



THE DEVELOPMENT BANK OF NAMIBIA LIMITED

(Incorporated in the Republic of Namibia with limited liability under registration number 2003/189)

NAD2,500,000,000
Domestic Medium Term Note Programme

Under this NAD2,500,000,000 Domestic Medium Term Note Programme (the **Programme**), The Development Bank of Namibia Limited (the **Issuer**) may from time to time issue secured, unsecured, subordinated, unsubordinated notes of any kind (the **Notes**), which expression shall include Senior Notes (as defined herein) denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to all Applicable Laws and, in the case of Notes listed on the Namibian Stock Exchange (**NSX**) or such other Exchange(s) (as defined herein) as may be determined by the Issuer and the relevant authority, the listings requirements of the NSX or such other 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**).

References in this Programme Memorandum to the "**Terms and Conditions**" are to Section 7 of this Programme Memorandum headed "**Terms and Conditions of the Notes**". References to any Condition are to that Condition of the Terms and Conditions. Capitalised terms used in this Programme Memorandum are defined in Section 16 of this Programme Memorandum headed "**Definitions**", unless separately defined, and/or in relation to a Tranche of Notes, in the Applicable Pricing Supplement.

As at the Programme Date (as defined herein), the Programme Amount is NAD2,500,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate Outstanding Principal Amount which will not exceed NAD2,500,000,000 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, Mixed Rate Notes, Index-Linked Notes, Zero Coupon 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.

The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Optional Maturity Date (where applicable), the Final Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates (see Section 6 of this Programme Memorandum headed "**Form of the Applicable Pricing Supplement**").

This Programme Memorandum has been approved by the NSX. A Tranche of Notes may be listed on the NSX or on such other or additional Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the NSX. Claims against the the NSX Guarantee Fund established by the NSX (**NSX Guarantee Fund**) may only be made in respect of the trading of Notes listed on the NSX in accordance with the NSX Rules and the rules of the NSX Guarantee Fund. The holders of Notes that are not listed on the NSX will have no recourse against the NSX or the NSX Guarantee Fund. Unlisted Notes are not regulated by the NSX.

As at the Programme Date, the Issuer has been rated. The Programme is not rated as at the Programme Date, but it, or a Tranche of Notes may, 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 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.

Prospective investors in the Notes should pay particular attention to Section 3 of this Programme Memorandum headed "*Investment Considerations and Risks*".

Arrangers of the Programme:

IJG Securities (Proprietary) Limited (member of the NSX)

Standard Bank Namibia Limited

The Standard Bank of South Africa Limited

Dealer(s):

IJG Securities (Proprietary) Limited

Standard Bank Namibia Limited

The Standard Bank of South Africa Limited

Sponsor:

IJG Securities (Proprietary) Limited (member of the NSX)

**Legal Advisers to the Issuer
of the Programme:**

Engling, Stritter & Partners

Programme Memorandum dated 3 August 2017.

IMPORTANT NOTICE

Words used in this section entitled "Important Notice" shall bear the same meanings as used in the section entitled "Definitions", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, each Applicable Pricing Supplement, the annual financial reports and any amendments to the annual financial reports, and each Supplement to this Programme Memorandum published by the Issuer from time to time.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement contained in this Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Programme Memorandum contains or incorporates by reference (see Section 1 of this Programme Memorandum headed "**Documents Incorporated by Reference**") all information required by the NSX Listings Requirements and all other Applicable Laws.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates by reference (see Section 1 of this Programme Memorandum headed "**Documents Incorporated by Reference**") all information which is material in the context of the issue and the offering of the Notes, that the information contained in (or incorporated by reference into) this Programme Memorandum as at the Programme Date is not misleading and that the opinions and the intentions expressed in this Programme Memorandum are honestly held.

The NSX, Arranger, Sponsor of the Programme and Calculation Agent and Dealers do not assume any responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of securities maintained by the NSX and the listing of any Tranche of Notes on the NSX is not to be taken as an indication of the merits of the Issuer or the Notes. The NSX, Arranger, Sponsor of the Programme and Calculation Agent and Dealers do not assume any responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum, and the NSX does not make any representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, or any information incorporated by reference into this Programme Memorandum. The NSX, Arranger, Sponsor of the Programme and Calculation Agent and Dealers expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum.

The Issuer makes no representation or warranties as to the settlement procedures of the NSX, the CSD or any other Exchange.

This Programme Memorandum must be read in conjunction with all documents which are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "**Documents Incorporated by Reference**"). This Programme Memorandum must be read and construed on the basis that such documents are incorporated by reference into and form part of this Programme Memorandum.

No person is authorised to give any information or to make any representation other than those contained in or consistent with this Programme Memorandum. If any such information is given or representation made, it must not be relied upon as having been authorised by the Issuer, the NSX, the Sponsor, the Arranger, the Dealers or any of their respective Affiliates or advisers.

Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes will, in any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer since the Programme Date or that the information contained in or incorporated by reference into this Programme Memorandum is correct at any time subsequent to the date of the document containing such information.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, including in particular but without limitation, IJG Securities (Proprietary) Limited, Standard Bank Namibia Limited, The Standard Bank of South Africa Limited or any other Dealer or any of their respective Affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Applicable Terms and Conditions will be accepted by any other person, including in particular but without limitation, IJG, SBN, SBSA or any other Dealer or any of their respective Affiliates.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme or the Notes is intended to provide the basis for any credit or other evaluation, or should be considered as a recommendation or a statement of opinion, or a report of either of those things, by the NSX, the Issuer, the Sponsor, the Arranger or the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme or the Notes should subscribe for or purchase any Notes.

Each person contemplating making an investment in the Notes should make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, the extent of its exposure to risk (see Section 3 of this Programme Memorandum headed "**Investment Considerations and Risks**") and any other factors which may be relevant to it in connection with such investment.

Neither the NSX nor the Issuer nor the Sponsor nor the Arranger nor the Dealers undertake to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of NSX, the Issuer, the Sponsor, the Arranger or the Dealers.

Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme or the Notes constitutes an offer or an invitation by or on behalf of the Issuer, the Sponsor, the Arranger or the Dealers to any person to subscribe for or to purchase or otherwise deal in any Notes.

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the issue, offering or sale of Notes in certain jurisdictions may be restricted by law. For a description of certain restrictions on offers, sales and subscriptions for Notes and on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and other offering material relating to the Programme and/or the Notes, see Section 11 of this Programme Memorandum headed "**Subscription and Sale**".

Neither the Issuer nor the Sponsor nor the Arranger nor the Dealers or their respective advisors represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that the Notes may be lawfully offered, subscribed for or sold, 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, offering, subscription or sale.

In particular, save for obtaining the approval of this Programme Memorandum by the NSX, no action has been taken by the Issuer, the Sponsor, the Arranger, the Dealers or their respective advisors which would permit a public offering of any Notes or a distribution of this Programme Memorandum and/or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required. No Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any Applicable Pricing Supplement nor any advertisement or other offering material relating to the Programme and/or the Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all Applicable Laws and regulations.

Neither this Programme Memorandum nor any Applicable Pricing Supplement are for distribution in, and do not constitute an offer of Notes for sale or subscription in, the United States of America or in any other jurisdiction in which such a distribution or such offer for sale or subscription would be unlawful or would require qualification or registration. It is the responsibility of any person wishing to subscribe for or purchase Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction.

The Notes have not been and will not be registered under the United States Securities Act of 1933 ("US Securities Act"). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the US Securities Act.

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Sponsor, the Arranger and the Dealers to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute this Programme Memorandum and/or any Applicable Pricing Supplement and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such subscriptions, purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and none of the Issuer, the Sponsor, the Arranger or the Dealers shall have responsibility therefor.

Any Notes purchased or subscribed for by any person who wishes to offer such Notes for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

In connection with the issue and placing of any Tranche of Notes, the Issuer or the Dealer (if any) who is designated in the Applicable Pricing Supplement as the approved stabilisation manager (**Stabilisation Manager**) may, to the extent permitted by and in accordance with Applicable Laws and subject to the approval of the NSX, over-allot or effect transactions with a view to supporting the market price of Notes in the same Series as such Tranche of Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising must be carried out in accordance with all Applicable Laws.

The price/yield and amount of a Tranche of Notes will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

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Section 1

Documents Incorporated by Reference

*Words used in this section entitled "**Documents incorporated by Reference**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

The following documents are incorporated by reference into, and form part of, this Programme Memorandum:

- a) the respective annual reports of the Issuer for the financial years ended 31 December 2014, 31 March 2016, and 31 March 2017 which include the respective audited annual financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements. The Issuer had resolved to change its financial year end from the last day of *December* each year, to the last day of *March* each year, effective from 31 March 2016, in accordance with the provisions of section 293(2) of the Companies Act, 2004;
- b) the respective annual reports of the Issuer for all financial years of the Issuer after the Programme Date, which will include the audited annual financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements;
- c) each Applicable Pricing Supplement relating to a Tranche of Notes;
- d) each supplement to this Programme Memorandum circulated by the Issuer from time to time;
- e) the most recent rating report and/or rating affirmation of the Issuer issued by Fitch Ratings (and/or any other Rating Agency/ies) prior to the Programme Date;
- f) each rating report and/or rating affirmation of the Issuer issued by Fitch Ratings (and/or any other Rating Agency/ies) after the Programme Date from time to time; and
- h) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted through the electronic news service operated by the NSX (**NENS**), to subscribers to that electronic news service and/or (ii) available on any electronic news service established or used or required by the NSX,

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

It is recorded for the avoidance of doubt that a document listed above does not become a term of the Applicable Terms and Conditions (or the Terms and Conditions) by virtue of the incorporation of such document by reference into this Programme Memorandum. Similarly the website and internet address referred to herein are included for reference only and the contents of any such website and internet site is not incorporated by reference into, and does not form of, this Programme Memorandum.

This Programme Memorandum is available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Transfer Agent (who will hold this Programme Memorandum on behalf of the Issuer). This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement are also available (or will also be available) on the Issuer's website at <http://www.dbn.com.na>. This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement will be available at the Specified Office of the Issuer.

The respective annual reports of the Issuer referred to in paragraph (a) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (e) above are available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Transfer Agent (who will hold such annual reports and such rating report and/or rating affirmation on behalf of the Issuer). In addition, the respective annual reports of the Issuer referred to in paragraph (a) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (e) above are available on the Issuer's website at <http://www.dbn.com.na>.

The respective annual reports of the Issuer referred to in paragraph (b) above and the documents listed in paragraphs (c), (d) and (f) above will, as and when such annual reports and documents are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Transfer Agent (who will hold such annual reports and documents on behalf of the Issuer). In addition, the respective annual reports of the Issuer referred to in paragraph (b) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (f) above will, as and when such annual reports and such rating reports and/or rating affirmations are approved and become available, be available on the Issuer's website at <http://www.dbn.com.na>.

The Issuer will publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, within nine months of the financial year end of the Issuer, (a) if there is a material change in the financial or trading condition of the Issuer; (b) an event has occurred which affects any matter in the Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors; (c) any of the information becomes outdated in a material respect; (d) this Programme Memorandum no longer contains all the materially correct information required by the Applicable Procedures, provided that in the circumstances set out in (c) and (d) no new Programme Memorandum is required in respect of the Issuer's annual financial statements if such annual financial statements are incorporated by reference into the Programme Memorandum and such annual financial statements are published as required by the Companies Act and submitted to the NSX within 6 months of the financial year end of the Issuer.

A new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, must be approved by the NSX. Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to substitute the previous Programme Memorandum from the date of issue of such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

Section 2

General Description of the Programme

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement. Words used in this section entitled "General Description of the Programme" shall bear the same meanings as used in the section entitled "Definitions", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Issue

The Issuer may from time to time issue one or more Tranches of Notes (denominated in the Specified Currency) under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Principal Amount of all of the Notes issued (or in issue) under the Programme from time to time does not exceed the Programme Amount.

The denomination of each Note will be the Specified Denomination in NAD (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD). The Issuer will not require the consent of any Noteholder for the issue of any Tranche of Notes.

The 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 Applicable Terms and Conditions of that Tranche. The Applicable Terms and Conditions of a Tranche of Notes are 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.

The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Optional Maturity Date (where applicable), the Final Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates (see Section 6 of this Programme Memorandum headed "**Form of the Applicable Pricing Supplement**").

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Index-Linked Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. A Tranche of Notes will not (save as is set out in this Programme Memorandum and/or the Applicable Pricing Supplement) be subject to any minimum or maximum maturity.

The Notes will constitute direct, unconditional, subordinated, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* amongst themselves and, subject to Condition 6 and save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured unsubordinated obligations of the Issuer, as set out in Condition 5.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, including in particular but without limitation, IJG, SBN and SBSA or any other Dealer or any of their respective Affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Applicable Terms and Conditions will be accepted by any other person, including in particular but without limitation, IJG, Standard Bank Namibia Limited and Standard Bank South Africa Limited or any other Dealer or any of their respective Affiliates.

Programme Amount

As at the Programme Date, the Programme Amount is NAD2,500,000,000. This Programme Memorandum will only apply to Notes issued (and in issue) under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount (or the equivalent thereof in any other Specified Currency).

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement, the Issuer may, upon application to the NSX, without the consent of any Noteholder, increase the Programme Amount in accordance with the provisions of the Programme Agreement. Upon the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating 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.

For the purpose of calculating the NAD equivalent of the aggregate Outstanding Principal Amount:

- a) the NAD equivalent of a Tranche of Notes denominated in any Specified Currency other than NAD shall be determined, at or about the time at which a Placement Agreement is entered into between the Issuer and the relevant Dealer(s) for the issue and placing of that Tranche of Notes, on the basis of the spot rate at such time for the sale of such NAD amount against the purchase of such other Specified Currency in the Johannesburg inter-bank foreign exchange market, as quoted by the Issuer's main bank at any such time;
- b) the NAD equivalent of a Tranche of Index-Linked Notes shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the aggregate Principal Amount of that Tranche of Index-Linked Notes (regardless of the Issue Price of that Tranche);
- c) the NAD equivalent of a Tranche of Zero Coupon Notes (or any other Tranche of Notes issued at a discount or a premium) shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the Issue Price of that Tranche.

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event a copy of the signed Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the NSX, will be delivered to the CSD and the NSX, before the Issue Date, and the Notes in that Tranche may be traded by or through NSX Brokers, from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades in Notes which are listed on the NSX will take place in accordance with the electronic settlement procedures of the CSD.

Section 3

Investment Considerations and Risks

The Issuer believes that the following investment considerations may affect its ability to fulfil its obligations under the Notes. All of these investment considerations 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, but the inability of the Issuer to pay interest, principal or other amounts under any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it as at the Programme Date, or which it may not be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The information set out below is not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes.

Investment considerations which the Issuer believes may be material for the purpose of assessing the risks associated with the Notes and the market for the Notes generally are also described below.

The Issuer believes that the investment considerations described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts payable in respect of the Notes 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.

Prospective investors should, prior to investing in the Notes, carefully consider the following investment considerations, in addition to the information set out elsewhere in this Programme Memorandum (including all documents incorporated by reference into this Programme Memorandum) and, in relation to a Tranche of Notes, the Applicable Pricing Supplement, and consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Notes, the appropriate tools to analyse such an investment, and the suitability of such an investment in the context of the particular circumstances of each investor.

The information set out in the following summary is intended as a general guide to certain investment considerations and risk factors which may be relevant to a prospective subscriber for or purchaser of any Notes or any person contemplating making an investment in the Notes.

*Words used in this section entitled "**Investment Considerations and Risks**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

Risks relating to the Issuer

General

The factors described below represent the inherent risks relating to the Issuer. The Issuer does not represent that the statements below regarding the risks relating to it are exhaustive. A potential investor should carefully consider the risks below and the other information in this Programme Memorandum.

The value of the Notes depends upon, amongst other things, the ability of the Issuer to fulfil its obligations under the Notes.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by the Issuer, including those that encompass a broad range of economic and commercial risks, many of which are not within its control. The performance of the Issuer's business can be influenced by external market and regulatory conditions. If the Issuer's business is affected by adverse circumstances in the same period, overall earnings would suffer significantly. These risks create the potential for the Issuer to suffer loss.

