may be;
<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 falling in any year to but excluding the next Regular Date , where "<i>Regular Date</i>" 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 falling in any year 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, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the CSD,(ii) such monies are available for payment to the holders of Beneficial Interests; and (ii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
<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 pursuant to any securitisation scheme or like arrangement; or</p> <p>(b) any option or warrant in respect of any share or index; or</p> <p>(c) any written acknowledgement of indebtedness issued by the Issuer to the Receiver of Revenue;</p>
<b>Relevant Screen Page</b>	in relation to a Tranche of Notes (where applicable) 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>	in relation to a Tranche Notes (where applicable), the time specified as such in the Applicable Pricing Supplement;
<b>Representative</b>	a Person duly authorised to act on behalf of a Noteholder, the

	Transfer Agent and the Paying Agent, as the case may be, (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 the Transfer Agent and the Paying Agent;
<b>SARB</b>	the South African Reserve Bank;
<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 Notes</b>	Notes issued with the status and characteristics set out in Condition 5.1 ( <i>Status of Senior Notes</i> ) as specified in the Applicable Pricing Supplement;
<b>Senior Noteholders</b>	the Noteholders of Senior Notes;
<b>SENS</b>	the Stock Exchange News Service;
<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>Settlement Agent</b>	a Participant, approved by the JSE or any other Financial Exchange to perform electronic net settlement of both funds and scrip on behalf of market participants;
<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>South Africa</b>	the Republic of South Africa;
<b>South African Companies Act</b>	the South African Companies Act, 2008
<b>Specified Currency</b>	in relation to each Note in a Tranche of Notes, subject to all Applicable Laws, the currency specified as such in the Applicable Pricing Supplement;
<b>Specified Denomination</b>	in relation to each Note in a Tranche of Notes, the amount specified as such 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>Standard Bank South Africa</b>	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (Registration Number 1962/000738/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
<b>Subordinated Indebtedness</b>	in the event of the dissolution of the Issuer or if the Issuer is wound up or placed in liquidation any indebtedness of the Issuer, including any guarantee by the Issuer, which the right of payment of the Person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated

	to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution, winding up or placing into business rescue proceedings or liquidation of the Issuer;
<b>Subordinated Notes</b>	Notes issued with the status and characteristics set out in Condition 5.2 ( <i>Status and Characteristics of Subordinated Notes</i> ), as indicated in the Applicable Pricing Supplement;
<b>Subsidiary</b>	a subsidiary company as defined in section 1(3) of the Namibian Companies Act;
<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 South Africa, or such entitlement is, in the opinion of the Issuer, 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 South African Revenue Service 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 South Africa or 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>Terms and Conditions</b>	the terms and conditions incorporated in this section headed " <i>Terms and Conditions of the Notes</i> " and in accordance with which the Notes will be issued;
<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>	Standard Bank South Africa or such entity appointed by the Issuer as Transfer Agent in which event that other entity shall act as Transfer Agent, as specified in the Applicable Pricing Supplement;
<b>Transfer Form</b>	the written form for the transfer of a Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
<b>Uncertificated Securities Register</b>	an Uncertificated Securities Register as contemplated in section 1 of the South African Companies Act;
<b>Wholly Owned Subsidiary</b>	a wholly owned subsidiary as defined in section 1(7) of the Namibian Companies Act;
<b>ZAR</b>	the lawful currency of South Africa, being South African Rand, or any successor currency;
<b>ZAR-JIBAR-SAFEX</b>	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date, or any successor rate; and
<b>Zero Coupon Notes</b>	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, as indicated in the Applicable Pricing Supplement.

## 2. ISSUE

- 2.1.1 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.
- 2.1.2 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.

## 3. FORM

### 3.1 General

- 3.1.1 A Tranche of Notes may be issued in the form of listed or unlisted Notes, as specified in the Applicable Pricing Supplement.
- 3.1.2 A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to any Applicable Laws and Applicable Procedures. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and if so, the Financial Exchange(s) on which such Tranche of Notes will be listed.

### 3.2 Registered Notes

A Tranche of Notes will be issued in certificated form, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*), or in uncertificated form, as contemplated in Condition 3.2.2 (*Notes issued in uncertificated form*), as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form, will be held in the CSD, as contemplated in Condition 3.2.2 (*Notes issued in uncertificated form*). A Tranche of unlisted Notes may also be held in the CSD, as contemplated in Condition 3.2.3 (*Beneficial Interests of Notes held in the CSD*).

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

All Notes issued in certificated form will be represented by an Individual Certificate.

#### 3.2.2 *Notes issued in uncertificated form*

A Tranche of Notes which is listed on the Interest Rate Market of the JSE must, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Notes issued in uncertificated form will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

#### 3.2.3 *Beneficial Interests in Notes held in the CSD*

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

The CSD will hold Notes subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

### 3.2.4 *Recourse to the BESA Guarantee Fund Trust*

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

## 4. TITLE

### 4.1 *Notes issued in certificated form*

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

4.1.2 Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 14.1.2 (*Transfer of Notes represented by Individual Certificates*).

4.1.3 The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (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 *Notes issued in uncertificated form and Beneficial Interest*

4.2.1 The relevant Participant(s) will be named in the Register as the registered Noteholder(s) of each Tranche of Notes which is issued in uncertificated form.

4.2.2 Notwithstanding condition 4.2.1 Beneficial Interests which are held by clients of Participants will be held directly through the CSD and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.

4.2.3 Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.

4.2.4 In relation to each Person shown in the records of the CSD as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD as to the aggregate Nominal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. The CSD will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.

4.2.5 Beneficial Interests in Notes will be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register however the relevant Participant(s) will be reflected in the Register as the registered holders of such Notes, notwithstanding such transfers.

4.2.6 Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

## 5. STATUS OF NOTES

### 5.1 Status of Senior Notes

Senior Notes are direct, unconditional, unsubordinated and (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

### 5.2 Status and Characteristics of Subordinated Notes

Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those which have been accorded preferential rights by law, or as otherwise set out in the Applicable Pricing Supplement.

Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up, the claims of the persons entitled to payment of amounts due in respect of the Subordinated Notes, shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note shall be entitled to prove or tender to prove a claim in respect of such Subordinated Notes, to the extent that any other indebtedness of the Issuer which is admissible in any such dissolution, insolvency, winding-up (Subordinated Indebtedness) would not be paid or discharged in full as a result of such proof, and no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to payment of amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency, winding-up or business rescue (or judicial management (if applicable)) (other than Subordinated Indebtedness) has been paid or discharged in full.

## 6. NEGATIVE PLEDGE

For as long as any Senior Notes remain Outstanding, and unless approved by an Extraordinary Resolution of the holders of Senior Notes, the Issuer undertakes not to create or permit the creation of any Encumbrance over any of its present or future assets or revenues to secure any present or future Relevant Debt without at the same time securing all Senior Notes equally and rateably with such Relevant Debt or providing such other security as may be approved by Extraordinary Resolution of the holders of those Senior Note.

The Issuer shall be entitled but not obliged, to form, or procure the formation of, a trust or trusts or special purposes company (on more than one), or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

## 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

Unless otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a six-monthly basis on the Interest Payment Dates.

#### 7.1.1 *Accrual of Interest*

The Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrears on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 9 (*Payments*) (as well after as before judgment) until whichever is the earlier

of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 7 (seven) days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

#### 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.

#### 7.1.4 *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 due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7.2 (*Interest on Floating Notes and Indexed Notes*) (as well as after as before judgement) until whichever is the earlier of (i) the day on which all sums due in respect of such Notes to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is 7 (seven) days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent there is subsequent default in payment).

#### 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 Amount (as defined in the ISDA Definitions) that would be determined by such agent as a notional 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 ZAR-JIBAR-SAFEX, the first day of the applicable Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

**Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those expressions in the ISDA Definitions and **JIBAR** means the average mid-market yield rate per annum for a period of the Designated Maturity which appears on the Reuters Screen SAFEX page at or about 11h00 (Johannesburg time or Windhoek time, as the case may be) on the relevant date (or any successor rate).

#### 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 (i) above, such rate does not appear on that page or, in the case of (ii) 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 Johannesburg 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 (Johannesburg time or Windhoek time, as the case may be) 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 Johannesburg inter-bank market, selected by the Calculation Agent, at approximately 12h00 (Johannesburg time or Windhoek time, as the case may be) on the first day of the relevant Interest Period for loans in the Specified Currency to leading banks in the Johannesburg 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 and Interest Amount 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, the Noteholders in respect of any Floating Rate Notes, any Financial Exchange on which the relevant Floating Rate Notes are for the time being listed and any central securities depository in which Individual Certificates in respect of the Notes are immobilised, as soon as possible after their determination but (in the case of each Interest Rate, Interest Amount and Interest Payment Date) in any event not later than 3 (three) Business Days after the Interest Determination Date (in the case of the determination of Floating Interest Rate applicable to a Tranche of Floating Rate Notes) and no later than 3 (three) Business Days before the Interest Payment Date (in the case of the determination of the Interest Amount). Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 17 (*Notices*).