Although the Issuer has sought to play a counter-cyclical role, it has not been immune to the impact of the economic climate, particularly given its dependence on the financial markets as a source of financing. Furthermore, in recent years, the Issuer has experienced increased competition on the key areas of municipal, state-owned entity and regional infrastructural funding.

Risk categories and risk management

The Issuer, in common with other development finance institutions in Namibia and elsewhere, is exposed to commercial and market risks in its ordinary course of business,

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 of the Issuer.

STRATEGIC RISK

Strategic risk is the risk that unforeseen opportunities or threats may render the Issuer's strategy ineffective or uncompetitive or that events or circumstances may occur which could hinder the ability of the Issuer to implement its strategy successfully.

OPERATIONAL RISK

Operational risk is the risk that internal or external events and circumstances can have a disruptive impact on the reliability, continuity, quality and efficiency of the Issuer's operations, or cause damage to tangible assets of the Issuer and harm to intangible assets of the Issuer.

BUSINESS RISK

Business risk is the risk that unknown events or circumstances can result in deviations from the returns expected on individual business proportions or impact on the planned outcomes of specific value-creating initiatives of the Issuer.

MARKET RISK

Market risk is the risk that the Issuer's earnings and capital will be adversely affected by movements in the level or volatility of market rates or prices such as interest rates and foreign exchange rates.

Market risk includes the risk of exposure to adverse changes in the value of future cash flows and/or financial instruments and/or financial assets as a result of changes in market prices or volatility, including risks arising from foreign exchange rates, investment rates, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within the across markets.

INTEREST RATE RISK

Interest rate risk arises from a variety of sources including mismatches between the re-pricing periods of assets and liabilities. Interest rate risk refers to the susceptibility of the Issuer's financial position to adverse fluctuations in market interest rates. Variations in market interest rates impact on the cash flows and income stream of the Issuer through their net effect on interest-rate-sensitive assets and liabilities. At the same time movements in interest rates impact on the Issuer's capital through their net effect on the market value of assets and liabilities. Interest rate risk in the Issuer arises naturally as a result of its funding and lending operations, and occurs primarily in the form of re-pricing risk caused by mismatches in the amount of assets and liabilities re-pricing at any one time, and to a lesser extent, basis risk, the risk of spread compression between assets and liabilities priced off different reference rates.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk of financial loss resulting from adverse movements in foreign currency exchange rates. Currency risk in the Issuer arises primarily as a result of foreign currency denominated borrowings, foreign currency lending and foreign currency denominated equity investments in countries on the continent of Africa and elsewhere.

LIQUIDITY RISK

Liquidity risk is the risk of failure to meet all financial obligations on a timely basis, when due, and in the currency due, without incurring above normal costs. In the case of the Issuer, this risk specifically arises from the inability to honour obligations with respect to commitments to borrowers, lenders and investors and operational expenditure.

Although not a bank registered as such under the Banking Institutions Act 2 of 1998 and therefore not subject to the volatile and uncertain nature of such liabilities, the high levels of uncertainty around the level and timing of loan disbursements, coupled with the dependency on market funding, nevertheless expose the Issuer to the very real threat of a liquidity squeeze, primarily as it relates to funding asset growth.

Therefore, the major form of liquidity risk for the Issuer relates to ensuring access to funding to ensure asset growth, with contractual cash flows typically net positive over the long-term (reinvestment risk) – unlike the case with commercial banks, where liquidity risk concerns are centred primarily around the risk of liabilities being called (refinance risk).

CREDIT AND INVESTMENT RISK

The Issuer is exposed to the risk of financial loss as a result of failure by a client or other counterparty to meet its contractual obligations due to a deterioration in the financial status of the client or counterparty.

The Issuer is exposed to the risk of economic loss should any of the Issuer's clients or market counterparties fail to fulfill their contractual obligations. Credit risk is inherent mainly in the Issuer's development financing and lending operations as a result of potential counterparty defaults on debt repayments. Credit risk may also arise where the downgrading of a client's rating causes the fair value of the investment in that entity to deteriorate. Credit risk is also manifested as country risk where circumstances arise in a country in which an exposure or counterparty is domiciled, resulting in a reduction of the value of assets. Settlement risk is another form of credit risk, which is the risk of a counterparty failing to deliver cash (securities) due to be delivered at a particular moment in time, following release of the corresponding cash (securities) by the Issuer in settlement of a transaction.

The daily operations of the Issuer may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risk including business decisions, technology risk (including business systems failure), fraud, compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, business continuity planning, legal and litigation risk, data integrity and processing risk, managing conflicts of interests and key person risk.

REGULATORY ENVIROMENT

The Issuer was established as a corporate body in terms of section 2 of the Development Bank of Namibia Act 8 of 2002. The sole shareholder of the Issuer, as at the date of this Programme Date Issuer, is the Government of Namibia. The Issuer was incorporated under the Companies Act 61 of 1973 (The Companies Act 61 of 1973 was repealed and the Issuer is now governed by the provisions of the Companies Act 28 of 2004), as a public company with a share capital, and the Minister of Finance exercises the rights and powers and performs the duties and functions attached to the shares of which the Government of Namibia is the holder. The Issuer constitutes a “*State-owned enterprise*” for purposes of the Public Enterprises Governance Act 2 of 2006, which latter mentioned act imposes certain obligations upon the Issuer. The Minister of Public Enterprises, in consultation with the Cabinet, may provisionally identify any State-owned enterprise to be considered for restructuring. A further description of the Issuer and its rights and obligations in terms of the certain of the Development Bank of Namibia Act 8 of 2002 and the Public Enterprises Governance Act 2 of 2006 is set out in the section of this Programme Memorandum headed “Description of the Issuer”. Changes in government policy, legislation or regulatory interpretation may adversely affect the Issuer’s business and, consequently, reported results and financing requirements. No assurance can be given as to the impact of any possible judicial decision or change to such governmental regulation or related administrative practice after the Programme Date. See the section of this Programme Memorandum headed “Description of the Issuer” under “Legal Status” and “Regulation of the Issuer”, for a description of the establishment and regulation of the Issuer.

LEGAL, REGULATORY COMPLANCE AND TAX RISK

Compliance risk is the risk (among other things) that regulatory requirements which are applicable to the Issuer are not complied with (see “Regulatory environment” above).

Failure to comply with legal and regulatory requirements which are applicable to the Issuer, including tax laws and regulations, or government policies, may have an adverse effect on the Issuer and its reputation among customers and regulators in the market.

The Issuer may also be adversely affected by future changes in government policy, legal, regulatory and compliance requirements. Future tax developments or changes to tax laws in Namibia may also have material adverse effect on the Issuer and on its business.

It is not possible to predict what further future regulatory or related changes may have on the Issuer and its business.

The Issuer is also exposed to the risk of inappropriate or inadequate documentation of contractual relationships.

MARKET CONDITONS, INCLUDING FUNDING

Global market conditions are subject to periods of volatility and change which can negatively impact market liquidity, increase credit spreads and reduce funding availability. Since 2008 global equity and debt markets have experienced some difficult conditions. These challenging market conditions have resulted in periods of reduced liquidity, extreme volatility and declining asset prices, as well as greater counterparty credit risk, widening of credit spreads and lack of price transparency in credit and other markets.

Market conditions also led to the failure of a number of financial institutions and the intervention of government authorities and central banks around the world. Global economic conditions remain uncertain. If the economic climate worsens in the future, the Issuer’s financial performance, business or strategy may be adversely affected.

Further instability in equity and debt markets may affect the Issuer's ability to access the funding necessary to grow its business. In addition, an increase in credit spreads may increase the Issuer's cost of funding. Further, volatile and deteriorating markets may reduce activity and the flow of transactions, which may adversely impact the Issuer's financial performance. Other risks associated with funding that the Issuer may face are over reliance on a particular funding source or a simultaneous increase in funding costs across a broad range of sources.

Changes in investment markets, including changes in interest rate, exchange rates and returns from any equity, listed and unlisted investment assets, property and other investments, as well as adverse economic conditions, may affect the financial performance of the Issuer.

In poor market conditions, the Issuer may be required to hold its investment asset for longer, or sell these assets at a lower price than historically expected and this may impact the Issuer's rate of return on these assets and require funding for longer periods than anticipated. This may include situations where potential buyers of the Issuer's investment assets are unable to obtain financing to purchase such assets.

Capital market volatility may require the Issuer to make write down of its investments and loan impairment provisions.

This would impact the Issuer's financial performance.

SUMMARY OF CERTAIN KEY RISKS

The table below sets out certain key risks and their impact on the Issuer:

RISK	IMPACT
<i>Strategy and execution</i>	
Incorrect investment strategy to deliver on Infrastructure funding targets	<ul style="list-style-type: none"> • Failure to deliver on disbursement targets and the required development impact.
Inability to secure deals competitively on a portfolio basis	<ul style="list-style-type: none"> • Failure to deliver on infrastructure disbursement targets. • Lower returns and reduction in surpluses
Failure to remain financially sustainable	<ul style="list-style-type: none"> • Inability to continue to deliver on mandate. • Require review and restructuring of operations. • Need for capital support from government.
Failure to deliver on non-financial mandate	<ul style="list-style-type: none"> • Negative impact on relationship and reputation with mandating authorities. • Non-recovery of costs incurred.
Non-recovery of costs incurred on non-financial activities	<ul style="list-style-type: none"> • Lower surpluses available to the Issuer.
Failure to adapt the business model due to changes in the business environment	<ul style="list-style-type: none"> • Failure to deliver on infrastructure disbursements targets as well as non-financial programmes.

Process and staff

- | | |
|--|---|
| Ineffective and inefficient internal processes | • Slow turnaround times. |
| | • Possibility of fraud and inaccurate data |
| Failure to recruit, develop and retain key staff | • Impairment of the Issuer's ability to implement its strategic objectives. |
| Fraud and corruption | • Financial losses incurred. |

Compliance risk

- | | |
|------------------------------------|-----------------------|
| Failure to comply with legislation | • Fines and penalties |
| | • Reputational loss. |

Information on the Issuer's risk management strategy appears in the annual report of the Issuer for the financial year ended 31 March 2017. The annual report of the Issuer for the financial year ended 31 March 2016 is incorporated by reference into, and forms part of, this Programme Memorandum (see the section of this Programme Memorandum headed "Documents Incorporated by Reference").

SHAREHOLDERS SUPPORT

As at the Programme Date, the Government of Namibia is the sole shareholder of the Issuer. The Government, while it is believed to remain supportive of the Issuer's long-term strategic objectives, does not in any manner whatsoever guarantee or underwrite the Issuer's obligations under the Notes. Shares of the Issuer may be issued to the Government of Namibia, statutory and private financial institutions in Namibia and, with the approval of the Minister, international financial institutions.

WINDING UP OF THE ISSUER

In terms of section 17 of the Development Bank of Namibia Act 8 of 2002, the Issuer may not be wound up except in terms of an Act of Parliament. (see the section of this Programme Memorandum headed "Description of the Issuer" under "Legal Status" and "Regulation of the Issuer").

TERRORIST ACTS

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.

Further Risks affecting the business of the Issuer, are set out in the section of this Programme Memorandum, headed "*Description of the Issuer*".

Risks relating to the Notes generally

Non-recourse obligations

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, including in particular but without limitation, any Dealer or any of their respective Affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Applicable Terms and Conditions will be accepted by any other person, including in particular but without limitation, IJG, SBN and SBSA or any other Dealer or any of their respective Affiliates.

Limited liquidity of the Notes

The Issuer may issue listed or unlisted Notes. The continued listing of any Tranche of Notes listed on the NSX and/or on any other Exchange(s) is subject to the rules of the relevant Exchange(s) in force from time to time. There can accordingly be no assurance that the listing of any Tranche of Notes will continue until the Final Maturity Date.

There may be a limited secondary market for the Notes. There can be no assurance that any secondary market for any of the Notes will continue until the Final Maturity Date. Generally, Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Consequently, a subscriber or purchaser must be prepared to hold its Notes until the Final Maturity Date.

In addition, Noteholders should be aware that global credit market conditions may lead to a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary re-sales even if there is no decline in the performance of the assets of the Issuer.

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.

Noteholders that trade in interest-bearing Notes during the period that the Register is closed prior to each Interest Payment Date, will need to reconcile any amounts payable on the following Interest Payment Date pursuant to a partial redemption of the Notes. As a result, secondary market liquidity of the Notes may reduce during this period.

Certain Notes may be held in the CSD

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, each Tranche of Notes which is listed on the NSX, may be issued in registered uncertificated form and will be held in the CSD. The Noteholders of such Notes will have to rely on the procedures of the NSX and the CSD for transfer, payment and communication with the Issuer. Except in the circumstances described in the Terms and Conditions, the Noteholders of such Notes will not be entitled to receive Individual Certificates.

The CSD would maintain records of the Beneficial Interests in Notes held in the CSD. While Notes are held in the CSD, the holders of Beneficial Interests in such Notes will be able to trade their Beneficial Interests in such Notes only through the CSD. While Notes are held in the CSD, the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the CSD's Nominee (as the registered holder of such Notes), for distribution, via the CSD Participants, to the holders of Beneficial Interests in such Notes. A holder of a Beneficial Interest in Notes must rely on the procedures of the CSD and CSD Participants to receive payments under such 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 Notes vote in accordance with the Applicable Procedures and will not have a direct right to vote in respect of such Instruments. Subject to any laws that may become applicable, the holder of a Beneficial Interest will be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 15.4.

Limited recourse to the NSX Guarantee Fund

The holders of Notes that are not listed on the NSX will have no recourse against the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes traded on the NSX and listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.

Amendment of the Applicable Terms and Conditions

Condition 24 contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. Condition 24 permits 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 will be governed by, and construed in accordance with, the laws of Namibia. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Namibia or administrative practice in either such jurisdiction after the Programme Date.

Tax considerations

The Issuer has carried out (or will have carried out) all steps reasonably necessary to ensure its compliance with the current provisions of tax legislation (including the Income Tax Act, the Value-Added Tax Act and other Taxation provisions). Full disclosure will be made to any Taxation bodies but no assurance can be given that the views of these bodies will not differ from the treatment adopted by the Issuer from time to time.

The steps described in the preceding paragraph concern the Issuer's compliance with the current provisions of tax legislation. The information contained elsewhere in this Programme Memorandum and relating to tax laws, including the summary of the applicable taxation legislation in respect of the Notes as at the Programme Date set out in Section 11 of this Programme Memorandum headed "Taxation", is intended as a general guide to the relevant tax laws of Namibia as at the Programme Date, and does not constitute (and are not intended as) advice and do not purport to describe all of the considerations that may be relevant to a Noteholder (or prospective Noteholder).

Noteholders (or prospective Noteholders) should consult their own professional advisers as to the potential tax consequences of, and their positions in respect of, an investment in the Notes.

No representation and/or warranty and/or undertaking is given by the Issuer (or any other person) in respect of the tax treatment of any Noteholder, and no liability and/or responsibility is assumed by the Issuer (or any other person) for the tax treatment of any Noteholder.

Rating

The Programme is not rated. As at the Programme Date, the Issuer has (i) a Foreign Currency Long-term Issuer Default Rating of BBB-/Outlook Negative, (ii) a Foreign Currency Short-term Issuer Default Rating of F3, (iii) a Local Currency Long-term Issuer Default Rating of BBB-/Outlook Negative, (iv) a Local Currency Short-term Issuer Default Rating of F3, (v) a National Long-term Rating of AAA(zaf)/Outlook Negative, and (vi) a National Short-term Rating of F1+(zaf).

The Applicable Pricing Supplement will reflect the Rating which has been assigned to the Issuer as well as the Rating Agency or Rating Agencies which assigned such Rating. The Issuer will procure that any change to the Rating of the Issuer that occurs after the Programme Date is announced on NENS. [The Programme and/or a] a Tranche of Notes may, on or before the Issue Date, in the case of a Rating of a Tranche of Notes, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes in a Series may also be issued.

A Rating of a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor. A Rating of a Tranche of Notes only addresses the likelihood that the aggregate Outstanding Principal Amount of Notes in that Tranche will be fully repaid by the Final Maturity Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. A Rating of a Tranche of Notes does not address the likelihood of repayment of the aggregate Outstanding Principal Amount of such Notes before the Final Maturity Date.

A Rating of a Tranche may be subject to revision, suspension or withdrawal at any time by the Rating Agency, and accordingly, there can be no assurance that a Rating of a Tranche of Notes will remain for any given period of time or that the Rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future warrant such action. There can be no assurance of any connection between a Rating on a national scale basis and a Rating on an international scale basis.

A Rating assigned to a Tranche of Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent Rating of that Tranche of Notes assigned by the Rating Agency, or such rating agency may rate a Tranche of Notes on an international scale basis which may be lower than the Rating on a national basis assigned to that Tranche of Notes by the Rating Agency. Any adverse change in the Rating of a Tranche of Notes and/or the Issuer could adversely affect the trading price of all or any of the Notes.

Exchange rate risks and exchange controls

All payments (whether in respect of principal, interest or otherwise) in respect of a Tranche of Notes will be made in the Specified Currency. If at any time after the Programme Date a Tranche of Notes is denominated in a Specified Currency other than NAD, certain risks may arise relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (**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 will 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.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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 (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) 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.

Risks related to the structure of a particular issue of Notes

The Notes may not be a suitable investment for all investors

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. The risks of a particular Tranche of Notes will depend on the Applicable Terms and Conditions of that Tranche of Notes, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formula. Prospective investors could lose all or a substantial portion of their investment.

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:

1. 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;
2. 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;
3. 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;
4. understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
5. 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 such investor 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. Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant securities, assets or other property. Neither the current nor the historical price, value or performance of (A) the relevant interest rates or other indices or formulae, (B) the relevant classes of securities, assets or other property, or (C) the relevant entities should be taken as an indication of future price, value or performance during the term of any Tranche of Notes.

Early redemption at the option of the Issuer

The Issuer may, in terms of and subject to the applicable provisions of Condition 7, at its option, redeem a Tranche of Notes prior to the Final Maturity Date, as more fully described in Conditions 7.2 and 7.3. These optional early redemption features of the Notes may limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the Interest Rate applicable to the Notes. In such circumstances a Noteholder may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that applicable to the relevant Notes. Potential investors in the Notes should consider reinvestment risk in light of other investments available at that time.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Fixed Rate Notes. Investment in Notes that bear interest at a rate that converts from a Fixed Interest Rate to a Floating Interest Rate (or *vice versa*) may affect the market value of the Notes. If the interest on the Notes is converted from a Fixed Interest Rate to a Floating Interest Rate, the spread on the Notes may be less favourable than then prevailing spreads on comparable Notes tied to the same reference rate. In addition, the new Floating Interest Rate at any time may be lower than the rates on other Notes. If the interest on the Notes is converted from a Floating Interest Rate to a Fixed Interest Rate, the new Fixed Interest Rate may be lower than then prevailing rates on other Notes.

Mixed Rate Notes

Mixed 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 Mixed Rate 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 Mixed 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 Fixed Rate Notes.

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.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to 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

Index-Linked Notes

The Issuer may issue Index-Linked Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movement in currency exchange rates or other factors (each, a "**Relevant Factor**"). Potential investors should be aware that:

1. the market price of such Notes may be volatile;
2. no interest may be payable on such Notes;
3. payments of principal or interest on such Notes may occur at a different time than expected;
4. the amount of principal payable at redemption may be less than the Principal Amount of such Notes or even zero;
5. a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
6. 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 is likely to be magnified; and

7. the timing of changes in a Relevant Factor may affect the actual yield to Noteholders, even if the average level is consistent with expectations: in general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Additional risks relating to Subordinated Notes

Notes may be subordinated to most of the Issuer's liabilities

The payment obligations of the Issuer under Subordinated Notes will rank behind Senior Notes (see Condition 5 for a full description of the subordination of the payment obligations of the Issuer under the Subordinated Notes.

No limitation on issuing securities

There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank senior to or *pari passu* with the Subordinated Notes in the event the Issuer is wound-up or placed under liquidation. The issue of any such securities or indebtedness may reduce the amount recoverable by holders of Subordinated Notes in the event the Issuer is wound-up or placed under liquidation.

Risks relating to other Notes

The risks (if any) of investing in particular types of Notes which are not set out in, or covered by, this Section 3 of the Programme Memorandum will be set out in a supplement to this Programme Memorandum prior to the Issue Date of the first Tranche of such Notes to be issued under the Programme.

Section 4

Summary of the Programme

A summary of the Programme and the Terms and Conditions is set out below. The summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement. Words used in this section entitled "Summary of the Programme" shall bear the same meanings as used in the section entitled "Definitions", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Approval and listing	<p>This Programme Memorandum was approved by the NSX on 31 July 2017.</p> <p>The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the NSX. Listed Notes will be listed on the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement relating to a Tranche of Notes will specify whether or not the Notes in that Tranche will be listed and, if so, on which Exchange(s).</p>
Arrangers	<p>IJG Securities (Proprietary) Limited (member of the NSX) (as Arranger of the Programme). Standard Bank Namibia Limited The Standard Bank of South Africa Limited</p>
Auditors	<p>KPMG (registered chartered accountants and auditors) and/or (where required by Applicable Laws), or such other independent auditor (or independent firm of auditors) as may be appointed by the Issuer from time to time.</p>
Calculation Agent	<p>Standard Bank Namibia Limited unless the Issuer elects to appoint, in relation to one or more Tranche(s) of Notes or a Series of Notes, another entity as Calculation Agent pursuant to an Agency Agreement, as contemplated in Condition 17.</p>
Clearing and settlement	<p><i>Notes listed on the NSX:</i></p> <p>Each Tranche of Notes which is listed on the NSX will be issued, cleared and settled in accordance with the NSX Rules and settlement procedures for the time being of the NSX, by the Paying Agent in conjunction with the NSX Broker(s) (see Section 14 of this Programme Memorandum headed "Settlement, Clearing and Transfer").</p> <p>In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, each Tranche of Notes which is listed on the NSX may be issued in registered uncertificated form and would be held in the CSD. Each Tranche of Notes which would be held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the CSD electronic settlement system (see Section 14 of this Programme Memorandum headed "Settlement, Clearing and Transfer").</p>

	<p><i>Notes listed on any Exchange other than (or in addition to) the NSX:</i></p> <p>Each Tranche of Notes which is listed on any Exchange other than (or in addition to) the NSX will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Exchange (see Section 14 of this Programme Memorandum headed "Settlement, Clearing and Transfer").</p> <p><i>Unlisted Notes:</i></p> <p>Unlisted Notes will be settled as per Section 14 of the Programme Memorandum headed "Settlement, Clearing and Transfer").</p>
Commercial Paper Regulations	See Annexure "A" to the pro forma Applicable Pricing Supplement set out in Section 6 of this Programme Memorandum headed "Form of the Applicable Pricing Supplement". The Commercial Paper Regulations are not applicable to a Tranche of Notes where (i) that Tranche of Notes is listed only on the NSX (and/or any other non-South African Exchange) or that Tranche of Notes is unlisted, as the case may be, and (ii) none of the Notes in that Tranche of Notes are subscribed for in South Africa.
CSD	<p>The entity that may be licensed or otherwise authorised as a central securities depository in terms of any law of Namibia or in terms of the rules of any regulatory authority, which may be established, at any time after the Programme Date, or any additional or alternate depository approved by the Issuer</p> <p>The CSD would be the operator of an electronic clearing system and be appointed by the NSX to match, clear and facilitate the settlement of all transactions concluded on the NSX.</p>
CSP Participant	The persons accepted by the CSD as participants in terms of any applicable laws of Namibia or the rules of any regulatory authority, as applicable, which may come into existence at any time after the Programme Date;
Dealers	<p>In terms of (and subject to) the Programme Agreement, IJG Securities (Proprietary) Limited, Standard Bank Namibia Limited and The Standard Bank South Africa Limited have been appointed as Dealers for the duration of the Programme.</p> <p>The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more additional Dealers for the duration of the Programme or to place one or more particular Tranches of Notes (see Section 11 of this Programme Memorandum headed "Subscription and Sale").</p>
Description of the Programme	The Development Bank of Namibia Limited NAD2,500,000,000 Medium Term Note Programme.
Emigrant Blocked Rand and Emigrant Blocked Namibia	Emigrant Blocked Namibia Dollar may be used for the subscription for or purchase of any Notes which are listed only

Dollar	on the NSX or which are unlisted, subject to the Exchange Control Regulations (see Section 13 of this Programme Memorandum headed " Exchange Control ").
Exchange control	<p><i>Notes listed on the NSX and unlisted Notes:</i></p> <p>The issue of a particular Tranche of Notes which is listed on the NSX or which are unlisted may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authority in terms of the Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions may also be subject to the Exchange Control Regulations (see Section 13 of this Programme Memorandum headed "Exchange Control").</p>
Final redemption	Subject to the Applicable Terms and Conditions, the Issuer will redeem each Note in a Tranche, on the Final Maturity Date, at its Redemption Amount together (where applicable) with interest accrued to the Final Maturity Date, as set out in Condition 7.1. The Redemption Amount of a Note which is redeemed on the Final Maturity Date will be the Outstanding Principal Amount of that Note.
Form of Notes	<p>Each Tranche of unlisted Notes and each Tranche of Notes which is listed only on the NSX will be issued in registered certificated form. Notes which are issued in registered certificated form will be represented by Individual Certificate(s) (see Section 5 of this Programme Memorandum headed "Form of the Notes").</p> <p>In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, each Tranche of Notes which is listed on the NSX may be issued in registered uncertificated form in terms of such laws and/or rules, and would be held in the CSD. Notes issued in registered uncertificated form would not be represented by any certificate or written instrument (see Section 5 of this Programme Memorandum headed "Form of the Notes").</p>
Governing law	This Programme Memorandum, the Notes and the Applicable Terms and Conditions will be governed by, and construed in accordance with, the laws of Namibia.
Interest Commencement Date	A Tranche of interest-bearing Notes will bear interest from (and including) the Interest Commencement Date. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Commencement Date will be the Issue Date.
Interest Rate	A Tranche of interest-bearing Notes will bear interest on the aggregate Outstanding Principal Amount at the Fixed Rate and/or the Floating Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date. Zero Coupon Notes will not bear interest.
Interest step-up	If so specified in the Applicable Pricing Supplement, a Tranche

	of interest-bearing Notes which is not redeemed in full on or before the Optional Maturity Date (where applicable) which Notes will bear interest at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from and including the Optional Maturity Date to but excluding the Applicable Maturity Date.
Issue and transfer taxes	<p>In terms of the Stamp Duties Act as at the Programme Date:</p> <ul style="list-style-type: none"> a) stamp duty of 0.2% of the aggregate Principal Amount of a Tranche of Notes is payable by the Issuer to the Receiver of Revenue upon the original issue of such Tranche of Notes; b) subject to the exemption set out in paragraph c) below, stamp duty of 0.2% of the aggregate Principal Amount of the Notes is payable by the transferee to the Receiver of Revenue upon the registration of transfer of such Notes, provided that registration of transfer of the relevant Notes takes place before the expiry of a period of six months from the date of execution of the relevant Individual Certificate; c) no stamp duty is payable in respect of the transfer of any Notes which are listed and purchased on the NSX or (if applicable) on any other "licensed exchange" as defined in the Stock Exchanges Control Act.
Issue Price	Each Note in a Tranche will be issued on a fully-paid basis at its Principal Amount or at a discount or premium to its Principal Amount, as specified in the Applicable Pricing Supplement.
Issuer	The Development Bank of Namibia Limited (" Issuer " or " DBN ") (incorporated with limited liability under company registration number 2003/189).
Mandatory early redemption	Where, following an Event of Default, any Notes have been declared by the holder of such Notes to be immediately due and payable pursuant to Condition 13.2.2, each such Note (whether or not due for payment) shall become immediately due and payable at its Redemption Amount together (where applicable) with interest accrued to the Acceleration Date, as set out in Condition 13.
Negative pledge	The Senior Notes will have the benefit of a negative pledge as described in Condition 6 (<i>Negative Pledge</i>) of the Terms and Conditions.
Noteholders	The holders of Notes recorded as the registered Noteholders of such Notes in the Register (it being recorded that, in relation to a Tranche of unlisted Notes and a Tranche of Notes which is listed on the NSX, joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders).

Notes	<p>Unsecured registered notes of any kind issued by the Issuer under the Programme, pursuant to this Programme Memorandum. The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Index-Linked Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. A Tranche of Notes will not (save as is set out in the Applicable Pricing Supplement) be subject to any minimum or maximum maturity (see Section 2 of this Programme Memorandum headed "General Description of the Programme").</p>
NSX	<p>The Namibian Stock Exchange, licensed as an exchange in terms of section 1 of the Namibia Stock Exchanges Control Act, and any successor exchange operating in terms of the Stock Exchanges Control Act.</p>
Optional early redemption	<p><i>Issuer optional early redemption on the Optional Maturity Date:</i></p> <p>If, in relation to a Tranche of Notes, so specified in the Applicable Pricing Supplement, the Issuer may at its option redeem each Note in that Tranche, on the Optional Maturity Date, at its Redemption Amount together (where applicable) with interest accrued to the Optional Maturity Date, as contemplated in Condition 7.2.</p> <p><i>Redemption at the Option of Senior Noteholders:</i></p> <p>If "<i>Redemption at the Option of Senior Noteholders</i>" is specified as applicable in the Applicable Pricing Supplement, the Senior Noteholders of any Tranche of Senior Notes may having given not less than 30 (thirty) 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 any Optional Redemption Date in the manner specified in Condition 7.3 (<i>Redemption at the Option of the Senior Noteholders</i>) of the Terms and Conditions, and the Applicable Pricing Supplement.</p> <p><i>Noteholder optional early redemption for Change of Control:</i></p> <p>If at any time while any of the Notes remain outstanding a Change of Control occurs and a Negative Rating Event in respect of the Change of Control occurs within the Change of Control Period, the Issuer will redeem each Note, on the Early Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date, if (among other things) the Issuer is instructed to so redeem the Notes by a Special Resolution of the Noteholders, as more fully described in Condition 7.4.</p>

	<p><i>Issuer optional early redemption for change in Applicable Law:</i></p> <p>Where there has been a change in Applicable Law in respect of a Tranche of Notes, as contemplated in Condition 7.5, the Issuer may at its option redeem each Note in that Tranche, on the Early Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date.</p> <p>Subject to Condition 7.7, the Redemption Amount of a Note which is redeemed on the Optional Redemption Date or the Early Redemption Date, as the case may be, will be the Outstanding Principal Amount of that Note.</p>
Paying Agent	Standard Bank Namibia Limited, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 17.
Placing	<p>A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by law, as determined by the Issuer and the relevant Dealer(s).</p> <p>A public auction (or Dutch auction) is not an offer of the Notes "to the public" for purposes of the Companies Act but is a process used in the debt capital markets to place a Tranche of Notes with institutional investors. For a description of a public auction (or Dutch auction), see Section 11 of this Programme Memorandum headed "Subscription and Sale".</p>
Programme Amount	As at the Programme Date, the Programme Amount is NAD2,500,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount in the manner set out in Section 2 of this Programme Memorandum headed " General Description of the Programme ".
Rating	The Programme is not rated. As at the Programme Date, the Issuer is rated: (i) a Foreign Currency Long-term Issuer Default Rating of BBB-/Outlook Negative, (ii) a Foreign Currency Short-term Issuer Default Rating of F3, (iii) a Local Currency Long-term Issuer Default Rating of BBB-/Outlook Negative, (iv) a Local Currency Short-term Issuer Default Rating of F3, (v) a National Long-term Rating of AAA(zaf)/Outlook Negative, and (vi) a National Short-term Rating of F1+(zaf). A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. See Section 2 of this Programme Memorandum headed " General Description of the Programme ".
Rating Agency/ies	Global Credit Rating Co. Proprietary Limited (GCR), Standard & Poor's Ratings Services (S&P), Moody's Investors Service Limited (Moody's) or Fitch Ratings Limited (Fitch Ratings), as the case may be, and their successors or any other rating agency of equivalent international standing specified from time to time by the Issuer specified in the Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 19 (<i>Notices</i>).