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 and to the Noteholders in accordance with Condition 17 (*Notices*) and, if the relevant Tranche of Notes is listed on the JSE, the JSE and the CSD. 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 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 and the Noteholders 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 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.

### 7.4 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.

### 7.5 Accrual of Interest

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 date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEY page as at 12h00 (Johannesburg time or Windhoek time, as the case may be) on the presentation date, or any successor rate) until the earlier of:

- 7.5.1 the date on which all amounts due in respect of such Note have been paid; or
- 7.5.2 in respect of Uncertificated Notes, the date on which the full amount of the moneys payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 17 (*Notices*).

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 7.2.2 to ascertain a rate.

### 7.6 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, 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 the Terms and Conditions, be redeemed on the Maturity Date in accordance with Condition 8.1 (*Redemption at Maturity*). If the "*Redemption at the option of the Issuer*" and/or "*Redemption at the option of the Senior Noteholders*" and/or "*Redemption of Credit-Linked Notes on the Maturity Date*" and/or "*Redemption following the occurrence of a Tax Event and/or Change in Law*" and/or ("*Redemption in the event of a Change of Control*"), and/or ("*Redemption in the event of a failure to maintain JSE Listing and Rating*") is specified as applicable in the Applicable Pricing Supplement, then a Tranche of Notes may be, 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 **Redemption at Maturity**

Subject, in the case of a Tranche of Credit-Linked Notes, to Condition 8.2 below, unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount plus interest (if any) specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.

### 8.2 **Redemption of Credit-Linked Notes on the Maturity Date**

8.2.1 If, in relation to a Tranche of Credit-Linked Notes, a Credit Event or (if Grace Period Extension is specified in the Applicable Pricing Supplement) a Potential Failure to Pay, as the case may be, does not occur prior to the Maturity Date, that Tranche of Credit-Linked Notes will, unless previously redeemed or purchased and cancelled, be redeemed by the Issuer, at the Final Redemption Amount, on the Maturity Date.

8.2.2 If, in relation to a Tranche of Credit-Linked Notes, (A) a Credit Event (of which the Issuer is unaware) occurs on or prior to the Maturity Date or (B) (if Grace Period Extension is specified as applicable in the Pricing Supplement) a Potential Failure to Pay (of which the Issuer is unaware) occurs on or prior to the Maturity Date, as the case may be, and (C) the Issuer has paid the Final Redemption Amount to the relevant Noteholders, as contemplated in Condition 8.2 (*Redemption of Credit-Linked Notes on the Maturity Date*), the relevant Noteholders shall, forthwith upon demand by the Issuer, repay the Final Redemption Amount to the Issuer.

8.2.3 Capitalised terms and expressions used in this Condition 8.2 (*Redemption of Credit-Linked Notes on the Maturity Date*) which are not defined in Condition 1 (*Interpretation*) shall have the meanings given to such terms and expressions in the ISDA Credit Derivatives Definitions (as defined in Condition 1 (*Interpretation*)).

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

8.3.1 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 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.

8.3.2 Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Transfer Agent and the Paying Agent (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. Upon the expiry of any such notice as is referred to in this Condition

8.3 (*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 8.3 (*Redemption following the occurrence of a Tax Event and/or Change in Law*).

#### 8.4 **Redemption at the Option of the Issuer**

8.4.1 If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice to the Noteholders in accordance with Condition 17 (*Notices*) or unless otherwise specified with the Applicable Pricing Supplement, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

8.4.2 Any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.

8.4.3 In the case of a partial redemption of Notes, the Notes to be redeemed (Redeemed Notes) will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertificated, and in each case not more than 30 (thirty) Days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date).

8.4.4 In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 30 (thirty) 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 and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph, and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least 10 (ten) Days prior to the Selection Date.

8.4.5 Holders of Redeemed Notes shall surrender the Individual Certificates, if any, representing 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 Individual Certificates are redeemed, the Transfer Agent shall deliver new Individual Certificates to the Noteholders, as the case may be, in respect of the balance of the Notes.

#### 8.5 **Redemption at the Option of the Senior Noteholders**

8.5.1 If the Senior Noteholders are specified in the Applicable Pricing Supplement as having an option to put any Senior Notes, the Issuer shall, at the option of each Noteholder of Notes in such Tranche of Senior Notes, redeem the Senior 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 together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8.5 (*Redemption at the option of Senior Noteholders*), the Senior Noteholders must, not less than 30 (thirty) nor more than 60 (sixty) days before the relevant Optional Redemption Date(s), surrender the Individual Certificates (if any) relating to such Senior Notes with the Paying Agent in accordance with Condition 17 (*Notices*), together with a duly completed Put Notice. The redemption amount 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.

- 8.5.2 For redemption in part, the redemption amount specified in such Put Notice in respect of any such Senior Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.
- 8.5.3 The redemption by the Senior Noteholders of uncertificated Senior Notes shall take place in accordance with the Applicable Procedures.
- 8.5.4 The Issuer shall proceed to redeem the Senior Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

In the event that the redeeming Senior Noteholder is the holder of an Individual Certificate, then such Senior Noteholder shall (attached to the Put Notice) deliver the Individual Certificate to the Transfer Agent for cancellation. A holder of an Individual Certificate shall, in that holder's Put Notice, specify a bank account into which the redemption payment amount is to be paid.

The delivery of Put Notices shall be required to take place during normal office hours to the Transfer Agent. Put Notices shall be available for inspection at the Specified Offices of the Transfer Agent.

Any Put Notice given by a holder of any Senior Note pursuant to this paragraph 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 Senior Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 12 (*Events of Default*).

The Issuer shall have no liability to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder.

## 8.6 **Redemption in the event of a Change of Control**

The provisions of this Condition 8.6 (*Redemption in the event of a Change of Control*) shall apply if specified in the Applicable Pricing Supplement.

- 8.6.1 A **Change of Control Event** shall occur if at any time while any Note remains Outstanding:
  - (i) a Change of Control occurs; and
  - (ii) within the Change of Control Period and in respect of that Change of Control:
    - (A) a Rating Downgrade occurs in relation to the Issuer and/ and/or the Programme and/or any Notes rated by a Rating Agency, as the case may be; or
    - (B) if, at the time the Change of Control occurs, the Issuer and/or the Programme and/or the Notes, as the case may be, are not so rated, a Negative Rating Event occurs.
- 8.6.2 Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give a notice to the Noteholders in accordance with Condition 17 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 8.6.
- 8.6.3 If a Change of Control Event occurs at any time while any Note remains Outstanding, then provided the Noteholders have:
  - (i) in terms of Condition 19 (*Meeting of Noteholders*) convened a meeting of Noteholders within 30 (thirty) days of the notification set out in Condition 8.6.2 above; and

- (ii) resolved in terms of Condition 19 (*Meetings of Noteholders*) by way of Extraordinary Resolution to require the redemption of the Notes of that Class of Noteholders in these circumstances,

the Issuer shall redeem all Notes held by that Class of Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) days of having received a written notice from that Class of Noteholders to redeem such Note.

8.6.4 Such option shall be exercisable by a Class of Noteholders by the delivery of a written notice (a **Change of Control Redemption Notice**) to the Issuer at its registered office within 60 (sixty) days after the occurrence of a Change of Control Event, unless prior to the delivery by that Noteholder of its Change of Control Redemption Notice the Issuer gives notice to redeem the Notes.

8.6.5 For the purposes of this Condition 8.6 (*Redemption in the event of a Change of Control*)

- (a) **Acting in Concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;
- (b) a **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the senior management or board of directors of the Issuer) that any person (**Relevant Person**) or person Acting in Concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquires Control of the Issuer, provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control, were all of the shareholders of the Issuer;
- (c) **Change of Control Period** means, in relation to a Change of Control of the Issuer, the period commencing 60 (sixty) days prior to such Change of Control and ending 60 (sixty) days after such Change of Control;
- (d) **Control** of the Issuer means (A) the holding beneficially of more than 50% (fifty percent) of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or (B) the power to cast, or control the casting of votes in respect of, such number of the shares in the issued share capital of the Issuer carrying more than 50% (fifty percent) of the total number of votes that may be cast at a general meeting of the members of the Issuer;
- (e) **Investment Grade Rating** means a national scale rating of “**Baa3.za**” by Moody’s, “**zaBBB-**” by S&P, “**BBB-**” by GCR or its equivalent for the time being, or better;
- (f) a **Negative Rating Event** shall, in relation to Notes that are unrated and/or where no Rating is assigned to the Issuer and/or the Programme, as the case may be, by a Rating Agency at the time a Change of Control occurs, be deemed to have occurred if:
  - (A) the Issuer does not on or before the 60<sup>th</sup> (sixtieth) Business Day after the commencement of the Change of Control Period seek, and use all reasonable endeavours to obtain from a Rating Agency, a Rating in respect of itself and/or the Programme and/or the Notes, as the case may be, that are not rated; and
  - (B) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating in respect of itself and/or the Programme and/or such Notes, as the case may be;
- (g) **Rating Downgrade** shall, in relation to the Issuer and/or the Programme and/or any Notes, as the case may be, be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the Rating previously assigned to the Issuer and/or the Programme and/or such Notes, as the case may be, by any Rating Agency is:
  - (A) withdrawn; or

- (B) changed from an Investment Grade Rating to a non-Investment Grade Rating; or
- (C) in the case of a non-Investment Grade Rating, downgraded by any Rating Agency by one or more Rating Notches,

provided that no Rating Downgrade shall have occurred if the Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, is substituted for an Investment Grade Rating by another Rating Agency;

- (h) **Rating Notch** means the difference between one Rating and the Rating immediately below it, for example, from “BB+” to “BB” by the Rating Agency or such similar lower or equivalent Rating.