Register	<p>In terms of the Companies Act, the Register must be kept in Namibia.</p> <p>As at the Programme Date, Transfer Secretaries is the Transfer Agent. Transfer Secretaries will hold and maintain the Register in Namibia and the Register will be kept at the Specified Office of Transfer Secretaries.</p> <p>In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the Register will list the CSD's Nominee (as the registered holder of each Tranche of Notes which is held in the CSD) and each holder of Notes which are represented by an Individual Certificate (as the registered holder of such Notes).</p> <p>The holders of Beneficial Interests in Notes will not be listed in the Register.</p> <p>Payments of all amounts payable in respect of the Notes will be made to the person named as the registered holder of such Notes in the Register at 16h00 (Namibian time) on the Last Day to Register (whether a Business Day or not).</p>
Register Closed Period	<p>The Register will, in respect of a Tranche of Notes, be closed during the period(s), following the Last Day to Register, specified in the Applicable Pricing Supplement.</p> <p>The Last Day to Register will be the eleventh day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date until 16h00 (Namibian time) on that day.</p>
Selling restrictions	<p>The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the offering or sale of or subscription for Notes in certain jurisdictions may be restricted by law.</p> <p>In particular, there are restrictions on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement, and the offer or sale of or subscription for Notes, in the United States of America, the European Economic Area, the United Kingdom, South Africa, Namibia and such other restrictions as may, in relation to an offering or sale of a particular Tranche of Notes, be specified in the Applicable Pricing Supplement (see Section 11 of this Programme Memorandum headed "Subscription and Sale").</p> <p>Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe such restrictions.</p>
Specified Currency	<p>Namibia Dollar (NAD) or (subject to the Namibian Exchange Control Regulations) any other currency specified as such in the Applicable Pricing Supplement.</p>
Specified Denomination	<p>The denomination of each Note in a Tranche of Notes will be the denomination specified in the Applicable Pricing Supplement.</p>

Sponsor	IJG Securities (Proprietary) Limited (member of the NSX) is the Sponsor of the Programme.
Status of Notes	The Notes will constitute direct, unconditional, subordinated, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> amongst themselves and, subject to Condition 6 and save for certain debts accorded preferential rights by law, at least <i>pari passu</i> with all other present and future unsecured unsubordinated obligations of the Issuer, as set out in Condition 5.
Status of Senior Notes	Unless otherwise set out in the Applicable Pricing Supplement, the Senior Notes constitute direct, unconditional, subordinated, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> and rateably without any preference among themselves and (subject to Condition 6 (<i>Negative Pledge</i>) of the Terms and Conditions, and 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 and Characteristics relating to Subordinated Notes	<p>Unless otherwise set out in the Applicable Pricing Supplement, the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves and will rank at least <i>pari passu</i> with all other present and future unsecured and subordinated obligations of the Issuer.</p> <p>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 business rescue proceedings, 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 (other than Subordinated Indebtedness) has been paid or discharged in full.</p>
Terms and Conditions	A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche. The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions (see Section 7 of this Programme Memorandum headed " Terms and Conditions of the Notes "), as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.
Transfer Agents	Transfer Secretaries (as Transfer Agent for the Programme) unless, the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 16.4.

Use of proceeds	The net proceeds from the issue of a Tranche of Notes will be applied by the Issuer for its general corporate activities, or as may otherwise be described in the Applicable Pricing Supplement.
Withholding tax	<p>The Issuer is, in terms of section 4(6)(c) of the Development Bank of Namibia Act, 2002, exempt from the payment of interest received by or accrued to any natural person or any external company not carrying on business in Namibia, from stock or securities issued by the Issuer. The Minister of Finance, after consultation with the Issuer and the shareholders of the Issuer, may however, at any time withdraw any exemption referred to hereinbefore by notice in the <i>Government Gazette</i> (see Section 12 of this Programme Memorandum headed "Taxation").</p> <p>In the event that any such withholding or deduction is required to be made by Applicable Law, the Issuer will make such payments after such withholding or deduction has been made, and will account to the relevant Taxation authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments (whether in respect of principal, interest or otherwise) to any Noteholder in respect of such withholding or deduction.</p>

Section 5

Form of the Notes

*A summary of the form of the Notes is set out below. The summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement. Words used in this section entitled "**Form of the Notes**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

General

A Tranche of Notes will be issued in registered certificated form and, may be issued in registered uncertificated form in the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date. No Notes will be issued in bearer form.

Notes issued in certificated form

Each Tranche of unlisted Notes and each Tranche of Notes which is listed on the NSX will be issued in registered certificated form and will be represented by one or more Individual Certificates, or electronic format in the event of and upon a central securities depository being established.

Each Noteholder of Notes which is represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes. Joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.2.

The Issuer, the Paying Agent and the Transfer Agent will regard the Register as the conclusive record of title to Notes represented by Individual Certificates.

Payments of all amounts payable in respect of the Notes will be made to the person named as the registered Noteholder of such Notes in the Register at 16h00 (Namibian time) on the Last Day to Register.

Notes issued in uncertificated form

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, each Tranche of Notes which is listed on the NSX, will be issued in registered uncertificated form in terms of the relevant laws or rules that may become applicable, and will be held in the CSD (see "**Beneficial Interests in Notes held in the CSD**" below). Notes issued in registered uncertificated form would not be represented by any certificate or written instrument.

Beneficial Interests in Notes held in the CSD

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, while a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee would be named in the Register as the sole Noteholder of the Notes in that Tranche.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, the CSD would hold each Tranche of Notes subject to the laws and/or rules that may become applicable, and the Applicable Procedures, and all amounts to be paid and all rights to be exercised in respect of Notes held in the CSD would be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, the CSD would maintain central securities accounts only for CSD Participants.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, Beneficial Interests which would be held by CSD Participants would be held directly through the CSD, and the CSD would hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, CSD Participants would in turn be required to maintain securities accounts for their clients. Beneficial Interests which would be held by clients of CSD Participants would be held indirectly through such CSD Participants, and such CSD Participants would hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants would be allowed to include the holders of Beneficial Interests or their custodians.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, the clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such holders, would be entitled to exercise their rights in respect of the Notes held by them in the CSD only through their CSD Participants. Branches or agents of CSD Participants in Namibia would be entitled to hold Notes through such CSD Participants.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, and in relation to each person who would be shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Notes standing to the account of such person would be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) would be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant CSD Participant as the holder of that aggregate Outstanding Principal Amount of such Notes for all purposes.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, title to Beneficial Interests that would be held by CSD Participants directly through the CSD would pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants. Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants would pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients. Beneficial Interests would be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests would vote in accordance with the Applicable Procedures.

Subject to the provisions of the law or the rules that may become applicable as aforesaid, the holder of a Beneficial Interest would be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 15.4.

Section 6

Form of the Applicable Pricing Supplement

Set out below is the form of Applicable Pricing Supplement which (adapted, as applicable) will be completed for (i) each Tranche of Notes which is to be listed only on the NSX and (ii) each Tranche of unlisted Notes.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on any Exchange other than (or in addition to) the NSX will, subject to the rules of that Exchange and all Applicable Laws, be substantially in the form set out below, adapted, as applicable, to comply with the rules of that Exchange and all Applicable Laws.



THE DEVELOPMENT BANK OF NAMIBIA LIMITED

(Incorporated in the Republic of Namibia with limited liability under registration number 2003/189)

NAD2,500,000,000

Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 3 August 2017 (as further amended and/or supplemented from time to time) ("**Programme Memorandum**") prepared by The Development Bank of Namibia Limited ("**Issuer**") in connection with The Development Bank of Namibia Limited NAD2,500,000,000 Medium Term Note Programme ("**Programme**").

The Programme Memorandum was approved by the Namibian Stock Exchange ("**NSX**") on 31 July 2017.

The Tranche of Notes described herein is [listed only on the NSX] [unlisted].

References in this Applicable Pricing Supplement to the Terms and Conditions are to Section 7 of the Programme Memorandum headed "**Terms and Conditions of the Notes**". References to any Condition are to that Condition of the Terms and Conditions. Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in Section 16 of the Programme Memorandum headed "**Definitions**".

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

A DESCRIPTION OF THE NOTES

- | | | |
|-----|--|---|
| 1. | Issuer | The Development Bank of Namibia Limited |
| 2. | Tranche number | [] |
| 3. | Series number | [] |
| 4. | Status | [Senior Notes (see Condition 5)]

[Subordinated Notes (see Condition Unsecured Senior Notes (see Condition 5))] |
| 5. | Form of Notes | [The Notes in this Tranche are issued in registered certificated form and will be represented by one or more Individual Certificates]

[The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD] |
| 6. | Type of Notes | [Fixed Rate Notes] [Floating Rate Notes] [Mixed Rate Notes] [Index-Linked Notes] [Zero Coupon Notes] [specify other] |
| 7. | Aggregate Principal Amount of this Tranche | [NAD[]] [specify other if the Specified Currency is not NAD] |
| 8. | Minimum denomination per Note | [NAD[]] [specify other if the Specified Currency is not NAD] |
| 9. | Specified Denomination (nominal amount per Note) | [NAD[]] [specify other if the Specified Currency is not NAD] |
| 10. | Business Day Convention | [Not Applicable]

[Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [specify other] |
| 11. | Day Count Fraction | [Not Applicable]

[1/1] [Actual/365] [Actual/365 Fixed)] [Actual/360] [30/360] [30E/360] [specify other] |
| 12. | Business centre | [] |

B PROGRAMME AMOUNT

- | | | |
|----|---------------------------------------|--------------------------|
| 1. | Programme Amount as at the Issue Date | [NAD[•]] [specify other] |
|----|---------------------------------------|--------------------------|

2. Aggregate Outstanding Principal Amount of all of the Notes issued under the Programme as at the Issue Date [NAD[] billion]] excluding the aggregate Principal Amount of this Tranche and any other Tranche(s) of Notes issued on the Issue Date, determined (where applicable) in accordance with the relevant provisions set out in Section 2 of the Programme Memorandum headed "**General Description of the Programme**".

C ISSUE AND REDEMPTION

1. Issue Date []
2. Issue Price [[]% of the Principal Amount][*specify other*]
3. Specified Currency [NAD] [*specify other (subject to the Exchange Control Regulations or the South African Exchange Control Regulations, as applicable)*]
4. Optional Maturity Date (Condition 7.2.1) [Not Applicable] [*specify Optional Maturity Date: []*]
5. Final Maturity Date []
6. Redemption/Payment Basis: [Redemption at Outstanding Principal Amount] [Index Linked Redemption] [*specify other*]
7. Redemption Amount Final Maturity Date: [[NAD[]]] [*specify other*]

Optional Redemption Date (if applicable) and Early Redemption Date

[[NAD[]] [Zero Coupon Notes – Condition 7.5.1 applicable] [*specify other*]
8. Redemption at the option of the Issuer [Yes/No]

If yes:

Optional Redemption Date(s) []

Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) []

Minimum period of notice (if different from Condition 7.2 (*Optional Redemption on the Optional Maturity Date*)) []

If redeemable in part: []

Minimum Redemption Amount(s) []
9. 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 7.3 (*Redemption at the Option of the Senior Noteholders*)) []
- (d) If redeemable in part:
- Minimum Redemption Amount(s) []
- Higher Redemption Amount(s) []
- (e) Attach *pro forma* Put Notice(s) []
- (f) Any other terms relating to redemption [Not Applicable] [specify other terms]

D FIXED RATE NOTES

1. Interest Payment Date(s) [Semi-annually in arrear on *specify date(s)*: [] and [] of each year for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date] [*specify other*]
2. Interest Commencement Date [Issue Date] [*specify other*]
3. First Interest Payment Date []
4. Interest Period(s) [Each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date and the last Interest Period will end on but exclude the Applicable Maturity Date] [*specify other*]
5. Fixed Interest Rate [[]% per annum [NACS] [*specify other*] for the period from and including the Interest Commencement Date to but excluding the [Optional Maturity Date] [Applicable Maturity Date]] [*specify other*]
6. Increased Interest Rate (Condition 8.1.2) [Not Applicable]
- [If this Tranche is not redeemed in full on or before the Optional Redemption Date, the Notes in this Tranche will bear interest at []% per annum [NACS] [*specify other*] for the period from and including the Optional Maturity Date to but excluding the [Applicable Maturity Date]] [*specify other*]

- | | | |
|----|---|---|
| 7. | Initial Broken Amount | [Not Applicable] [specify Initial Broken Amount: []] |
| 8. | Final Broken Amount | [Not Applicable] [specify Final Broken Amount: []] |
| 9. | Other terms relating to the method of calculating interest for Fixed Rate Notes | [Not Applicable] [specify other terms] |

E FLOATING RATE NOTES

- | | | |
|----|---|--|
| 1. | Interest Payment Date(s) | [Quarterly in arrear on <i>specify date(s)</i> : [] [] [] and [] of each year for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date] [<i>specify other</i>] |
| 2. | Interest Commencement Date | [Issue Date] [<i>specify other</i>] |
| 3. | First Interest Payment Date | [] |
| 4. | Interest Period(s) | Each successive period commencing

on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date and the last Interest Period will end on but exclude the Applicable Maturity Date] [<i>specify other</i>] |
| 5. | Floating Interest Rate | [The floating interest rate per annum [NACQ] [<i>specify other</i>] equal to the sum of the [Reference Rate] and [the Margin] [<i>specify other</i>] for the period from and including the Interest Commencement Date to but excluding the [Optional Maturity Date] [Applicable Maturity Date] [<i>specify other</i>] |
| 6. | Increased Interest Rate (Condition 8.2.2) | [Not Applicable]

[If this Tranche is not redeemed in full on or before the Optional Redemption Date, the Notes in this Tranche will bear interest at the floating interest rate per annum [NACQ] [<i>specify other</i>] equal to the sum of the [Reference Rate] and [the Margin] and [the Step-Up Margin] [<i>specify other</i>] for the period from and including the Optional Maturity Date to but excluding the [Applicable Maturity Date] [<i>specify other</i>] |
| 7. | Manner in which the Floating Interest Rate is to be determined: | [Screen Rate Determination] [ISDA Determination] [<i>specify other</i>] |
| 8. | Screen Rate Determination: | [Applicable] [Not Applicable] |

Reference Rate	[WIBAR Rate] (<i>Note: no Relevant Screen Page or Reference Code or Relevant Time is applicable if the</i>
----------------	---

		Reference Rate is WIBAR)
		[JIBAR Rate] [WIBAR Rate]
		[specify other]
	Rate Determination Date(s):	[The first day of each Interest Period] [<i>specify other</i>]
	Relevant Screen Page and Reference Code	[Reuters Screen SAFEX MNY MKT page - "SFX 3M YIELD"] [<i>specify other</i>]
9.	ISDA Determination:	[Applicable] [Not Applicable]
	• Floating Rate Option	[]
	• Designated Maturity	[]
	• Reset Date	[]
10.	Other Determination	[Applicable] [Not Applicable] (<i>if the Floating Interest Rate to be calculated otherwise than by reference to Section E8 or Section E9 above, insert basis for determining the Floating Interest Rate</i>)
11.	Margin	[Not Applicable] [<i>specify Margin: (+/-)[]%</i> to be added to/subtracted from the relevant [ISDA Rate] [Reference Rate] [<i>specify other</i>]]
12.	Step-Up Margin	[Not Applicable] [<i>specify Step-Up Margin: ([] % to be added to the relevant [ISDA Rate] [Reference Rate] [<i>specify other</i>]]</i>
13.	Minimum Interest Rate	[Not Applicable] [<i>specify Minimum Interest Rate: []%</i>]
14.	Maximum Interest Rate	[Not Applicable] [<i>specify Maximum Interest Rate: []%</i>]
15.	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes, if different from those set out in the Terms and Conditions	[Not Applicable] [<i>specify other terms</i>]
16.	Commercial Paper Regulations	[Applicable (see Annexure "A" to this Applicable Pricing Supplement)] [Not Applicable] (Note: the Commercial Paper Regulations are not applicable where (i) this Tranche is listed only on the NSX (and/or any other non-South African Exchange) or this Tranche is unlisted, as the case may be, and (ii) none of the Notes in this Tranche are subscribed for in South Africa).