## 8.7 **Redemption in the event of a failure to maintain JSE Listing and Rating**

The provisions of this Condition 8.7 (*Redemption in the event of a failure to maintain JSE Listing and/or Rating*) shall apply if specified in the Applicable Pricing Supplement.

- 8.7.1 The Issuer shall, for so long as listed Notes remain Outstanding:
- 8.7.2 ensure that those Notes remain listed on the Interest Rate Market of the JSE (the **JSE Listing**); and
- 8.7.3 maintain a Rating (whether or not specified in the Applicable Pricing Supplement) in respect of the Issuer, the Notes or the Programme, as the case may be.
- 8.7.4 If a breach of at least one of the undertakings in Condition 8.7.1 above occurs, then the Issuer shall within 3 (three) Business Days of such breach and in accordance with Condition 17 (*Notices*), give notice (the **Issuer Redemption Notice**) of such breach and the procedure for exercising the option set out in Condition 8.7.3 below to the Noteholders.
- 8.7.5 Each Noteholder may within the period ending 30 (thirty) Business Days of receipt of the Issuer Redemption Notice (the **Election Period**), require the Issuer to redeem its Notes on:
  - (a) the Interest Payment Date immediately following the Election Period; or
  - (b) if the Election Period expires within a Books Closed Period, the next Interest Payment Date falling after the Interest Payment Date at the end of the Election Period,
 by delivery to the Issuer of a notice (the **Noteholder Redemption Notice**) in accordance with Condition 17 (*Notices*).
- 8.7.6 The Issuer shall, in accordance with Condition 8.7.3 above, redeem the Notes relevant to each Noteholder Redemption Notice at the Early Redemption Amount calculated in accordance with Condition 8.9 (*Early Redemption Amounts*), together with accrued interest (if any).

## 8.8 **Redemption of Credit-Linked Notes following a Credit Event**

- 8.8.1 If, in relation to a Tranche of Credit-Linked Notes, (A) a Credit Event or (if Grace Period Extension is specified as applicable in the Applicable Pricing Supplement) a Potential Failure to Pay, as the case may be, occurs on or prior to the Maturity Date or (B) (if Grace Period Extension is specified as applicable in the Applicable Pricing Supplement) (i) a Potential Failure to Pay occurs on or prior to the Maturity Date and (ii) a Failure to Pay occurs after the Maturity Date, as the case may be, and (C) the Conditions to Settlement are satisfied, the Issuer's obligation to redeem that Tranche of Credit-Linked at the Final Redemption Amount, on the Maturity Date, shall cease and shall be replaced by an obligation to redeem that Tranche of Credit-Linked Notes:
  - (a) by payment of the Cash Settlement Amount on the Credit Event Redemption Date (if Cash Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement); or
  - (b) by payment of the Auction Settlement Amount on the Credit Event Redemption Date (if Auction Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement); or

- (c) subject to the Partial Cash Settlement Terms (if applicable and where specified in the Pricing Supplement), by Delivery of the Deliverable Obligation(s) on the Credit Event Redemption Date (if Physical Settlement is specified as the applicable Settlement Method in the Pricing Supplement), as the case may be and, upon discharge by the Issuer of such payment or Delivery,

as the case may be, on the Credit Event Redemption Date, the Issuer's obligations in respect of that Tranche of Credit-Linked Notes shall have been fully discharged.

#### 8.8.2

For purposes of this Condition 8.8.2:

- (a) **Cash Settlement Amount** means, in relation to a Tranche of Credit-Linked Notes in respect of which Cash Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement, (i) the amount specified as such in the Applicable Pricing Supplement or (ii) if no amount is so specified, the amount calculated by the Calculation Agent in accordance with the formula specified for this purpose in the Applicable Pricing Supplement or (iii) if no such amount and no such formula are specified in the Applicable Pricing Supplement, the amount being the product of (a) the Outstanding Principal Amount of that Tranche of Credit-Linked Notes and (b) the Final Price divided by the Reference Price;
- (b) **Auction Settlement Amount** means, in relation to a Tranche of Credit-Linked Notes in respect of which Auction Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement, (i) the amount specified as such in the Pricing Supplement or (ii) if no amount is so specified, the amount calculated by the Calculation Agent in accordance with the formula specified for this purpose in the Applicable Pricing Supplement or (iii) if no such amount and no such formula are specified in the Applicable Pricing Supplement, the amount being the product of (a) the Outstanding Principal Amount of that Tranche of Credit-Linked Notes and (b) the Auction Final Price divided by the Reference Price;
- (c) **Credit Event Redemption Date** means, in relation to a Tranche of Credit-Linked Notes, the date determined in accordance with paragraphs (i) or (ii) below, which date may occur before, on or after the Maturity Date:
  - (i) if a Credit Event occurs on or prior to the Maturity Date and Grace Period Extension is not specified as applicable in the Applicable Pricing Supplement, the applicable date set out below:
    - (A) if Cash Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement, the Cash Settlement Date; or
    - (B) if Auction Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement, the Auction Settlement Date; or
    - (C) if Physical Settlement is specified as the applicable Settlement Method in the Applicable Pricing Supplement, (subject to paragraph (D) below) the Physical Settlement Date; or
    - (D) if Partial Cash Settlement (as specified in the Applicable Pricing Supplement) is or becomes applicable to that Tranche of Credit-Linked Notes (as specified in the Applicable Pricing Supplement), the Latest Permissible Physical Settlement Date;
  - (ii) if a Potential Failure to Pay occurs on or prior to the Maturity Date and Grace Period Extension is specified as applicable in the Applicable Pricing Supplement, the date that is the latest to occur of the dates set out in paragraphs (i)(A) to (D) inclusive above (as applicable) and the Grace Period Extension Date; provided that:
    - (A) if no Failure to Pay occurs on or before the Grace Period Extension Date and the Grace Period Extension Date is a date on or prior to the Maturity Date, no Credit Event Redemption Date shall occur; and
    - (B) if no Failure to Pay occurs on or before the Grace Period Extension Date and the Grace Period Extension Date is a date later than the Maturity Date, the Grace Period Extension Date shall be deemed to be the Maturity Date.

8.8.3 Subject to Condition 8.8.2, capitalised terms and expressions used in this Condition 10.7 which are not defined in Condition 1 shall have the meanings given to such terms and expressions in the ISDA Credit Derivatives Definitions (as defined in Condition 1).

#### 8.9 Early Redemption Amounts

For the purpose of Condition 8.3 (*Redemption for Tax Reasons*) credit-linked notes, Condition 8.4 (*Redemption at the Option of the Issuer*), Condition 8.5 (*Redemption at the Option of the Senior Noteholders*), Condition 8.6 (*Redemption in the event of a Change of Control*), Condition 8.7 (*Redemption in the event of a failure to maintain JSE Listing and Rating*) and/or Condition 12 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount plus interest (if any), calculated as follows:

- 8.9.1 in the case of Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or
- 8.9.2 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, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount; or
- 8.9.3 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 annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or
- 8.9.4 such other amount or method of calculation of the amount payable as is provided in the Applicable Pricing Supplement.

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 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 8.10 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 8.3 (*Redemption for Tax Reasons*) Condition 8.4 (*Redemption at the Option of the Issuer*), Condition 8.5 (*Redemption at the Option of the Senior Noteholders*), Condition 8.6 (*Redemption in the event of a Change of Control*), Condition 8.7 (*Redemption in the event of a failure to maintain JSE Listing and Rating*) and/or Condition 12 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 8.9 (*Early Redemption Amounts*).

#### 8.11 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. In the case of early redemption in accordance with Condition 8.3 (*Redemption for Tax Reasons*), Condition 8.4 (*Redemption at the Option of the Issuer*), Condition 8.5 (*Redemption at the Option of the Senior Noteholders*), Condition 8.6 (*Redemption in the event of a Change of Control*), Condition 8.7 (*Redemption in the event of a failure to maintain JSE Listing and Rating*) and/or Condition 12 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 8.9 (*Early Redemption Amounts*).

#### 8.12 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.

### 8.13 **Purchases**

Subject to the applicable Capital Rules, the Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or in privately negotiated transactions with any Noteholders) at any price in the open market or otherwise. Such Notes may, subject to Applicable Law, be held, resold, or, at the option of the Issuer and/or the relevant Subsidiary, as the case may be, surrendered to the Transfer Agent for cancellation.

### 8.14 **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 an Individual Certificate are cancelled, the Transfer Agent shall deliver an Individual Certificate to such Noteholder in respect of the balance of the Notes.

### 8.15 **Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 8 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 12 (*Events of Default*), is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.9 (*Early Redemption Amounts*), as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, 5 (five) days after the date on which the full amount of the moneys payable has been received by the CSD, and notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*).

### 8.16 **Applicable Procedures**

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the Financial Markets Act.

## 9. **PAYMENTS**

### 9.1 **General**

Payments of principal and/or interest on an Individual Certificate shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the Transfer Agent.

Payments of principal and/or interest in respect of uncertificated Notes shall be made to the CSD or the Participants, as shown in the Register on the Last Day to Register, and the Issuer will be discharged of its payment obligations by proper payment to the CSD or the Participants, in respect of each amount so paid. Each of the Persons shown in the records of the CSD and the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes.

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 **Method of Payment**

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

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 required in accordance with applicable banking law and practice) of any

such amounts. Such payments by cheque shall be sent by post to the address of the Noteholder of Notes as set forth in the Register or, in the case of joint Noteholders of Notes, 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

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Notes, the first one of them named in the Register. Cheques may be posted by ordinary 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 9.2 (*Method of Payment*).

In the case of joint Noteholders of Notes payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 10 (*Taxation*).

### 9.3 **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.

### 9.4 **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 9.2 (*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 8.9 (*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 10 (*Taxation*).

## 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 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 without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.
- 10.3 The Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall

equal the respective amounts of principal 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 except that no such additional amounts shall be payable with respect to any Note:

- 10.3.1 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 South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
  - 10.3.2 presented for payment by or on behalf of, or held by, a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residency or other similar claim or filing for exemption to which it is entitled to the relevant tax authority or the Paying Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
  - 10.3.3 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) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
  - 10.3.4 where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented 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 30<sup>th</sup> (thirtieth day); or
  - 10.3.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of disputers or alleged tax defaulters.
- 10.4 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.
- 10.5 *FATCA withholding:* Notwithstanding any other provision in these Terms and Conditions, the Issuer, and the Paying Agents, shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS (**FATCA withholding**). The Issuer will have no obligations to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

## 11. PRESCRIPTION

The Notes will become void unless presented for payment of principal and interest within a period of 3 (three) years their redemption date.

## 12. EVENTS OF DEFAULT

### 12.1 Events of Default relating to Senior Notes

If, for any particular Series of Notes, one or more of the following events or unless otherwise set out in the Applicable Pricing Supplement (**Events of Default**) shall have occurred and be continuing:

#### 12.1.1 *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

12.1.2 *Negative Pledge*

the Issuer fails to remedy a breach of Condition 6 (*Negative Pledge*) within 21 (twenty one) Business Days of receiving written notice from the Senior Noteholders demanding such remedy; or

12.1.3 *Breach of other obligations:*

the Issuer fails to perform or observe of any of its material obligations or undertakings under or in respect of the Notes and such failure continues for a period 30 (thirty) Business Days after receipt by the Issuer of a notice from the Senior Noteholder (in accordance with Condition 17 (*Notices*)) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

12.1.4 *Cross default of Issuer*

- (i) any Financial Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period; or
- (ii) any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or
- (iii) the Issuer fails to pay when due any amount payable by it under any Guarantee of Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds ZAR500,000,000 (Five Hundred Million Rand) (or its equivalent in any other currency or currencies); or

12.1.5 *Authorisation and Consents*

any action, condition or thing, including obtaining any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes, is not taken, fulfilled or done or any such consent, licence, approval or authorisation is revoked, modified, withdrawn or withheld or ceases to be in full force and effect, resulting in the Issuer being unable to perform any of its respective payment or other obligations in terms of the Notes and the Issuer fails to take reasonable steps to remedy such circumstances within 21 (twenty one) Business Days of receiving written notice from the Noteholders demanding such remedy; or

12.1.6 *Insolvency, winding-up etc*

the granting of an order by any court of competent jurisdiction or authority for the liquidation, curatorship, winding-up or dissolution of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up or dissolution shall constitute an event of default if: (i) the liquidation, curatorship, winding-up or dissolution 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 or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, curatorship, winding-up or dissolution; or

12.1.7 *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, in respect of listed Notes, shall forthwith notify the CSD, the JSE and/or such other Financial Exchange upon which such Notes are listed, as the case may be.

Upon the happening of an Event of Default, any holder of Senior Notes may, 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.

## 12.2 Events of Default relating to Subordinated Notes

An Event of Default in relation to Subordinated Notes shall arise if any one or more of the following events occurs and is continuing:

### 12.2.1 *Non payment*

subject to Condition 7.1.1, if applicable, the failure by the Issuer to pay within 7 (seven) days from the due date any amount due in respect of the Subordinated Notes; or

### 12.2.2 *Insolvency, winding-up etc*

the granting of an order by any competent court or authority for the liquidation, curatorship, winding-up or dissolution of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up or dissolution shall constitute an event of default if: (i) the liquidation, curatorship, winding-up or dissolution 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 or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, curatorship, winding-up or dissolution.

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders of the Class and, in respect of listed Notes, shall forthwith notify the CSD, the JSE and/or such other Financial Exchange upon which such Notes are listed, as the case may be.

Upon the happening of an Event of Default referred to in Condition 12.2.1 (*Non-payment*), any holder of Subordinated Notes of the Class may, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default.

Upon the happening of an Event of Default referred to in Condition 12.2.2 (*Insolvency, winding-up etc*), any holder of Subordinated Notes of the Series may, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Notes of the Series 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.

Without prejudice to the preceding Conditions, if the Issuer breaches any of its obligations under the Subordinated Notes of the Series (other than any obligation in respect of the payment of principal or interest on such Notes), at its discretion and without further notice, bring such proceedings as it may think fit to enforce the obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Subordinated Notes sooner than the same would otherwise have been payable by it.

## 13. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

### 13.1 Exchange of Beneficial Interests

13.1.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and in accordance with section 34(e) of the Financial Markets Act, read together with

section 54 of the Companies Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (a) the name, address and bank account details of the holder of the Beneficial Interest and (b) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) Days after the day on which such Exchange Notice is given.

- 13.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) Days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Day period, to the Participant acting on behalf of the holder of the Beneficial Interest in respect of the conversion at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 13.1.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
  - 13.1.4.1 the CSD shall, prior to the Exchange Date, surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office;
  - 13.1.4.2 the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.
- 13.1.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## 13.2 **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. Worn-out, mutilated or defaced Individual Certificates, Receipts or Coupons must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

## 13.3 **Death and sequestration or liquidation of Noteholder**

Any Person becoming entitled to the 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 13.3 (*Death and 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 13.3 (*Death and sequestration or liquidation of Noteholder*) and Condition 14.1 (*Transfer of Notes represented by Individual Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant 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 until such time such Notes are duly transferred.

## 13.4 **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, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer. The costs and expenses of the delivery of the Individual Certificates and all taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

#### 14. TRANSFER REPRESENTED BY INDIVIDUAL CERTIFICATES

##### 14.1 Transfer of Notes

###### 14.1.1 *Transfer of Beneficial Interests in Notes held in the CSD*

14.1.1.1 Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.

14.1.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.

14.1.1.3 Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.

14.1.1.4 Transfers of Beneficial Interests in the Notes will be recorded in the Register only in accordance with the Applicable Procedures.

###### 14.1.2 *Transfer of Notes represented by Individual Certificates*

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

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

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

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

14.1.2.2 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).

14.1.2.3 Subject to this Condition 14.1.2 (*Transfer of Notes represented by Individual Certificates*), the Transfer Agent will, within 10 (ten) 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 Notes represented by an Individual Certificate (or the relevant portion of such 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 Notes transferred reflecting the Nominal Amount Outstanding of the Notes transferred.

14.1.2.4 Where a Noteholder has transferred a portion only of 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 Notes held by such Noteholder.