F MIXED RATE NOTES

1. Interest Period(s) during which the []
Interest Rate for the Mixed Rate Notes
will be a Fixed Interest Rate, and for
which Interest Period(s) the Mixed
Rate Notes will, pursuant to Condition
8.3.4, be construed as Fixed Rate
Notes and have the terms set out in
Section D above headed "**FIXED
RATE NOTES**"
2. Interest Period(s) during which the []
Interest Rate for the Mixed Rate Notes
will be a Floating Interest Rate, and for
which Interest Period(s) the Mixed
Rate Notes will, pursuant to Condition
8.3.4, be construed as Floating Rate
Notes and have the terms set out in
Section E above headed "**FLOATING
RATE NOTES**"
3. Other terms relating to the method of [Not Applicable] [specify other terms]
calculating interest for Mixed Rate
Notes

G ZERO COUPON NOTES

1. Accrual Yield [[]%] [specify other]
2. Reference Price [[]]
3. Any other formula/basis of determining [Not Applicable] [give details]
amount payable
4. Other terms relating to the method of [Not Applicable] [specify other terms]
calculating payments for Zero Coupon
Notes, if different from those set out in
the Terms and Conditions

H INDEX-LINKED NOTES

1. Index/Formula by reference to which [give or annex details]
Interest Rate / Interest Amount /
Applicable Redemption Amount is to
be determined
2. Manner in which the Interest Rate / [give or annex details]
Interest Amount / Applicable
Redemption Amount is to be
determined
3. Interest/Payment Commencement [Issue Date] [specify other]
Date

4. Interest/Payment Date(s) [] in arrear on *specify date(s)*: [] []
[] of each year for the period from and including the Interest/Payment Commencement Date to but excluding the Applicable Maturity Date] [*specify other*]
5. Interest/Payment Period(s) [Each successive period commencing on and including an [Interest/Payment Date] [*specify other*] and ending on but excluding the following Interest/Payment Date [*specify other*]; provided that the first Interest/Payment Period [*specify other*] will commence on and include the Interest/Payment Commencement Date and the last Interest/Payment Period [*specify other*] will end on but exclude the Applicable Maturity Date] [*specify other*]
- Provisions for determining interest and/or other payments where calculation by reference to Index and/or Formula is impossible or impracticable [Not Applicable] [*give details*]
7. Market Disruption or Settlement Disruption Events [*Describe any market disruption or settlement disruption events that affect the Index*]
8. Other terms relating to the method of calculating interest and/or other payments for Index Linked Notes [Not Applicable] [*specify other terms*]

J OTHER NOTES

1. If the Notes are not Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index-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 applicable to such Notes []

K AGENTS AND SPECIFIED OFFICES

1. Calculation Agent [Standard Bank Namibia Limited] [*specify other*]
2. Specified Office of the Calculation Agent Standard Bank Centre, Town Square Building, 2nd Floor
Corner: Werner List & Post Street Mall
P.O. Box 3327
Windhoek Namibia
[*specify other*]

- | | | |
|----|--|--|
| 3. | Paying Agent | [Standard Bank of Namibia Limited] [<i>specify other</i>] |
| 4. | Specified Office of the Paying Agent | Standard Bank Centre, Town Square Building, 2 nd Floor
Corner: Werner List & Post Street Mall
P.O. Box 3327
Windhoek Namibia
[<i>specify other</i>] |
| 5. | Transfer Agent | Transfer Secretaries |
| 6. | Specified Office of the Transfer Agent | [4 Robert Mugabe Avenue, Windhoek, Namibia] [<i>specify other</i>] |

L REGISTER CLOSED

- | | | |
|----|------------------------|---|
| 1. | Last Day to Register | Up until 16h00 (Namibian time) on the [eleventh] [<i>specify other</i>] day (whether such is a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date, being in each instance, the last date on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes represented by individual Certificates. |
| 2. | Register Closed Period | The Register will be closed during the [10 (ten)] [<i>specify other</i>] days preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date from 16h00 (Namibian time) on the Last Day to Register until 16h00 (Namibian time) on the day preceding the Interest Payment Date (where applicable) and the Applicable Maturity Date. |
| 3. | Books Closed Dates | [specify] |

M GENERAL

- | | | |
|----|--|--|
| 1. | Exchange control approval | <p>The Bank of Namibia gave its written approval, on 2 August 2017, to the Issuer issuing Notes under the Programme, which are listed on the NSX.</p> <p>Specific approval: [Not Applicable] [Applicable]</p> <p><i>Note 1: if this Tranche is listed on the NSX or is unlisted, the issue of this Tranche may, depending on the type of Notes in this Tranche, require the prior written approval of the Exchange Control Authority in terms of the Exchange Control Regulations.</i></p> |
| 2. | Additional selling restrictions (if any) | [Not Applicable] [give details] |
| 3. | International Securities Numbering | [] |

	(ISIN) (if applicable)	
4.	Stock Code Number (if applicable)	[]
5.	Exchange	[The NSX] [Not Applicable – unlisted Notes]
6.	Method of distribution	[Private Placement] [Method of Distribution set out in the Term Sheet, dated [], prepared by [] and sent to potential investors for purposes of placing the Notes in this Tranche] [Dutch Auction] [specify other] (Note: A public auction (or Dutch auction) is not an offer of the Notes "to the public" for purposes of the Companies Act but is a process used in the debt capital markets to place a Tranche of Notes with institutional investors. For a description of a public auction (or Dutch auction), see Section 11 of the Programme Memorandum headed " Subscription and Sale ".)
7.	Names of Dealer(s)	[Not Applicable] [give details]
8.	Stabilisation Manager (if applicable)	[Not Applicable] [give details]
9.	Rating assigned to this Tranche of Notes (if any) as at the Issue Date and date on which such Rating is expected to be reviewed	[Not Applicable] [give details]
10.	Rating Agency(ies) (if any) - this Tranche of Notes	[Not Applicable] [give details]
11.	Rating assigned to the Issuer as at the Issue Date	As at the Programme Date, the Issuer has (i) a Foreign Currency Long-term Issuer Default Rating of BBB-/Outlook Negative, (ii) a Foreign Currency Short-term Issuer Default Rating of F3, (iii) a Local Currency Long-term Issuer Default Rating of BBB-/Outlook Negative, (iv) a Local Currency Short-term Issuer Default Rating of F3, (v) a National Long-term Rating of AAA(zaf)/Outlook Negative, and (vi) a National Short-term Rating of F1+(zaf), from Fitch Ratings which was last affirmed on 9 June 2017. [specify other]
12.	Rating Agency - Issuer	[Fitch Ratings] [specify other]
13.	Governing law	The Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of Namibia.
14.	Other provisions	[Not Applicable] [give details]
15.	Use of proceeds	The net proceeds from the issue of this Tranche of Notes will be applied by the Issuer for [●] [specify other] (Note: see Annexure "A" to this Applicable Pricing Supplement, if applicable)
16.	Commercial Paper Regulations	[Applicable (see Annexure "A" to this Applicable Pricing

Supplement)]

[Not Applicable] (Note: the Commercial Paper Regulations are not applicable where (i) this Tranche is listed only on the NSX (and/or any other non-South African Exchange) or this Tranche is unlisted, as the case may be, and (ii) none of the Notes in this Tranche are subscribed for in South Africa).

Notes to be listed on the NSX or unlisted Notes, as the case may be:

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.

[Application is hereby made to list Tranche [] of Series [] of the Notes on the NSX, as from [], pursuant to the Development Bank of Namibia Limited NAD2,500,000,000 Medium Term Note Programme]

[This Tranche [] of Series [] of the Notes, issued pursuant to the Development Bank of Namibia Limited NAD2,500,000,000 Medium Term Note Programme is unlisted]

The Development Bank of Namibia Limited

By: _____

Director, duly authorised Director, duly authorised

Date: _____

**Annexure "A" to the Applicable Pricing Supplement
Commercial Paper Regulations**

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A", except where such information is disclosed in the Programme Memorandum and/or the attached Applicable Pricing Supplement ("**relevant Applicable Pricing Supplement**") relating to the Tranche of Notes described therein ("**relevant Tranche**"):

Issuer and ultimate borrower (paragraph 3(5)(a) of the Commercial Paper Regulations)

The Issuer of the relevant Tranche is The Development Bank of Namibia Limited ("**Issuer**" or "**DBN**") (incorporated with limited liability under company registration number 2003/189 in Namibia).

The "*ultimate borrower*" (as defined in paragraph 1 of the Commercial Paper Regulations) of the net proceeds from the issue of the relevant Tranche will be the Issuer.

Going concern (paragraph 3(5)(b) of the Commercial Paper Regulations)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

Auditors (paragraph 3(5)(c) of the Commercial Paper Regulations)

The auditors of the Issuer as at the Issue Date of the relevant Tranche are [KPMG (registered chartered accountants and auditors in Namibia)] [*specify other*]. [KPMG (registered chartered accountants and auditors in Namibia)] [*specify other*] has acted as auditors of the Issuer's latest audited financial statements.

Total amount of Commercial Paper (paragraph 3(5)(d) of the Commercial Paper Regulations)

[The Issuer has not, prior to the Issue Date of the relevant Tranche, issued any Commercial Paper]
[The Issuer has, prior to the Issue Date of the relevant Tranche, issued Commercial Paper in an aggregate amount of NAD[] (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD)].

To the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue Commercial Paper in an aggregate amount of NAD[] (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD) during the Issuer's current financial year (excluding the relevant Tranche).

Other information (paragraph 3(5)(e) of the Commercial Paper Regulations)

[Not Applicable] [*give details*]

Material adverse change (paragraph 3(5)(f) of the Commercial Paper Regulations)

Save as disclosed in the Programme Memorandum [and as set out below], there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited annual financial statements.

[*give details, if applicable*]

Listing (paragraph 3(5)(g) of the Commercial Paper Regulations)

The relevant Tranche is listed on [the NSX] [and] [or] [*specify other non-South African Exchange*] and Notes in the relevant Tranche will be subscribed for in South Africa]

[The relevant Tranche is unlisted and Notes in the relevant Tranche will be subscribed for in South Africa].

Use of proceeds (*paragraph 3(5)(h) of the Commercial Paper Regulations*)

The net proceeds from the issue of the relevant Tranche will be applied by the Issuer for the following purposes: [*specify*].

Security (*paragraph 3(5)(i) of the Commercial Paper Regulations*)

The Notes in the relevant Tranche are unsecured.

Auditors confirmation (*paragraph 3(5)(j) of the Commercial Paper Regulations*)

[KPMG (registered chartered accountants and auditors in Namibia)] [*specify other*], [as auditors of the Issuer], have confirmed that nothing has come to their attention to indicate that the issue of the relevant Tranche under the Programme will not comply in all respects with the provisions of the Commercial Paper Regulations.

Audited financial statements (*paragraph 3(5)(i) and (ii) of the Commercial Paper Regulations*)

Where the Programme Memorandum and/or the relevant Applicable Pricing Supplement is distributed and/or made available for inspection, in respect of the relevant Tranche, in South Africa then, as required by the Commercial Paper Regulations, a copy of the Issuer's latest audited financial statements will at all times separately accompany the Programme Memorandum and/or the relevant Applicable Pricing Supplement.

Section 7

Terms and Conditions of the Notes

The following is the text of the Terms and Conditions:

1. INTERPRETATION

- 1.1. Capitalised terms will bear the meanings ascribed to such terms in Section 16 of this Programme Memorandum headed "**Definitions**", except to the extent that any such capitalised term, in relation to a Tranche of Notes, is separately defined in this Programme Memorandum (including the Terms and Conditions) and/or the Applicable Pricing Supplement.
- 1.2. Words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*.
- 1.3. The use of the word "including" followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to "including" and "in particular" will not be construed restrictively but will mean "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing" respectively.
- 1.4. Any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be.
- 1.5. All references in the Terms and Conditions to any statute, regulation or other legislation (including, without limiting the generality of the foregoing, the Applicable Laws and the Applicable Procedures) will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time.

2. ISSUE

- 2.1. The Issuer may from time to time issue one or more Tranches of Notes (denominated in the Specified Currency) pursuant to the Programme; provided that the Outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. 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 Applicable Terms and Conditions of that Tranche of Notes. The Applicable Terms and Conditions of a Tranche of Notes are 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 relating to that Tranche of Notes.
- 2.3. The Applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing any Notes in that Tranche. The Applicable Pricing Supplement will be attached to such Individual Certificate(s). The holders of the Notes in a Tranche are deemed to have knowledge of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement relating to that Tranche.

- 2.4. The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by NSX. Listed Notes will be listed on the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange(s).
- 2.5. The holders of Notes that are not listed on the NSX will have no recourse against the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.
- 2.6. The Issuer shall be at liberty from time to time, without the consent of any Noteholder, to create and issue a Tranche of Notes ("**Additional Notes**") having terms and conditions which are identical to any other Tranche of Notes already in issue under the Programme ("**Existing Notes**") (save for their respective Issue Prices, actual Issue Dates and aggregate Principal Amounts), so that the Additional Notes (i) are consolidated with the Existing Notes and form part of the same Tranche of Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

3. FORM AND DENOMINATION

3.1. General

- 3.1.1. The denomination of each Note in a Tranche will be the Specified Denomination in NAD (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD).
- 3.1.2. A Tranche of Notes will be issued in registered certificated form. Notes will not be issued in bearer form.
- 3.1.3. If a Tranche of Notes which is listed on any Exchange (other than the NSX) may, in terms of the rules of that Exchange and Applicable Laws, be lodged in a central securities depository and/or issued in uncertificated form, the relevant procedures (including those relating to beneficial ownership interests in that Tranche of Notes) will be set out in the Applicable Pricing Supplement.

3.2. Notes issued in certificated form

Subject to Condition 3.3 below, each (i) Tranche of unlisted Notes and (ii) each Tranche of Notes which is listed on the NSX, will be issued in registered certificated form. The Notes in a Tranche of Notes issued in registered certificated form will be represented by one or more Individual Certificates.

3.3. Notes issued in uncertificated form

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, a Tranche of Notes which is listed on the NSX, would be issued in registered uncertificated form, in terms of the relevant laws or rules that may become applicable, and would be held in the CSD. Notes issued in uncertificated form would not be represented by any certificate or written instrument.

3.4. Beneficial Interests in Notes held in the CSD

- 3.4.1. In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event all Notes held in the CSD would be held subject to the relevant laws or rules that may become applicable, and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD would be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.
- 3.4.2. Subject to the relevant laws or rules that may become applicable, the holder of a Beneficial Interest would be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 15.4.

4. TITLE

4.1. Notes issued in certificated form

- 4.1.1. Subject to Condition 4.2 below, each holder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.
- 4.1.2. In the case of unlisted Notes and Notes which are listed on the NSX, joint (or multiple) registered Noteholders of the same of any of such Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.
- 4.1.3. Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 14.2.

4.2. Notes issued in uncertificated form

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the CSD's Nominee would be listed in the Register as the registered holder of Notes which would be issued in uncertificated form and held in the CSD.

4.3. Beneficial Interests in Notes held in the CSD

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the following provisions shall apply:

- 4.3.1. While a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.
- 4.3.2. All amounts to be paid and all rights to be exercised in respect of the Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.
- 4.3.3. In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered holder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant CSD Participant as the holder of that aggregate Outstanding Principal Amount of such Notes for all purposes.

- 4.3.4. Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.
- 4.3.5. The clients of CSD 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 CSD Participants. Branches or agents of CSD Participants in South Africa may hold Notes through such CSD Participants.
- 4.3.6. Title to Beneficial Interests held by CSD 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 CSD Participants, in accordance with the Applicable Procedures (as contemplated in Condition 14.2). Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients, in accordance with the Applicable Procedures (as contemplated in Condition 14.2).

4.4. **Register**

- 4.4.1. The Issuer, the Paying Agent and the Transfer Agent will recognise a Noteholder named in the Register, 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) for all purposes, and neither the Issuer nor the Transfer Agent shall 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 Note may be subject.
- 4.4.2. No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 16 (*Register*).

5. **STATUS**

The Notes constitute direct, unconditional, subordinated, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* amongst themselves and, subject to Condition 6 and save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured unsubordinated obligations of the Issuer.

5.1. **Status of Senior Notes**

The Senior Notes constitute direct, unconditional, subordinated, unsubordinated and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and rank (a) senior to the Subordinated Notes and (b) *pari passu* without any preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer which rank (or are expressed to rank) and are entitled to rank *pari passu* with the Senior Notes.

5.2. **Status of Subordinated Notes**

The Subordinated Notes constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and rank (a) junior to the Senior Notes and (b) *pari passu* and without preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future subordinated and unsecured obligations of the Issuer which rank (or are expressed to rank) and are entitled to rank *pari passu* with the Subordinated Notes.