14.1.2.5 The transferor of any 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.

14.1.2.6 Before any transfer of 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.

- 14.1.2.7 No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 15 (*Register*).
- 14.1.2.8 If a transfer of any 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.
- 14.1.2.9 In the event of a partial redemption of Notes under Condition 8.4 (*Redemption at the Option of the Issuer*), the Transfer Agent shall not be required in terms of Condition 8.4 (*Redemption at the option of the Issuer*), 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).

## 15. REGISTER

- 15.1 The Register of Noteholders shall be kept at the Specified Offices of the Transfer Agent and a copy thereof shall be made available for inspection at the registered office of the Issuer (as set out at the end of the Programme Memorandum) or such other Person as may be appointed for the time being by the Issuer to maintain the Register. The Register shall reflect the number of Notes issued and Outstanding, the date upon which each of the Noteholders was registered as such. The Register shall contain the name, address, and bank account details of the Noteholders of 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 on Business Days 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 Notes of which it is notified.
- 15.3 Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in Register or take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.

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

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. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts.

## 17. NOTICES

### 17.1 Notice by the Issuer

- 17.1.1 All notices to Noteholders in respect of Notes shall be sent by registered mail or delivered by hand to their addresses appearing in the Register. Any such notice shall be deemed to have been given on the 7th (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 in issue, notices to such Noteholders shall be published:
  - (a) in an English language daily newspaper of general circulation in South Africa; and
  - (b) for so long as the Notes are listed on the JSE or such other Financial Exchange, a daily newspaper of general circulation in the city in which the JSE

or such other Financial 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 For as long as all the Notes in a Tranche are issued in uncertificated form and held in their entirety in the CSD, all notices in respect of such Notes shall be by way of delivery by the Issuer via the relevant Participant of the relevant notice to the CSD (as the registered holder of such Notes) and the JSE or such other Financial Exchange on which the Notes are listed for communication by them to holders of Beneficial Interests in such Notes. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the day of delivery of such notice to the CSD.

17.3 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 Individual Certificate, at the office of the Transfer Agent specified in the Applicable Pricing Supplement. For so long as any of the Notes are uncertificated, notice may be given by any holder of a Beneficial Interest in such Notes to the Issuer via the relevant Participant in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participant may approve for this purpose. 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.

17.4 **Notice in relation to Notes listed on the JSE**

For so long as any Notes are listed on the JSE, notwithstanding Conditions 17.1 and 17.3, all notices in respect of such JSE-listed Notes, shall be made by way of an announcement on the Stock Exchange News Service.

## 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 of Noteholders holding not less than 10 per cent. 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 Noteholders requesting such a meeting 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) 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 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 Specified Offices of the Issuer.

### 18.3 **Proxy**

A Noteholder may by an instrument in writing (a **form of proxy**) signed by the holder 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 chairman of an adjourned meeting need not be the same Person as was chairman 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) per cent. 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 an Extraordinary 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 Extraordinary Resolution namely -

- (a) modification of the Maturity Date of any Notes or reduction or cancellation of the Nominal Amount payable upon; 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 an Extraordinary Resolution; or
- (f) the sanctioning of any such scheme or proposal as is described in Condition 18.13(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 66.67 per cent. in Nominal Amount of the Notes of that Class for the time being Outstanding. An Extraordinary 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) days and not more than 21 (twenty-one) 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 subject to as provided in Condition 18.7(c) below.

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) 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 that (except in the circumstances where sub-paragraph (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 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 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 Show of hands**

Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairperson's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

**18.10 Poll**

A demand for a poll shall be valid if it is made by the Chairperson, the Issuer or one or more Noteholders present, by Representative or by proxy (whatever the Nominal Amount of Notes held or represented by them). The poll may be taken immediately or after such adjournment as the Chairperson directs, but any poll demanded on the election of the Chairperson or on any question of adjournment shall be taken at the meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant meeting for any other business as the Chairperson directs.

**18.11 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.

Notwithstanding any other provision contained in this Condition 18, the CSD shall vote on behalf of holders of Beneficial Interests of Uncertificated Notes in accordance with the Applicable Procedures.

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.

Notwithstanding anything to the contrary contained herein, any Noteholder that is the Issuer or any of its Subsidiaries shall not be entitled to vote.

**18.12 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.

**18.13 Powers**

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

- (a) power to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them;
- (b) power to approve the substitution of any entity for the Issuer which shall be proposed by the Issuer;
- (c) power 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) power to assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer;

- (e) power to give any authority or sanction which under the Terms and Conditions is required to be given by Extraordinary Resolution;
- (f) power 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 Extraordinary Resolution;
- (g) power 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.

#### 18.14 **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.

An Extraordinary 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.

#### 18.15 **Notice of the result of voting on any resolution**

Notice of the result of the voting on any resolution (including any Extraordinary Resolution) duly considered by the Noteholders shall be given to the Noteholders within 14 (fourteen) days of the conclusion of the meeting in accordance with Condition 17 (*Notices*). Non-publication shall not invalidate any such resolution.

#### 18.16 **Minutes**

Minutes shall be made of all resolutions and proceedings of meetings by the company secretary of the Issuer 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. 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 to the relevant Financial Exchange in accordance with Condition 17 (*Notices*) as soon as practicable thereafter. For the avoidance of doubt, the provision of any rights of security to or for the benefit of any Class of Noteholders in accordance with Condition 6 (*Negative Pledge*) or the exercise by the Issuer of its rights under Condition 16 (*Transfer Agent, Calculation Agent and Paying Agent*) shall not constitute a modification of these Terms and Conditions.
- 19.2 No amendment or modification to the Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the debt listings requirements of the JSE or such other Financial Exchange, as the case may be.
- 19.3 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 66.67% (sixty-six point sixty-seven percent) in Nominal Amount, of the Notes in that Class for the time being

Outstanding; or

(b) sanctioned by an Extraordinary 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 as 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 and aggregate Nominal Amounts, so that the Additional Notes shall be (i) consolidated to form a single Series with the Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

**21. GOVERNING LAW**

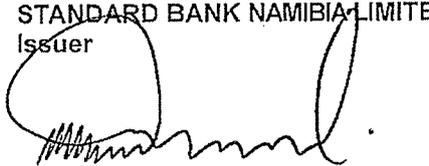
Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum, the applicable Terms and Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of South Africa.

**22. JURISDICTION**

The Issuer irrevocably and unconditionally agrees, for the benefit of the Noteholders, that the High Court of South Africa, Gauteng Local Division, Johannesburg (or any successor to that division) will have non-exclusive jurisdiction to settle any disputes which arise out of or in connection with the Notes and accordingly submits to the non-exclusive jurisdiction of the South African courts.

SIGNED at Windhoek on this 22<sup>nd</sup> day September 2016.

For and on behalf of  
STANDARD BANK NAMIBIA LIMITED  
Issuer



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



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

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## USE OF PROCEEDS

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Capitalised terms used in this section headed “*Use of Proceeds*” 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.

For purposes of the Commercial Paper Regulations it is recorded that the “*Ultimate Borrower*”, as defined in the Commercial Paper Regulations, of the net proceeds from each Tranche of Notes will be the Issuer, unless otherwise indicated in the Applicable Pricing Supplement.

The net proceeds from each issue of Notes will be applied by the Issuer for its *general corporate purposes* or as may otherwise be described in the Applicable Pricing Supplement

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## DESCRIPTION OF STANDARD BANK NAMIBIA LIMITED

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*This section serves as a brief description of Standard Bank Namibia Limited (Registration Number 78/01799). Further information is available on the Issuer's website at [www.standardbank.com.na](http://www.standardbank.com.na) and investors are advised to visit the website.*

### 1. INTRODUCTION

Standard Bank Namibia Limited (**SBN** or the **Bank**) incorporated on 24 May 1978 is a subsidiary of The Standard Bank South Africa Limited (**SBSA**). The Bank is a universal bank providing retail, corporate, commercial and investment banking services to individuals and companies across Namibia.

As at 31 December 2014, SBN had total assets of NAD1,976 million (compared to NAD1,878 million as at 31 December 2013) and had profit attributable to the ordinary shareholder of NAD362 million for the year ended 31 December 2014 (NAD319 million for the year ended 31 December 2013).

### 2. BACKGROUND AND HISTORY

SBN has a long-standing track record of involvement in the Namibian market which dates back to 1915 when SBN became the first commercial bank to open its branch in Lüderitz.

SBN, as at the Programme Date, employs approximately 1 424 people of which 90% are from a previously disadvantaged background. Women constitute 60% of the entire workforce.

The bank prides itself on its commitment to bringing banking to Namibians all over the country and to the previously "unbanked" population. Its operations include a network of over 50 branches, representing the widest ranging branch network and the largest ATM footprint, in Namibia

### 3. OWNERSHIP AND CONTROL

SBN is a subsidiary of SBSA, who holds 90% of SBN's ordinary shares. SBSA is one of the oldest banks in South Africa having originally been incorporated in London as The Standard Bank of British South Africa Limited in 1862. The word "British" was dropped from the Bank's name in 1883. SBSA commenced operations in Port Elizabeth in 1863 and gradually expanded its geographic area of operation to include the whole of South Africa. In 1962, SBSA was formed and registered as a South African company, operating as a subsidiary of Standard Bank in London (subsequently to become Standard Chartered Bank plc).

The Bank achieved 10% broad-based economic empowerment ownership through the sale of shares to staff. During 2014, the Bank completed all the necessary arrangements to transfer 8% of the shares to qualifying bank staff. The remaining 2% was allocated to a community trust with the objective of contributing to vulnerable communities with a focus on education, health and small enterprise development.

### 4. REVIEW OF OPERATIONS/DESCRIPTION OF BUSINESS

SBN is a full-service bank offering its clients the full suite of banking services through two business units:

- Personal and Business Banking
- Corporate and Investment Banking

Personal & Business Banking provides banking and other financial services to individual customers and small-to-medium sized enterprises, in particular, mortgage lending, instalment sale and finance leases, card products, transactional and lending products and bancassurance. Standard Bank also provides mobile phone and internet banking services. For the year ended 31 December 2014, Personal & Business Banking recorded profits of 242 million, constituting 66 per cent. of SBN's profit attributable to the ordinary shareholder (compared to 200 million and 65 per cent., respectively, for the year ended 31 December 2013).

Corporate & Investment Banking provides corporate and investment banking services to governments, parastatals, larger corporate, financial institutions and international counterparties and includes global markets, transactional products and services and investment banking. Corporate & Investment Banking contributed 34 per cent. of SBN's profit for the year ended 31 December 2014 (35 per cent. for the year ended 31 December 2013). The Bank is incorporated in Namibia as a limited liability company and operates under Namibian law. The Bank's registered address is 5th Floor, Standard Bank Centre, Corner Werner List Street and Post Street Mall, PO Box 3327, Windhoek, Namibia.

## 5. **MANAGEMENT STRATEGY**

Standard Bank Namibia's vision is to be Namibia's agile provider of innovative financial solutions. The strategic plan is underpinned by the following themes:

- *Client centricity*: This strategic objective aims to provide an excellent customer experience to everyone that engages with us. In doing this, we aim to employ a culture of continuous improvements to our systems, processes, products and people as well as commit to a deep understanding of our customers' needs and requirements in order to customise our propositions.
- *Technology optimisation*: The state-of-the-art systems and technologies that the bank has invested in and implemented over the last three years provide a foundation for system optimisation, efficiencies and cutting edge innovation in the years ahead.
- *Employer of choice*: We want to position the bank as the employer of choice in Namibia. To this end, we have reviewed our staff engagement and recognition programmes, and have strengthened our training programmes given the business requirements. We cannot achieve the change and progress we are planning without a strong, motivated, skilled and engaged workforce.
- *Trusted and preferred bank*: This pillar of our strategy is aimed at making the bank the preferred bank in our chosen market segments, supported by products and services that are solution driven, in line with our customers' needs. This pillar looks at the refreshing of our value propositions to our customers for our key products and focus segments to ensure ongoing relevance and preference.
- *Continuous innovation*: Given the journey that the bank has travelled in the implementation of the new core banking system, it is imperative that we prioritise the need to review and update our processes, products and services to optimise the new core banking system. In order to make this possible, we are creating an enabling environment for harvesting new ideas and look for opportunities for change and continuous improvement.
- *Accelerated growth*: All the above initiatives are geared toward the bank realising accelerated growth over the coming years. The management team has set itself ambitious but achievable targets for growth over the next three-year strategy period of 2015 – 2017.

## 6. **RISK MANAGEMENT**

Understanding our clients forms a key part of managing risk in the bank and will further benefit from our client focus. A key initiative in this regard is bringing risk management closer to the functions where risks arise, identifying risks early and, in our client-facing functions, gain deeper insight into our clients. Other projects include aligning the collection of financial and risk data to improve our view of the size and potential consequences of exposures and implementing measures to better understand the complex interrelationships between different risk types.

These initiatives are supported by our investments in technology, and together will allow us to tailor our products and services in a way that better manages our risk exposures and reduces related capital requirements.

Risks are controlled at individual exposure level as well as in aggregate within and across business lines, legal entities and risk types.

The board has ultimate responsibility for risk and capital management. Various committees within the governance structure enable the board to evaluate the risks faced by the group and the effectiveness of the group's management of these risks.

The board relies on quarterly reports from these committees, as well as periodic attestations by senior risk managers and internal audit, to satisfy itself that the group's risk management processes are fit-for-purpose and are operating effectively.

## 7. BOARD OF DIRECTORS

As at 31 December 2015:

Name	Title	Year appointed to SBN Board
Herbert Maier	Chairman – non-executive director	2010
Vetumbuavi Mungunda	Chief executive director	2014
Pindie Nyandoro	Executive director	2011
Isac Hiriua Tjombonde	Non-executive director	2007
Arnold Gore Gain	Non-executive director	2015
Jeremia Muadinohamba	Non-executive director	2007
Martha Namundjembo-Tilahun	Non-executive director	2007
Dr Ndapewa Hamunime	Non-executive director	2004
Adv Natasha Bassingthwaighe	Non-executive director	2011
Birgit Eimbeck	Non-executive director	2012

## 8. CORPORATE GOVERNANCE AND REGULATORY FRAMEWORK

The issuer's governance framework enables the board to balance its role of providing risk oversight and strategic counsel, and ensuring adherence to regulatory requirements and risk tolerance. The board is committed to upholding the fundamental tenets of governance, which include discipline, independence, responsibility, fairness, social responsibility, transparency and accountability of directors to all stakeholders.

The board's approach to governance is to embrace relevant local and international best practice. The principles of the Namcode inform the governance framework and practices of the issuer.

Complying with all applicable legislation, regulations, standards and codes is integral to the issuer's culture. The board delegates responsibility for compliance to management and monitors this through the compliance function. Oversight of compliance risk management is delegated to the audit committee, which reviews and approves the compliance mandate submitted by the Head of Compliance, who reports on a quarterly basis on, among others, the status of compliance risk management in the bank, significant areas of non-compliance, as well as feedback on interactions with regulators. The compliance function as well as the compliance policy and governance standards are subject to review and audit by the internal audit function of the bank. Material regulatory issues are escalated to the Board Risk Committee.

The King Report on Governance for South Africa and the King Report and Code of Governance Principles (the **King III Code**) apply to entities incorporated and resident in South Africa. The Issuer is incorporated in Namibia and accordingly, the King III Code is not applicable to the Issuer and the Issuer does not comply with the King III Code.

Governance Framework:



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## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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*Capitalised terms used in this section headed "Settlement, Clearing and Transfer of Notes" 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.*

### **Notes listed on the Interest Rate Market of the JSE and/or held in the CSD**

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE in uncertificated form will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

### **Clearing systems**

Each Tranche of Notes listed on the Interest Rate Market of the JSE and/or held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures for the time being of the JSE and the CSD through the electronic settlement system of the CSD. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD.

The CSD has, as the operator of an electronic clearing system, been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Subject as aforesaid each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions, and will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

### **Participants**

The CSD maintains central securities accounts only for Participants. As at the Programme Date, the Participants which are approved by JSE, in terms of the listing requirements of the JSE, as Settlement Agents to perform electronic settlement of funds and scrip are Citibank NA, Johannesburg branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Link Investor Services, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch and the SARB. Euroclear, as operator of the Euroclear System, and Clearstream Banking will settle off-shore transfers in the Notes through their Participants.

### **Settlement and clearing**

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the South African Reserve Bank.

While a Tranche of Notes is held in its entirety in the CSD, the CSD, will be named in the Register as the sole Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Nominal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. The CSD (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the JSE and/or held in the CSD will be made to the CSD, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD, as the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE and/or held in uncertificated form will be recorded by the CSD, as the registered

Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

### **Transfers and exchanges**

Subject to the Applicable Laws, title to Beneficial Interest held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such Participants for such clients. Subject to the Applicable Laws, title to Beneficial Interests held by Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 14.1.2 (*Transfer of Notes represented by Individual Certificates*).

### **Records of payments, trust and voting**

Neither the Issuer nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Neither the Issuer nor the Paying Agent nor the Transfer Agent will be bound to record 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 Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

### **BESA Guarantee Fund Trust**

The holders of Notes that are not listed on the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust, may only be made in respect of the trading of Notes listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the JSE. Any claims against the BESA Guarantee Fund Trust may only be made in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

### **Notes listed on any Financial Exchange other than (or in addition to) the JSE**

Each Tranche of Notes which is listed on any Financial Exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Financial Exchange. The settlement and redemption procedures for a Tranche of Notes which is listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

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## EXCHANGE CONTROL

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*Capitalised terms used in this section headed “South African 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 “South African 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-South African resident Noteholders and emigrants from the Common Monetary Area**

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 Rand**

Blocked Rand 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 Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

#### **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*”. Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as an “*emigrant*” account.