6. NEGATIVE PLEDGE

- 6.1. So long as any Tranche of the Senior Notes remains outstanding, the Issuer undertakes that it shall not, and shall procure that no other Affected Subsidiary, shall create or permit the creation of any Encumbrances other than Permitted Encumbrances over any of their present or future business undertakings, assets or revenues to secure any present or future Indebtedness (save for those which have been accorded a preference by law) without at the same time securing all Senior Notes equally and rateably with such Indebtedness or providing such other security or arrangement as may be approved by Special Resolution of the Senior Noteholders, unless the provision of any such security is waived by an Special Resolution of the Senior Noteholders.
- 6.2. The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or 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. REDEMPTION AND PURCHASES

7.1. Redemption on the Final Maturity Date

Subject to the Applicable Terms and Conditions, the Issuer will redeem each Note in a Tranche of Notes, on the Final Maturity Date, at its Redemption Amount together (where applicable) with interest accrued to the Final Maturity Date.

7.2. Optional redemption on the Optional Maturity Date

Subject to the Applicable Terms and Conditions and if, in relation to a Tranche of Notes, so specified in the Applicable Pricing Supplement, the Issuer may at its option, having given not less than 30 (thirty) days' notice to the Transfer Agent, the Calculation Agent, the Paying Agent and the relevant Noteholders (in the manner set out in Condition 19.1), redeem each Note in that Tranche, on the Optional Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Optional Redemption Date.

7.3. Redemption at the Option of the Senior Noteholders

If Senior Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Senior Notes, such Senior Noteholders may exercise such option in respect of such Senior Notes by delivering to the Transfer Agent, in accordance with Condition 19 (*Notices*), a duly executed notice (Put Notice), at least 30 (thirty) days but not more than 60 (sixty) days, prior to the Optional Redemption Date.

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 Issuer and 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 13 (*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.]

7.4. Redemption in the event of a Change of Control

The provisions of this Condition 7.4 (*Redemption in the event of a Change of Control*) shall apply if specified as applicable in the Applicable Pricing Supplement.

- 7.4.1. A Change of Control Event shall occur if at any time while any Note remains Outstanding:
 - 7.4.1.1. a Change of Control occurs; and
 - 7.4.1.2. within the Change of Control Period and in respect of that Change of Control:
 - 7.4.1.2.1. a Rating Downgrade occurs in relation to the Issuer and/or the Programme and/or any Notes rated by a Rating Agency, as the case may be; or
 - 7.4.1.2.2. 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.
- 7.4.2. 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 19 (*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 7.4.1.
- 7.4.3. If a Change of Control Event occurs at any time while any Note remains Outstanding, then provided the Noteholders have:
 - 7.4.3.1. in terms of Condition 19.1 (*Notices*) issued a notice to convene a meeting of Noteholders within 30 (thirty) days of the date on which the Negative Rating Event or Rating Downgrade occurred, as the case may be; and
 - 7.4.3.2. resolved in terms of Condition 23 (*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.
- 7.4.4. 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.

7.5. Optional redemption for change in Applicable Law

7.5.1. The Issuer may at its option, having given not less than 30 (thirty) days' notice to the Transfer Agent, the Calculation Agent, the Paying Agent and the relevant Noteholders (in the manner set out in Condition 19.1), redeem each Note in a Tranche of Notes, on the Early Redemption Date (which Early Redemption Date shall be stipulated in such notice), at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date, if the Issuer, prior to the giving of such notice, has been provided with a legal opinion from a reputable firm of lawyers in (as applicable) South Africa or Namibia to the effect that there is a substantial likelihood that as a result of any implementation, abolition or change in (including the introduction of any new law or regulation) to or of any Applicable Law or any change in any interpretation or administration of any Applicable Law, or any compliance with any new or different governmental or administrative request or direction (in either case, whether or not having the force of law), which implementation, abolition, change or compliance becomes effective on or after the Issue Date of that Tranche or any earlier date specified for this purpose in the Applicable Pricing Supplement:

- 7.5.1.1. the ability of the Issuer to comply with its obligations under the Applicable Terms and Conditions will be adversely affected; and/or
- 7.5.1.2. the validity or enforceability of the Applicable Terms and Conditions will be adversely affected; and/or
- 7.5.1.3. the economic returns to the Issuer under the Programme will be materially adversely affected.

7.6. Mandatory redemption following an Event of Default

Where, following an Event of Default, any Notes have been declared by the holder of such Notes to be immediately due and payable pursuant to Condition 13.2.2, each such Note (whether or not due for payment) shall become immediately due and payable at its Redemption Amount together (where applicable) with interest accrued to the Acceleration Date (as defined in Condition 13.2.2), subject to and in accordance with Condition 13.

7.7. Calculation of Early Redemption Amount

7.7.1. *Zero Coupon Notes*

7.7.1.1. Each Zero Coupon Note in a Tranche of Zero Coupon Notes which is redeemed pursuant to Condition 7.2, Condition 7.3, or Condition 7.4 (as read with Condition 13), as the case may be, will be redeemed at its Early Redemption Amount calculated (unless otherwise specified in the Applicable Pricing Supplement) as follows:

$$\text{ERA} = \text{IP} + (\text{IY} / \text{DM} \times \text{IP} \times \text{D})$$

where: ERA	=	the Early Redemption Amount;
IP	=	the Issue Price;
IY	=	the Implied Yield;
D	=	the number of days elapsing between the Issue Date and the Relevant Date (excluding the Issue Date and the Relevant Date);

DM = the number of days elapsing between the Issue Date and the Final Maturity Date (excluding the Issue Date and the Final Maturity Date).

7.7.1.2. Where any calculation is to be made in terms of this Condition 7.5.1 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.

7.7.2. ***Index-Linked Notes and other Notes***

The Applicable Pricing Supplement relating to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions) will set out, among other things, the Early Redemption Amount (or the manner of calculating the Early Redemption Amount) of each such Index-Linked (or other) Note which is redeemed pursuant to Condition 7.2, Condition 7.3, or Condition 7.4, as the case may be.

7.7.3. **Redemption of a portion of the Notes**

If only a portion of a Tranche of Notes (or only a portion of any Notes in that Tranche) are to be redeemed prior to the Maturity Date in terms of this Condition 7, the Redemption Amount of each such Note shall be the Redemption Amount of that Tranche of Notes (calculated as if that Tranche of Notes were to be redeemed in whole) multiplied by that portion (expressed as a percentage) divided by the total number of Notes in that Tranche.

7.7.4. **Redemption of some, but not all, of the Notes in a Tranche**

Where only some, but not all, of the Notes in a Tranche of Notes are to be redeemed prior to the Maturity Date in terms of this Condition 7, the Redemption Amount of each such Note shall be the Redemption Amount of that Tranche of Notes divided by the total number of Notes in that Tranche.

7.8. **Purchases**

The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to the restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

7.9. **Cancellation**

All Notes which are redeemed or purchased by the Issuer and, at the option of the Issuer, cancelled (as contemplated in Condition 7.6) will forthwith be cancelled and may not be re-issued or resold. Each Individual Certificate (if any) representing any Notes so purchased or redeemed, as the case may be, shall be forwarded to the Transfer Agent for cancellation. In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the Transfer Agent shall, in respect of a Tranche of Notes which is listed on the NSX, notify the CSD and the NSX, of any cancellation, partial redemption or redemption of Notes in that Tranche so that such entities can record the reduction in the aggregate Outstanding Principal Amount of the Notes in issue. Where only a portion of the Notes represented by an Individual Certificate is redeemed, the Transfer Agent shall deliver a new Individual Certificate to the holder of such Notes representing the balance of such Notes, as contemplated in Condition 14.2.

8. INTEREST

8.1. Fixed Rate Notes

- 8.1.1. Each Fixed Rate Note in a Tranche will bear interest on its Outstanding Principal Amount at the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Applicable Maturity Date.
- 8.1.2. If a Tranche of Fixed Rate Notes in respect of which Condition 7.2 is applicable (as specified in the Applicable Pricing Supplement) is not redeemed in full on or before the Optional Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, each Fixed Rate Note in that Tranche will bear interest on its Outstanding Principal Amount at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Optional Maturity Date to (but excluding) the Applicable Maturity Date.
- 8.1.3. The interest due on a Tranche of Fixed Rate Notes in respect of an Interest Period will be payable in arrear on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 11.5 shall determine the date of payment of interest due upon that Interest Payment Date; provided that for the purposes of determining an Interest Period, no such adjustment will be made to an Interest Payment Date.
- 8.1.4. The interest payable on each Fixed Rate Note in a Tranche in respect of any six-monthly Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated by dividing the Fixed Interest Rate by two and multiplying the product by the Outstanding Principal Amount, provided that:
- 8.1.4.1. if an Initial Broken Amount is specified in that Applicable Pricing Supplement, the first Interest Amount shall equal that Initial Broken Amount; and
- 8.1.4.2. if a Final Broken Amount is specified in that Applicable Pricing Supplement, the final Interest Amount shall equal that Final Broken Amount.
- 8.1.5. Save as provided in the preceding paragraphs of this Condition 8.1, if interest on a Tranche of Fixed Rate Notes is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall (unless otherwise specified in the Applicable Pricing Supplement) be calculated on the basis of the actual number of days in such period divided by 365 (three hundred and sixty five).

8.2. Floating Rate Notes

- 8.2.1. Each Floating Rate Note in a Tranche will bear interest on its Outstanding Principal Amount at the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Applicable Maturity Date.
- 8.2.2. If a Tranche of Floating Rate Notes in respect of which Condition 7.2 is applicable (as specified in the Applicable Pricing Supplement) is not redeemed in full on or before the Optional Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, each Floating Rate Note in that Tranche will bear interest on its Outstanding Principal Amount at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Optional Maturity Date to (but excluding) the Applicable Maturity Date.

- 8.2.3. The interest due on a Tranche of Floating Rate Notes in respect of an Interest Period will be payable in arrear on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 11.5 shall determine the date of payment of interest due upon that Interest Payment Date; provided that for the purposes of determining an Interest Period, no such adjustment will be made to an Interest Payment Date.
- 8.2.4. The Floating Interest Rate applicable from time to time to each Floating Rate Note in a Tranche will be determined (and specified in the Applicable Pricing Supplement):
- 8.2.4.1. on the basis of ISDA Determination; or
- 8.2.4.2. on the basis of Screen Rate Determination; or
- 8.2.4.3. on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.
- 8.2.5. If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, the Floating Interest Rate for that Interest Period shall not be less than that Minimum Interest Rate. If the Applicable Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, the Floating Interest Rate for that Interest Period shall not be greater than that Maximum Interest Rate.
- 8.2.6. The Calculation Agent will, on each Rate Determination Date, (i) determine the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and (ii) calculate the Interest Amount payable in respect of each Floating Rate Note in that Tranche for that Interest Period, as contemplated in Condition 10.1. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Amount in respect of a Floating Rate Note will be determined by multiplying the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes by the Outstanding Principal Amount of that Floating Rate Note, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest cent, half a cent being rounded upwards.
- 8.2.6.1. *ISDA Determination*
- 8.2.6.1.1. Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any).
- 8.2.6.1.2. For the purposes of this Condition 8.2.6.1, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Interest Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- a) the Floating Rate Option is as specified in the Applicable Pricing Supplement
 - b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
 - c) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the JIBAR Rate, or the WIBAR Rate the first day of that Interest Period or (ii) in any other case, as specified in the Applicable Pricing Supplement.

- 8.2.6.1.3. For the purposes of this Condition 8.2.6.1, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" shall have the meanings given to those expressions in the ISDA Definitions. Other expressions used in this Condition 8.2.6.1 or in the Applicable Pricing Supplement (where ISDA Determination is specified) not expressly defined shall bear the meaning given to those expressions in the ISDA Definitions.
- 8.2.6.1.4. Where this Condition 8.2.6.1 is applicable, the Calculation Agent will, in respect of each Interest Period, be deemed to have discharged its obligations under Condition 8.2.6 in respect of the determination of the Floating Interest Rate if it has determined the Floating Interest Rate in respect of such Interest Period in the manner provided in this Condition 8.2.6.1.
- 8.2.6.2. *Screen Rate Determination*
- 8.2.6.2.1. Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate for each Interest Period will, subject as provided below, be either:
- a) the offered quotation (if there is only one quotation on the Relevant Screen Page);
 - or
 - b) the arithmetic means (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the offered quotations, for the Reference Rate(s) which appear(s) on the Relevant Screen Page at or about 12h00 (Namibian time) on the Rate Determination Date, plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.
- 8.2.6.2.2. If five or more such offered quotations are available on the Relevant Screen Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.
- 8.2.6.2.3. If the Relevant Screen Page is not available or if, in the case of Condition 8.2.6.2.1 (a) above, no such offered quotation appears or, in the case of Condition 8.2.6.2.1 (b) above, fewer than three such offered quotations appear, in each case at the time specified in the aforementioned Condition, the Calculation Agent shall request the principal office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (Namibian time) on the Rate Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

- 8.2.6.2.4. If the Floating Interest Rate cannot be determined by applying the provisions of Condition 8.2.6.2.1 to Condition 8.2.6.2.3 inclusive, the Floating Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks (or any two or more of them), at which such banks offered, at approximately 12h00 (Namibian time) on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the aggregate Outstanding Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in (as applicable) the South African or Namibian inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Floating Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the aggregate Outstanding Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (Namibian time) on the relevant Rate Determination Date, by four leading banks in (as applicable) South Africa or Namibia (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any).
- 8.2.6.2.5. If the Floating Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 8.2.6.2.4, the Floating Interest Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to the immediately preceding Interest Period).
- 8.2.6.2.6. If the Reference Rate is specified in the Applicable Pricing Supplement as being other than the JIBAR Rate or the WIBAR Rate, the Floating Interest Rate in respect of the relevant Tranche of Floating Rate Notes will be determined in the manner provided in the Applicable Pricing Supplement.

8.3. Mixed Rate Notes

- 8.3.1. Each Mixed Rate Note in a Tranche will bear interest on its Outstanding Principal Amount at (i) the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement (during the Interest Period(s) in respect of which the Interest Rate is a Fixed Interest Rate) or (ii) the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement (during the Interest Period(s) in respect of which the Interest Rate is a Floating Interest Rate), as the case may be, for the period from (and including) the Interest Commencement Date to (but excluding) the Applicable Maturity Date.
- 8.3.2. If a Tranche of Mixed Rate Notes in respect of which Condition 7.2 is applicable (as specified in the Applicable Pricing Supplement) is not redeemed in full on or before the Optional Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, each Fixed Rate Note in that Tranche will bear interest on its Outstanding Principal Amount at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Optional Maturity Date to (but excluding) the Applicable Maturity Date.

8.3.3. Each Mixed Rate Note will bear interest at (i) a Fixed Interest Rate for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement and (ii) a Floating Interest Rate for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement.

8.3.4. A Tranche of Mixed Rate Notes shall (i) for the Interest Period(s) during which that Tranche bears interest at a Fixed Interest Rate, be construed for all purposes as a Tranche of Fixed Rate Notes and (ii) for the Interest Period(s) during which that Tranche bears interest at a Floating Interest Rate, be construed for all purposes as a Tranche of Floating Rate Notes.

8.4. Index-Linked Notes and Other Notes

The Applicable Pricing Supplement relating to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions) will set out, among other things, the manner in which the interest and/or other amounts payable in respect of that Tranche are to be calculated, the Interest and/or other Payment Commencement Date, the Interest and/or other Payment Date(s), the Interest and/or other Payment Period(s), and the manner in which the increased interest and/or other amounts payable in respect of that Tranche (if applicable) are to be calculated.

9. LATE PAYMENT

9.1. Interest-bearing Notes

Each interest-bearing Note will cease to bear interest from the Applicable Maturity Date. If payment of any amount due and payable in respect of a Tranche of interest-bearing Notes is not paid to the holders of such Notes on or before the due date for payment thereof, interest will continue to accrue on the unpaid amount in respect of such Notes, at the Fixed Rate or the Floating Rate, as the case may be, applicable to such Notes on such due date for payment, from and including such due date for payment to but excluding the Actual Redemption Date.

9.2. Zero Coupon Notes

9.2.1. If the principal, or any portion thereof, due and payable in respect of any Zero Coupon Note on the Applicable Maturity Date is improperly withheld or refused, that Zero Coupon Note will be redeemed at its Late Redemption Amount calculated (unless otherwise stated in the Applicable Pricing Supplement) as per the formula that is stipulated in Condition 7.7.1.1.

10. CALCULATION AGENT

10.1. Determinations and Notifications

10.1.1. The Calculation Agent will, in accordance with the Terms and Conditions and (where applicable) the Agency Agreement:

- 10.1.1.1. on each Rate Determination Date, determine the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and, as soon as practicable after that Rate Determination Date, notify the Issuer and the relevant Noteholders (in the manner set out in Condition 19.1) of that Floating Interest Rate, and In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, and if the relevant Notes are listed on the NSX, then and in such an event, notify the CSD and the NSX, of that Floating Interest Rate as soon as practicable after such determination but in any event not later than 3 (three) Business Days after that Rate Determination Date;
- 10.1.1.2. calculate the Relevant Payment Amount due and payable by the Issuer to the relevant Noteholders on the Relevant Payment Date;
- 10.1.1.3. at least 7 (seven) days before the relevant Payment Date:
- 10.1.1.3.1. notify the Paying Agent of the Relevant Payment Amount and the manner in which the Relevant Payment Amount is to be apportioned between and disbursed to the relevant Noteholders;
- 10.1.1.4. notify the Issuer and the relevant Noteholders (in the manner set out in Condition 19.1) of the Relevant Payment Amount, and in the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, if the relevant Notes are listed on the NSX, notify the CSD and the NSX, of the Relevant Payment Amount.

10.2. **Certificates of determinations, calculations and quotations**

Any certificate or other document issued by a Reference Bank or the Calculation Agent, as the case may be, as to the amount of any determination, calculation and/or quotation made or obtained by such Reference Bank or the Calculation Agent, as the case may be, for the purposes of the Terms and Conditions, shall be *prima facie* proof of such amount.

10.3. **Failure to make determinations**

If the Calculation Agent does not for any reason determine and/or calculate and/or publish any amount, rate or date as provided in the Terms and Conditions, it will forthwith notify the Issuer and the Paying Agent thereof, and in the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, and if the relevant Notes are listed on the NSX, then and in such an event, the Calculation Agent will forthwith notify the CSD and the NSX thereof. Any failure by the Calculation Agent to determine and/or calculate and/or publish any of the foregoing will not affect the Issuer's obligations to pay any amount due in respect of the Notes as and when due.

10.4. **Good faith**

Whenever the Calculation Agent is required to act or to exercise judgment pursuant to the Agency Agreement and the Terms and Conditions, it will do so in good faith and in a commercially reasonable manner.

11. **PAYMENTS**

11.1. **General**

- 11.1.1. Only Noteholders named in the Register at 16h00 (Namibian time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of such Notes.
- 11.1.2. All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 11. The Issuer shall not be responsible for the loss in transmission of any funds paid by the Paying Agent to the Noteholders, and payment of any amount by the Issuer to the Paying Agent (into such separate bank account of the Issuer held with the Paying Agent for the Notes as is agreed in writing between the Issuer and the Paying Agent from time to time) in accordance with the Agency Agreement, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the Notes, the Applicable Terms and Conditions and the Agency Agreement.
- 11.1.3. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, subject to Condition 12.
- 11.1.4. Any reference in the Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any additional amounts which may be payable under the Terms and Conditions or under any undertakings given in addition to, or in substitution for, the Terms and Conditions.

11.2. Method of payment

The Paying Agent will, on behalf of the Issuer, pay all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes:

- 11.2.1. which are represented by an Individual Certificate, in immediately available and freely transferable funds, by electronic funds transfer, to the bank account of the person named as the registered holder of such Notes in the Register or, in the case of joint registered Noteholders (subject to Condition 4.1.2), the bank account of the first one of them named in the Register in respect of such Notes;
- 11.2.2. in the case of Notes which are held in the CSD, in immediately available and freely transferable funds, by electronic funds transfer to the bank account of the CSD's Nominee, as the registered holder of such Notes, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests in such Notes.

11.3. Beneficial Interests

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the following provisions shall apply:

- 11.3.1. Following payment to the CSD's Nominee of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of Notes which are held in the CSD pursuant to Condition 11.2.2, the relevant funds will be transferred by the CSD's Nominee, via the CSD Participants, to the holders of Beneficial Interests in such Notes.
- 11.3.2. Each of the persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Notes, will look solely to the CSD or the relevant CSD Participant, as the case may be, for such person's share of each payment so made by the Paying Agent, on behalf of the Issuer, to or for the order of the CSD's Nominee, as the registered holder of such Notes.
- 11.3.3. Neither the Paying Agent nor the Issuer 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.

- 11.3.4. Payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of Beneficial Interests in Notes will be recorded by the CSD's Nominee, as the registered holder of such Notes, distinguishing between interest, principal and any other amount, and such record of payments by the CSD's Nominee, as the registered holder of such Notes, will be *prima facie* proof of such payments.

11.4. Payment Date

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount (whether in respect of principal, interest or otherwise) due and payable in respect of a Tranche of Notes is not a Business Day, then:

- 11.4.1. if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;
- 11.4.2. if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention, and the holders of such Notes will not be entitled to further interest or other payments in respect of any such delay.

11.5. Surrender of Individual Certificates

- 11.5.1. Payments of principal due and payable in respect of any Notes which are represented by Individual Certificate(s) shall be made to the Noteholders of such Notes only if, before the Applicable Maturity Date, such Individual Certificate(s) shall have been surrendered for cancellation at the Specified Office of the Transfer Agent.
- 11.5.2. If the relevant Individual Certificate is not surrendered for cancellation at the Specified Office of the Transfer Agent in accordance with Condition 11.5.1, the amount of principal payable to the Noteholder of the Notes represented by that Individual Certificate shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until that Individual Certificate shall have been surrendered to the Transfer Agent (at its Specified Office), and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.
- 11.5.3. All documents and Individual Certificates which are required to be presented and/or surrendered to the Transfer Agent in accordance with the Terms and Conditions must be so presented and/or surrendered at the Specified Office of the Transfer Agent.

12. TAXATION

- 12.1. All payments (whether in respect of principal, interest or otherwise) in respect of a Tranche of Notes will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.
- 12.2. The Issuer is, in terms of section 4(6)(c) of the Development Bank of Namibia Act, 2002, exempt from the payment of interest received by or accrued to any natural person or any external company not carrying on business in Namibia, from stock or securities issued by the Issuer. The Minister of Finance, after consultation with the Issuer and the shareholders of the Issuer, may however, at any time withdraw any exemption referred to hereinbefore by notice in the *Government Gazette*;
- 12.3. The payment of any Taxes by the Issuer as an agent or representative taxpayer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 12.

- 12.4. If any such withholding or deduction is required to be made by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes in a Tranche, the Issuer will make such payments after such withholding or deduction has been made and will account to the relevant Taxation authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments to any Noteholder in respect of such withholding or deduction.

13. EVENTS OF DEFAULT

13.1. Events of Default – Senior Notes

- 13.1.1. An Event of Default will occur if any one or more of the following events or circumstances shall have occurred:
- 13.1.1.1. the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes on the due date for payment of such amount and such failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring such failure to pay to be remedied; provided that if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of a competent jurisdiction, such failure to pay shall not constitute an Event of Default; or
- 13.1.1.2. the Issuer fails to perform any of its other obligations under the Applicable Terms and Conditions and such failure to perform has continued for more than 30 (thirty) consecutive days following the service on the Issuer of a written notice requiring such failure to perform to be remedied by the Issuer; or
- 13.1.1.3. the Issuer or an Affected Subsidiary, as the case may be, fails to pay any amount due and payable under any Indebtedness (taking into account any applicable grace period for such payment) and such failure to pay continues for more than 30 (thirty) consecutive days:
- 13.1.1.3.1. provided (and it being recorded for the avoidance of doubt) that any failure to pay any amount under any Indebtedness which failure to pay has been waived and/or condoned by the relevant creditor(s) to whom, in the absence of such waiver and/or condonation, such amount would otherwise have been due and payable, shall not constitute an Event of Default); and
- 13.1.1.3.2. provided further that any failure to pay any amount contemplated in Condition 13.1.1.3.1 shall not constitute an Event of Default; or
- 13.1.1.4. the Issuer or a Affected Subsidiary, as the case may be, has any judgment ("**judgment**") awarded against it, for an amount which (either alone or when aggregated with the amount of any other Indebtedness of the Issuer at that point in time) is equal to or greater than 2% of the aggregate value of the total assets of the Issuer, such aggregate value and such total assets being determined by reference to the then most recent audited annual financial statements of the Issuer, and fails to satisfy such judgment within 30 (thirty) days after becoming aware thereof; or

- 13.1.1.5. any Act of Parliament of Namibia comes into force and effect that provides for, or contemplates, the winding-up of the Issuer in terms of section 17 of the Development Bank of Namibia Act, 2002, and an application to any competent authority is made, or a decision is taken (as the case may be), for the liquidation, dissolution, winding-up or judicial management of the Issuer or an Affected Subsidiary, as the case may be, or such order is granted, or decision is taken (as the case may be), ; provided that no such liquidation, curatorship, dissolution, winding-up or judicial management shall constitute an Event of Default if such liquidation, curatorship, dissolution, winding-up or judicial management is for purposes of effecting a merger, amalgamation, demerger, consolidation, reconstruction, reorganisation or other similar arrangement the terms of which were approved by a Special Resolution of Noteholders before the date of liquidation, curatorship, dissolution, winding-up or judicial management, should the said Act of Parliament that may come into effect as contemplated in terms of section 17 of the Development Bank of Namibia Act, 2002, provide therefor; or
- 13.1.1.6. the Issuer or an Affected Subsidiary, as the case may be, becomes subject to a scheme of arrangement or compromise as envisaged in section 317 of the Companies Act (other than a scheme of arrangement or compromise the terms of which have been approved by a Special Resolution of the Noteholders and where the Issuer or the Affected Subsidiary, as the case may be, is solvent); or
- 13.1.1.7. any procedural step is taken by the Issuer or an Affected Subsidiary, as the case may be, (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with any of its creditors generally or any significant class of its creditors; or
- 13.1.1.8. proceedings are initiated against the Issuer or a Affected Subsidiary, as the case may be, such that a person takes possession of the whole or a material part of the undertaking or assets of the Issuer or an execution or attachment or other process is levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of the Issuer; or
- 13.1.1.9. the Issuer or an Affected Subsidiary, as the case may be, ceases to carry on its business in a normal and regular manner or materially changes the nature of its business, or through an official act of the board of directors of the Issuer or the Affected Subsidiary, as the case may be, threatens to cease to carry on its business; or
- 13.1.1.10. any consent, license, permit or authorisation required by the Issuer or a Affected Subsidiary, as the case may be, for the conduct of its business, is revoked, withdrawn, materially altered or not renewed and such situation is not remedied within 14 (fourteen days) after the Issuer or the Affected Subsidiary, as the case may be, has been given written notice requiring the applicable consent, license, permit or authorisation to be obtained.

13.2. Events of Default – Subordinated Notes

- 13.2.1. If the Issuer defaults in relation to Subordinated Notes in the payment of any amount payable in respect of such Notes, and such default continues for a period of 7 (seven) Business Days after receiving written notice from any of the holders of Subordinated Notes, or if any Act of Parliament of Namibia comes into force and effect an Event of Default as contemplated in Condition 13.1.1.5 (*Insolvency*) occurs, any holder of a Subordinated Note may, subject as provided below, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of liquidation, winding up or business rescue proceedings (or judicial management (if applicable)), to pay any sum or sums sooner than the same would otherwise have been payable by it.

- 13.2.2. In the event of the winding-up or liquidation, whether finally or provisionally, of the Issuer, otherwise than for the purposes of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up, bankruptcy or business rescue (or judicial management (if applicable)), then any holder of Subordinated Notes issued by the Issuer may by written notice to the Issuer at its registered office, require that its Subordinated Notes are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Subordinated Notes may only receive payment once all the other creditors of the Issuer have been paid in full.

13.3. Action upon Event of Default

- 13.3.1. The Issuer, upon becoming aware that any Event of Default has occurred and is continuing, shall forthwith notify (i) the Paying Agent, the Calculation Agent, the CSD (if applicable) and the NSX in writing of such Event of Default and (ii) the Noteholders (in the manner set out in Condition 19.1) of such Event of Default.
- 13.3.2. The holder of any Notes in respect of which an Event of Default contemplated in Condition 13.1.1.1 has occurred and/or the holder of any Notes who has become aware that any Event of Default contemplated in Conditions 13.1.1.2 to 13.1.1.13 inclusive has occurred may, by written notice to the Issuer effective upon the date of receipt thereof by the Issuer (the "**Acceleration Date**"), declare all of the Notes held by that holder to be immediately due and payable, whereupon each such Note (whether or not due for payment) shall become immediately due and payable at its Redemption Amount together (where applicable) with interest accrued to the Acceleration Date.
- 13.3.3. The Issuer, upon receipt of each notice contemplated in Condition 13.2.2 shall forthwith notify the Paying Agent and the Calculation Agent (and, if the relevant Notes are listed on the NSX, the CSD and the NSX)(if applicable), in writing that the relevant Notes which are the subject of such notice have become immediately due and payable.

14. TRANSFER OF NOTES

14.1. Transfer of Notes represented by Individual Certificates

- 14.1.1. A transfer of Notes represented by an Individual Certificate will not be recorded in the Register, and such transfer will not be recognised by the Issuer, unless:
- 14.1.1.1. the transfer of such Notes is embodied in the Transfer Form;
- 14.1.1.2. the Transfer Form is signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;
- 14.1.1.3. the Transfer Form is delivered to the Transfer Agent at its Specified Office together with the Individual Certificate representing such Notes for cancellation.
- 14.1.2. Transfers of Notes represented by an Individual Certificate will only be in the Specified Denomination in NAD (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD) or any multiple thereof. Notes represented by an Individual Certificate may be transferred in whole or in part in amounts of the Specified Denomination in NAD (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD) or any multiple thereof.

- 14.1.3. Subject to the preceding provisions of this Condition 14, the Transfer Agent will, within 5 (five) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or the 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 Specified Office of the Transfer Agent 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 such Notes reflecting the same Outstanding Principal Amount as the Notes transferred.
- 14.1.4. Where a Noteholder has transferred part only of his holding of Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Specified Office of the Transfer Agent or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Individual Certificate in respect of the balance of the Notes held by such Noteholder.
- 14.1.5. 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.
- 14.1.6. Before any transfer of any 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.
- 14.1.7. No transfer of any Notes represented by an Individual Certificate will be registered during the Register Closed Period.
- 14.1.8. 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.

14.2. Transfer of Beneficial Interests

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the transfers of Beneficial Interests to and from clients of CSD Participants occur by way of electronic book entry in the securities accounts maintained by the CSD Participants for their clients, in accordance with the Applicable Procedures. Transfers of Beneficial Interests among CSD Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the Applicable Procedures. Transfers of Beneficial Interests in Notes will not be recorded in the Register, and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes notwithstanding such transfers.

15. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE AND REPLACEMENT OF CERTIFICATES

15.1. Replacement of Individual Certificates

If any Individual Certificate is 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 upon such terms as to evidence of title and the provision of such indemnity or security as the Issuer and the Transfer Agent may require. Mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

15.2. Death and sequestration or liquidation of Noteholder

Any person becoming entitled to Notes in consequence of the death or sequestration or liquidation of the holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 15.2 or of his title as the Issuer, and the Transfer Agent, the CSD and/or the CSD Participant (if applicable), may require, be registered or recorded himself as the holder of such Notes or, subject to the Applicable Procedures, Condition 14 and this Condition 15.2, may transfer such Notes. The Issuer, and the Transfer Agent shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered or recorded as aforesaid or shall duly transfer the Notes.

15.3. **Costs**

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all taxes or governmental charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the Issuer. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes evidenced by Individual Certificates may be levied by other persons, such as CSD Participants (if applicable), under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

15.4. **Exchange of Beneficial Interests**

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the following provisions shall apply:

- 15.4.1. A holder of a Beneficial Interest in a Note may, if permitted by the relevant laws or rules that may become applicable, by written notice to the holder's CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate ("**Exchange Notice**"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest. 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.
- 15.4.2. The holder's CSD Participant shall, within 7 (seven) days of 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 of receipt of such notice from the CSD, 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 day period ("**Exchange Date**"), to the holder's CSD Participant (acting on behalf of the holder of the Beneficial Interest) at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest (subject to Condition 15.4.5 below), 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.
- 15.4.3. In order to effect the exchange of a Beneficial Interest in any Notes (a) the CSD's Nominee will, prior to the Exchange Date, surrender (through the CSD system) such Notes to the Transfer Agent at its Specified Office and (b) the Transfer Agent will obtain the release of such Notes from the CSD in accordance with the Applicable Procedures.