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 Noteholder’s Blocked Rand 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*”. In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the CSD, the securities account for such Noteholder by the relevant Participant will be designated as a “*non-resident*” account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident’s nominated or authorised dealer in foreign exchange 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 South Africa 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.

The Issuer is established and domiciled in Namibia and as such there is no exchange control approval required for the establishment of the Programme.

For purposes of this section, **Common Monetary Area** means South Africa, Lesotho, Namibia, and Swaziland.

#### **Other restrictions**

##### *Credit-Linked Notes*

Any Listed Deliverable Obligations due to a non-resident Noteholder of Credit-Linked Notes may be Delivered (as defined in the ISDA Credit Derivatives Definitions) to such non-resident Noteholder, and any distributions under such Deliverable Obligations and any proceeds due to such non-resident

Noteholder on the sale at market value of such Deliverable Obligations may be remitted from the Common Monetary Area. The delivery of any other Deliverable Obligations to a non-resident Noteholder may require the prior approval of the Relevant Exchange Control Authorities in terms of the South African Exchange Control Regulations and the Namibian Exchange Control Regulations.

*Foreign Reference Entities and Reference Obligations*

The issue of a Tranche of Credit-Linked Notes (or any other Tranche of Notes) which references one or more foreign Reference Entity/ies and/or foreign Reference Obligation/s and/or other foreign asset/s requires the prior written approval of the Exchange Control Authorities in terms of the South African Exchange Control Regulations and the Namibian Exchange Control Regulations.

For the purposes of this section headed "*Credit-Linked Notes*", Relevant Exchange Control Authority shall mean the Financial Surveillance Department of the South African Reserve Bank and the Exchange Control Division of the Bank of Namibia, as the case may be.

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## TAXATION

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*Capitalised terms used in this section headed "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 this is clearly inappropriate from the context.*

***The comments below are intended as a general guide to the relevant tax laws of South Africa and Namibia as at the Programme Date. The contents of this section headed "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.***

### **South African Taxation**

#### ***Withholding Tax***

A final withholding tax on interest which is levied at the rate of 15% applies to interest payments made from a South African source to foreign persons (i.e. non-residents), which are paid or become due and payable on or after that date. The legislation introducing this withholding tax contains certain exemptions (see below). South Africa is also a party to double taxation treaties that may provide full or partial relief from the withholding tax on interest, provided that certain requirements are met.

The available exemptions apply in respect of the instrument giving rise to the interest, to the foreign person receiving the interest, or to the person liable for the interest (i.e. the Issuer).

Regarding the exemptions applicable in respect of the instrument, an amount of interest is exempt if it is paid to a foreign person in terms of "listed debt", being debt listed on a "recognised exchange", as defined in terms of paragraph 1 of the Eighth Schedule to the Income Tax Act. The Notes may be listed on a recognised exchange. Thus, to the extent that the Notes remain listed on that exchange (and to the extent that that exchange remains a recognised exchange), any interest paid to a foreign person in respect of the Notes will be exempt from the withholding tax on interest. If the Notes are not listed on a recognised exchange, then the interest paid to a foreign person will not be exempt from the withholding tax on interest unless another exemption is applicable.

Regarding the exemptions applicable in respect of the foreign person receiving the interest, an amount of interest is exempt if—

- (a) that foreign person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve month period preceding the date on which the interest is paid;
- (b) the debt claim in respect of which that interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa, if that foreign person is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011; and
- (c) The foreign person submits a declaration confirming their exemption to the person liable for the payment of the interest before payment of the interest is made.

If a foreign person does not qualify for the above exemption, then any interest paid to that foreign person will not be exempt from the withholding tax on interest unless another exemption is applicable.

Regarding the exemptions applicable in respect of the person liable for the interest, none of these will be applicable in respect of the Issuer. Thus, if the exemptions in respect of listed debt and foreign persons above are not applicable, then any interest paid to a foreign person will not be exempt from the withholding tax.

As part of the detailed tax proposals under the 2015 Budget Speech, it was proposed that sections 50B(1) and 9(2)(b) of the Income Tax Act should be amended to provide for an exemption in respect of interest paid to a non-resident for debt owed by another non-resident, unless the other non-resident was present in South Africa for a period exceeding 183 days or the debt claim is effectively connected to a permanent establishment in South Africa. If this amendment is made, it is only likely to come into force at the end of 2015 with the promulgation of the next Taxation Laws Amendment Act.

#### ***Securities Transfer Tax (STT)***

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007 (the **STT Act**) because the Notes do not constitute "securities" as

defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

### **Value-Added Tax (VAT)**

No value-added tax (VAT) is payable on the issue or transfer of Notes. The issue, sale or transfer of the Notes constitute “*financial services*” as defined in section 2 of the South African Value-Added Tax Act, 1991 (the **VAT Act**). In terms of section 2 of the VAT Act, the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security as well as the buying and selling of derivatives constitute a financial service, which is exempt from VAT in terms of section 12(a) of the VAT Act.

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes constitute “*debt securities*” as defined in section 2(2)(iii) of the VAT Act will be subject to VAT at the standard rate (currently 14 percent.), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(l) of the South African Value-Added Tax Act, 1991.

### **Income Tax**

Under current taxation law effective in South Africa a “*resident*” (as defined in section 1 of the Income Tax Act) is subject to income tax on his/her worldwide income. Accordingly, all Noteholders who are “*residents*” of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any interest earned pursuant to the Notes. Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is from a South African source if that amount:

- (a) is attributable to an amount incurred by a person that is a resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or
- (b) is received or accrues in respect of the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of interest-bearing arrangement.

Under section 10(1)(h) of the Income Tax Act (which is effective for all amounts of interest that accrue or will be paid on or after 1 July 2013), any amount of interest that is received or accrued by or to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve month period preceding the date on which the interest is received by, or accrues to, that person; or
- (b) at any time during the twelve month period preceding the date on which the interest is received by, or accrues to, that person carried on business through a permanent establishment in South Africa.

If a Noteholder does not qualify for the exemption under Section 10(1)(h) of the Income Tax Act, exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Furthermore, certain entities may be exempt from income tax. Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act.

Under section 24J of the Income Tax Act, any discount or premium to the Nominal Amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Noteholder on a day to-day basis until that Noteholder disposes of the Note or until maturity unless an election has been made by the Noteholder (if the Noteholder is entitled under Section 24J(9) of the Income Tax Act to make such election) to treat its Notes on a mark to market basis. This day to day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. Interest as defined in section 24J of

the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act.

Specific provisions dealing with the fair value taxation of financial instruments for certain covered persons have been promulgated and will apply from 1 January 2014. Noteholders should seek advice as to whether these amendments, once promulgated may apply to them.

To the extent the disposal of the Note gives rise to a gain or a loss, the normal principles are to be applied in determining whether such gain or loss should be subject to income tax in terms of the Income Tax Act.

### **Capital Gains Tax**

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that Person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

In terms of the Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill (the **Draft Rates Bill**), published on 24 February 2016 concurrently with the 2016 Budget Speech, the inclusion rates for capital gains for individuals and companies will be increased from 33.3% to 40% and from 66.6% to 80%, respectively. This will raise the maximum effective capital gains tax rate for individuals from 13.7% to 16.4%, and for companies from 18.6% to 22.4%. The effective capital gains tax rate for trusts will also increase from 27.3% to 32.8%. Assuming that the Draft Rates Bill is passed into law (which is highly likely), these new rates will become effective for years of assessment beginning on or after 1 March 2016, applying in respect of disposals that are made on or after that date.

### **Definition of Interest**

The references to “*interest*” above means “*interest*” as understood in South African tax law. The statements above do not take 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 or any related documentation. However, a definition of “*interest*” for withholding tax purposes has been inserted with effect from 1 March 2016, in terms of section 70 of the Taxation Laws Amendment Act, 2015. Under this new definition “*interest*” for withholding tax purposes will mean interest as contemplated in paragraph (a) or (b) of the definition of “*interest*” in section 24J(1) of the Income Tax Act.

## **Namibian Taxation**

### **Income Tax**

Interest received by or accrued to any Namibian domestic company or any person who is ordinarily resident in Namibia shall be deemed to have been derived from a source within Namibia, unless the provisions of section 16(1)(r) of the Namibian Income Tax Act, 24 of 1981 (the **Namibian Income Tax Act**) apply or relief is provided under a double taxation treaty.

Under section 16(1)(r) of the Namibian Income Tax Act, interest received by or accrued to any Namibian domestic company or any person who is ordinarily resident in Namibia in respect of any loan, deposit, advance, participation bond, debenture or interest bearing security which accrues from a source outside of Namibia shall be exempt from income tax, subject to the conditions prescribed in section 16(1)(r) of the Namibian Income Tax Act being proved to the satisfaction of the relevant authority.

### ***Withholding Tax***

In terms of section 34A of the Namibian Income Tax Act, as at the Programme Date, there is levied a withholding tax equal to 10% (ten percent) of any amount of interest (excluding interest on negotiable instruments) accruing to or in favour of any person, (other than a Namibian company or unit trust), from a banking institution registered under the Namibian Banking Institutions Act. In terms of section 35B of the Income Tax Act a withholding tax of 10% will apply in respect of interest paid by the Issuer to or for the benefit of any non-resident of Namibia, except where such interest is paid by the Issuer to a foreign bank.

### ***Stamp Duty***

Stamp duties of NAD2.00 per every NAD1,000 of the Nominal Amount of the Notes are payable by the Issuer to the Namibian Receiver of Revenue on the original issue of such Notes. On the transfer of the SA Notes, stamp duties of NAD2.00 per every NAD1,000 is payable by the transferee, but is exempted if the instrument of transfer is executed outside of Namibia and the registration of transfer is effected in a branch register kept by the Issuer outside of Namibia and provided that the Permanent Secretary of the Namibian Ministry of Finance (the **Permanent Secretary**) is satisfied that –

- (a) such branch register is kept in a country in which there is a recognised stock exchange;
- (b) the marketable securities which have been issued by the Issuer are of the same kind as the marketable security in respect of which the registration of transfer is effected and are regularly bought and sold on that stock exchange; and
- (c) such branch register is kept solely or mainly for the convenience of investors who are not ordinarily resident in Namibia,

and the Permanent Secretary has notified the Issuer that he or she is so satisfied.

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## SUBSCRIPTION AND SALE

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*Capitalised terms 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**

#### **South Africa**

Each Dealer has (or will have) represented, warranted and agreed that it (i) will not offer Notes for subscription, (ii) will not solicit any offers for subscription for or sale of the Notes, and (iii) will itself not sell or offer the Notes in South Africa in contravention of the South African Companies Act, Banks Act, Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time.

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 make an "offer to the public" (as such expression is defined in the South African Companies Act, and which expression includes any section of the public) of Notes (whether for subscription, purchase or sale) in South Africa. This Programme Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act.

Offers for subscription for, or sale of, Notes are not deemed to be an "offer to the public" if:

- (a) made only to certain investors contemplated in section 96(1)(a) of the South African Companies Act; or
- (b) the total contemplated acquisition cost of Notes, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000, or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Programme Memorandum should not be considered as "advice" as defined in the Financial Advisory and Intermediary Services Act, 2002.

#### **Namibia**

Each Dealer has (or will have) represented, warranted and agreed that it (i) will not offer Notes for subscription, (ii) will not solicit any offers for subscription for or sale of the Notes, and (iii) will itself not sell or offer the Notes in Namibia in contravention of the Namibian Companies Act, the Namibian Banking Institutions Act, the Namibian Exchange Control Regulations and any other Applicable Laws of Namibia in force from time to time. This Programme Memorandum does not, nor is it intended to, constitute a "prospectus" (as contemplated in the Namibian Companies Act) and each relevant Dealer will represent and agree that, in relation to the placing of the relevant Tranche(s) of Notes, it will not make an "offer to the public" (as such expression is defined in the Namibian Companies Act) of any such Notes (whether for subscription, purchase or sale).

In terms of the Stock Exchanges Control Act, 1985 as amended and applied in Namibia (the **Stock Exchanges Control Act**), no Person may carry on the business of buying and selling securities in Namibia unless such Person is either a registered stock broker or a registered banking institution (within the meaning of the Namibian Banking Institutions Act) and such buying and selling is effected in accordance with such restrictions as the Registrar of Stock Exchanges may determine, and is restricted to transactions entered into on behalf of or with persons whose investments are administered by such banking institution for remuneration. The term "securities" includes debentures and treasury bills issued by the Republic of Namibia. Accordingly, any Person engaging in the business of buying or selling the Notes in Namibia may be required to register as a stock broker in terms of the Stock Exchanges Control Act.

#### **United States of America**

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 or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of 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 present and agree that:

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) Days after completion of the distribution, as determined and certified by the Dealer(s) or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of, U.S. Persons;
- (c) it will send to each dealer to which it sells any Notes in that Tranche 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 or to, or for the account or benefit of, U.S. Persons; and
- (d) it, its Affiliates and any Persons acting on its or any of its Affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its Affiliates and any Persons acting on its or any of its Affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 days after the commencement of the offering of a Series of Notes, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that 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 Notes which are the subject of the offering contemplated by the Prospectus as completed by the Applicable Pricing Supplement in relation thereto 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 such Notes to the public in that Relevant Member State :

- (a) *Approved prospectus*: if the Applicable Pricing Supplement in relation to the Notes specifies that an offer of those 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 Member State, provided that any such prospectus which has subsequently been completed by the Final Terms contemplating such 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 and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes referred to in (b) to (d) 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### **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, warrant and agree, that:

- (a) **No deposit taking:** in relation to any Notes having 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 Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) 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 the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **General**

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 Dealer(s) 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 thereunder or assumes any responsibility for facilitating such subscription or sale.

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## **GENERAL INFORMATION**

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*Capitalised terms 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 this is 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 South Africa as at the Programme Date have been or will be given or obtained for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Notes and Programme Memorandum.

### **LISTING**

The Programme was been approved by the JSE on or about 22 September 2016. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or any other Financial Exchange(s). Unlisted Notes may also be issued under this Programme.

### **DOCUMENTS AVAILABLE**

So long as the Notes are capable of being issued under the Programme, copies of the documents incorporated under the section headed "*Documents Incorporated by Reference*" will, when published, be available at the registered office of the Issuer as set out at the end of this Programme Memorandum. This Programme Memorandum, any supplement and/or amendment hereto, the Applicable Pricing Supplements relating to any issue of listed Notes and the published audited annual financial statements of the Issuer will also be available on the Issuer's website at [www.standardbank.com.na](http://www.standardbank.com.na) and this Programme Memorandum, any supplement and/or amendment hereto and the Applicable Pricing Supplements relating to any issue of listed Notes will be available on the JSE's website [www.jse.co.za](http://www.jse.co.za).

### **MATERIAL CHANGE**

As at the Programme Date, and after due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the date of its latest audited financial statements. As at the Programme Date, there has been no involvement by PricewaterhouseCoopers Incorporated in making the aforementioned statement.

### **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 reasonably be expected to have 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*".

### **AUDITORS**

PricewaterhouseCoopers Incorporated as the auditors of the financial statements of the Issuer for the financial years ending 31 December 2013, 2014 and 2015 and in respect of these years, have issued unqualified audit reports in respect of the Issuer.

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## CORPORATE INFORMATION

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### **ISSUER**

**Standard Bank Namibia Limited**  
(Registration Number: 78/01799)  
5th Floor, Standard Bank Centre  
Corner of Werner List Street and Post Street Mall  
Windhoek  
Namibia  
Contact: Mr N Beckmann

### **ARRANGER, DEALER AND JSE DEBT SPONSOR** **The Standard Bank of South Africa Limited** **(acting through its Corporate and Investment Banking division)**

(Registration Number: 1962/000738/06)  
3rd Floor, East Wing, 30 Baker Street  
Rosebank, 2196  
Contact: Ms Z Sisulu

### **CALCULATION AGENT**

**Standard Bank Namibia Limited**  
(Registration Number: 78/01799)  
5th Floor, Standard Bank Centre  
Corner of Werner List Street and Post Street Mall  
Windhoek  
Namibia  
Contact: Ms C Zaaruka

### **PAYING AGENT AND TRANSFER AGENT** **The Standard Bank of South Africa Limited** **(acting through its Corporate and Investment Banking division)**

(Registration Number: 1962/000738/06)  
3rd Floor, East Wing, 30 Baker Street  
Rosebank, 2196  
Contact: Ms Z Sisulu

### **LEGAL ADVISERS TO THE ISSUER, ARRANGER AND DEALER**

**Bowman Gilfillan Incorporated**  
(Registration Number: 1998/021409/21)  
165 West Street  
Sandown  
Sandton, 2196  
South Africa  
Contact: Mr C van Heerden

### **AUDITORS TO THE ISSUER**

PricewaterhouseCoopers Incorporated Namibia  
(Registration Number: 9406)  
344 Independence Avenue  
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Contact: Ms N Uaandja

**COMPANY SECRETARY**

Standard Bank Namibia Limited  
(Registration Number: 1962/000738/06)  
5th Floor, Standard Bank Centre  
Corner of Werner List Street and Post Street Mall  
Windhoek  
Namibia  
Contact: Adv. S Tjijorokisa