- 15.4.4. An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Outstanding Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Outstanding Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such Outstanding Principal Amount is equivalent to a fraction of the Specified Denomination in NAD) (or the equivalent thereof in the Specified Currency if the Specified Currency is not NAD) or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.
- 15.4.5. It is hereby recorded that, in relation to a Tranche of unlisted Notes and a Tranche of Notes which is listed on the NSX, joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders). Any reference to the joint holding of Notes in this Condition 15, is subject thereto that, if and upon, the NSX's payment and settlement system allows for split payment of amounts as aforesaid.

16. REGISTER

- 16.1. The Register will reflect the number of Notes issued and outstanding and the serial number of Individual Certificates (if any) issued in respect of the Notes. The Register will contain the name, address and bank account details of the registered Noteholders. The Register will set out the aggregate Principal Amount of Notes issued to a Noteholder or the aggregate Outstanding Principal Amount of Notes transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such. The Register will also clearly state that the Notes are not payable to bearer. The Register will be open for inspection during the normal business hours of the Transfer Agent to the Issuer (or any person authorised by the Issuer) and any Noteholder (or any person of proven identity authorised in writing by any Noteholder) and any other person, upon payment for such inspection, of the amount prescribed by the Companies Act or such lesser amount as the Issuer may determine.
- 16.2. Neither the Issuer nor the Paying Agent nor the Transfer Agent will be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 16.3. The Register will, in relation to a Tranche of Notes, be closed during the Register Closed Period.
- 16.4. The Transfer Agent will, amend the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified; provided that the Register will only be amended to reflect a transfer of Notes represented by an Individual Certificate if such transfer is carried out in accordance with Condition 14.2.

17. TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT

Any third party appointed by the Issuer as Transfer Agent, Paying Agent, Calculation Agent or otherwise 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.

18. BENEFIT OF THE AGENCY AGREEMENT

Each holder of Notes and each holder of a Beneficial Interest in Notes undertakes in favour of each of the Paying Agent and the Transfer Agent that such holder shall perform all obligations imposed on the Noteholder in terms of these Terms and Conditions and/or the Agency Agreement, and that it shall execute and attend to all deeds, documents and things and take all such action which the Paying Agent and/or the Transfer Agent may reasonably require to enable the Paying Agent and/or the Transfer Agent to carry out, exercise or discharge its/their powers, rights, authorities, provisions and/or obligations contained in the Agency Agreement.

19. NOTICES

19.1. Notice to Noteholders

- 19.1.1. All notices to Noteholders of Notes represented by Individual Certificates shall be in writing and shall be sent by registered mail to the respective postal addresses, alternatively, and at the Issuers sole discretion, by e-mail to the respective e-mail addresses, of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- 19.1.2. For so long as any Notes represented by Individual Certificates are listed on the NSX, there may be substituted for the notice contemplated in Condition 19.1.1, the publication of the relevant notice on any electronic news service of general distribution (including the electronic news service established or used or required by the NSX).
- 19.1.3. In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, all notices to holders of Beneficial Interest in Notes shall be in writing and shall be delivered by hand or transmitted by e-mail to the CSD's Nominee (as the registered holder of such Notes), the JSE and the CSD Participants, for communication by the CSD's Nominee and the CSD Participants to the holders of Beneficial Interests in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the date of delivery (if such notice is delivered by hand) or the date on which such notice is transmitted by e-mail (if such notice is sent by e-mail).
- 19.1.4. Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given *mutatis mutandis* as set out in this Condition 19.1, subject to compliance with any other time periods prescribed in the provision concerned. In addition to the applicable notice requirements set out in this Condition 19.1 above, all notices of meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be published on NENS.

19.2. Notice by Noteholders

- 19.2.1. All notices to be given by any Noteholder of Note(s) represented by an Individual Certificate to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of that Individual Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be. Each such notice shall be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).

- 19.2.2. All notices to be given by any holder of a Beneficial Interest to the Issuer (if applicable) shall be in writing and given by such holder through such holder's CSD Participant in accordance with the Applicable Procedures, and in such manner as the Issuer and the relevant CSD Participant may approve for this purpose.

20. **AMENDMENT**

- 20.1. The Issuer may effect, without the consent of any Noteholder, any amendment to the Applicable Terms and Conditions (including any 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 Namibia (including, without limitation, the Applicable Laws and the Applicable Procedures).
- 20.2. Save as is provided in Condition 20.1, no amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche of Notes may be effected unless (i) such amendment complies with the applicable provisions of the NSX Rules, including that prior approval of any such amendments be obtained by the NSX; (ii) such amendment is in writing and signed by or on behalf of the Issuer; and (iii):
- 20.2.1. if such amendment will affect any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of all of the Tranches of Notes then in issue, (i) such amendment is approved by a Special Resolution of all of the Noteholders or (ii) the written resolution containing such amendment is signed by or on behalf of Noteholders holding not less than 75% of the aggregate Outstanding Principal Amount of all of such Tranches of Notes within 15 (fifteen) business days after such written resolution was submitted to all of the Noteholders in terms of Condition 20.4, as the case may be;
- 20.2.2. if such amendment will affect any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of only certain Tranche/s (or a Series) of Notes, (i) such amendment is approved by a Special Resolution of the relevant Group of Noteholders or (ii) the written resolution containing such amendment is signed by or on behalf of Noteholders in the relevant Group of Noteholders holding not less than 75% of the aggregate Outstanding Principal Amount of all of such Tranche/s (or such Series) of Notes within 15 (fifteen) business days after such written resolution was submitted to the relevant Group of Noteholders in terms of Condition 20.4, as the case may be.
- 20.3. The provisions of Condition 23 will apply, *mutatis mutandis*, to each meeting of (as applicable) all of the Noteholders or the relevant Group of Noteholders contemplated in Condition 20.2.1(i) and Condition 20.2.2(i).
- 20.4. Any proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) to be effected in terms of (as applicable) Condition 20.2.1(ii) or Condition 20.2.2(ii) will be notified to (as applicable) all of the Noteholders or the relevant Group of Noteholders (in the manner set out in Condition 19.1) and such notice shall (i) include the actual written resolution setting out the proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), (ii) the restrictions on voting under the Terms and Conditions, (iii) the last date on which (as applicable) all of the Noteholders or the relevant Group of Noteholders should return the signed written resolution, and the address to which the signed written resolution should be sent.
- 20.5. Any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Condition 20 will be binding on (as applicable) all of the Noteholders or the relevant Group of Noteholders, and such amendment will be notified to such Noteholders (in the manner set out in Condition 19.1) as soon as practicable thereafter.
- 20.6. For the avoidance of doubt, the exercise by the Issuer of its rights under Condition 17 shall not constitute an amendment to the Applicable Terms and Conditions (or the Terms and Conditions).

21. **PRESCRIPTION**

Any claim for payment of any amount (whether in respect of principal, interest or otherwise) in respect of any Notes will prescribe 3 (three) years after the date on which such amount first becomes due and payable under the Applicable Terms and Conditions; provided that if payment of such amount is required, in accordance with the Applicable Terms and Conditions, to be made to the CSD's Nominee (if applicable), any claim for payment of such amount will prescribe 3 (three) years after the date on which such amount has been received by the CSD's Nominee.

22. **GOVERNING LAW**

The Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of Namibia.

23. **MEETINGS OF NOTEHOLDERS**

23.1. **Directions of Noteholders**

23.1.1. The provisions with regard to meetings of Noteholders are set out in this Condition 23. The provisions of this Condition 23 will apply, *mutatis mutandis*, to each separate meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders.

23.1.2. Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.

23.1.3. A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

23.1.3.1. by Ordinary Resolution of the Noteholders, to give instructions to the Issuer in respect of any matter not covered by the Applicable Terms and Conditions (including any of the Terms and Conditions) (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Applicable Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Applicable Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Applicable Terms and Conditions);

23.1.3.2. by Special Resolution of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;

23.1.3.3. by Special Resolution of (as applicable) the Noteholders or the relevant Group (or Groups) of Noteholders, to agree to any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), subject to and in accordance with Condition 20;

23.1.4. Unless otherwise specified in the Terms and Conditions (and subject to Condition 23.1.3), resolutions of (as applicable) all the Noteholders or the relevant Group/s of Noteholders will require an Ordinary Resolution to be passed.

23.2. **Convening of meetings**

23.2.1. The Issuer may at any time convene a meeting of Noteholders or separate meetings of any Group (or Groups) of Noteholders (a "**meeting**" or the "**meeting**").

- 23.2.2. The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Group (or Groups) of Noteholders upon the requisition in writing of the Noteholders in that Group (or those Groups) holding not less than 10% of the Outstanding Principal Amount of the Notes in that Group (or those Groups), as the case may be (each such requisition, a "**requisition notice**").
- 23.2.3. A requisition notice will state the nature of the business for which the meeting is to be held, the resolutions to be proposed and considered at the meeting and the place at which the meeting is to be held, and will be deposited at the Specified Office of the Issuer. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

23.3. **Convening of meetings by requisitionists**

If the Issuer does not convene a meeting within 30 (thirty) days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 90 (ninety) days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer and to (as applicable) all of the Noteholders or the relevant Group/s of Noteholders in accordance with Condition 23.4.1.

23.4. **Notice of meeting**

- 23.4.1. Unless the holders of at least 90% of the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s, agree in writing to a shorter period, the Issuer will, whenever it wishes (or is required) to convene a meeting of all the Noteholders (or the relevant Group/s of Noteholders), forthwith give at least 21 (twenty one) days' written notice thereof (exclusive of the day on which the notice is given and of the day on which the meeting is held) to all of the Noteholders or the relevant Group/s of Noteholders (in the manner set out in Condition 19.1), specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting. In addition to the applicable notice requirements set out in Condition 19.1, all notices of meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be published on NENS.
- 23.4.2. The accidental omission to give such notice to any Noteholder or the non-receipt of any such notice will not invalidate the proceedings at a meeting.

23.5. **Place of meeting**

Unless otherwise specified in the relevant notice, all meetings will be held in Windhoek.

23.6. **Quorum**

- 23.6.1. A quorum at a meeting shall:
- 23.6.1.1. for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s;
- 23.6.1.2. for the purposes of considering a Special Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate more than 50% (fifty percent) of the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s.
- 23.6.2. No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

- 23.6.3. If, within 15 (fifteen) minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case, where a quorum is present, the meeting will stand adjourned to the same day in the second week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy at such adjourned meeting will constitute a quorum for the purpose of considering any resolution, including an Ordinary Resolution and a Special Resolution.

23.7. Chairman

A person (who may but need not be a Noteholder) nominated in writing by the Issuer will preside as chairman at a meeting. If that person is not present within 10 (ten) minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman. The procedures to be followed at the meeting shall be as determined by the chairman subject to this Condition 23. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

23.8. Adjournment

- 23.8.1. Subject to the provisions of this Condition 23, the chairman may, with the consent of, and will if directed by, the Noteholders then present at the meeting, adjourn the meeting from time to time and from place to place.
- 23.8.2. No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 23.8.3. At least 14 (fourteen) days' written notice of any meeting adjourned through want of a quorum will be given in the same manner as of the original meeting and such notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum. Otherwise it shall not be necessary to give notice of an adjourned meeting.

23.9. How resolutions are decided

At a meeting, a resolution put to the vote will be decided on a poll. In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

23.10. Votes

- 23.10.1. Voting of all of the Noteholders or the Noteholders in the relevant Group/s (as applicable) shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the Outstanding Principal Amount of the Notes held by such Noteholder bears to the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s.
- 23.10.2. In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the CSD's Nominee, as the registered holder of each Tranche of Notes which is held in the CSD, will vote at any meeting of Noteholders (or the relevant Group/s of Noteholders) on behalf of the holders of Beneficial Interests in such Notes, in accordance with the instructions to the CSD's Nominee from such holders conveyed through such holders' CSD Participants in accordance with the Applicable Procedures.

23.11. Proxies and representatives

- 23.11.1. Noteholders present at a meeting either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**proxy form**") signed by the Noteholder or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.
- 23.11.2. A person appointed to act as proxy need not be a Noteholder.
- 23.11.3. The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 23.11.4. No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.
- 23.11.5. Notwithstanding Condition 23.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 23.11.6. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder's instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of the Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 23.11.7. Any Noteholder which is a juristic person 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. Any reference in the Terms and Conditions to a Noteholder present at a meeting in person includes the duly authorised representative of a Noteholder which is a juristic person.

23.12. Binding effect of resolutions

A resolution passed at a meeting of the Noteholders or the Noteholders in the relevant Group/s (as applicable) duly convened and held in accordance with the provisions of this Condition 23 is binding on all of the Noteholders or the Noteholders in the relevant Group/s (as applicable), whether present or not present at any such meeting, and each of such Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence (unless the contrary is proved) that the circumstances of such resolution justify the passing of it.

23.13. Signed resolution

Subject to Condition 23.4, a resolution in writing signed by or on behalf of all of the Noteholders or all of the Noteholders in the relevant Group/s (as applicable) shall be as valid and effectual as a Special Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the provisions contained in this Condition 23.

23.14. **Minutes**

The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose. Any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of (as applicable) all of the Noteholders or the Noteholders in the relevant Group/s in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

Section 8
Use of Proceeds

The net proceeds from the issue of a Tranche of Notes will be applied by the Issuer for its general corporate activities, or as may otherwise be described in the Applicable Pricing Supplement

Section 9

Description of the Issuer

Words used in this section entitled "**Description of the Issuer**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1. INTRODUCTION

The Development Bank of Namibia Limited ("**Issuer**" or "**DBN**") was established as a corporate body in terms of section 2 of the Development Bank of Namibia Act 8 of 2002, and is incorporated as a public company with limited liability under company registration number 2003/189, in terms of the Companies Act, with a share capital. The Minister of Finance exercises the rights and powers and performs the duties and functions attached to the shares of which the Government of Namibia is the holder.

2. LEGAL STATUS

In terms of section 3(1) and (2) of the Development Bank of Namibia Act, 2002 the Issuer was required to be incorporated under the Companies Act 61 of 1973 (the "Companies Act, 1973") as a public company with a share capital by the Minister of Finance who exercises the rights and powers and performs the duties and functions attached to the shares of which the Government of Namibia is the holder.

The DBN was incorporated under the Companies Act, 1973 as a public company having a share capital on 14 March 2003 with registration number 2003/189.

The annual audited financial statements of DBN shall be drawn up in accordance with IFRS, interpretations issued by the IFRS Interpretations Committee ('IFRIC') of the IASB and the Companies Act.

DBN's financial year end:

31 March of each year.

Company Secretary:

As at the Programme Date, the Company Secretary is:

Roberta Brusa
Development Bank of Namibia Limited
12 Daniel Munamava Street
Windhoek Namibia
Tel: +264 61 290 8014
Email: rbrusa@dbn.com.na

Company Secretary Address:

The Development Bank of Namibia Limited
(incorporated under company registration number 2003/189)
12 Daniel Munamava Street
P.O. Box 97723, Eros
Windhoek

3. REGULATION OF THE ISSUER

Development Bank of Namibia Act 8 of 2002

The Development Bank of Namibia Act 8 of 2002 provides for the establishment of the Development Bank of Namibia. The Development Fund of South West Africa/Namibia Act, 1987 (Act 29 of 1987), was repealed and the Development Fund of South West Africa/Namibia, established by that Act, was wound up. Upon the commencement of the Development Bank of Namibia Act 8 of 2002, the assets, liabilities, rights and obligations of the Development Fund of South West Africa/Namibia were transferred to the Issuer.

The primary purpose of the Issuer is to contribute to the economic growth and social development of Namibia by providing financing in support of key development activities and to provide for matters incidental thereto.

The main objects of the Issuer are set out in section 5 of the Development Bank of Namibia Act 8 of 2002, which are to contribute to the economic growth and social development of Namibia and for the sustainable promotion of the welfare of the Namibian people by means of-

- a) mobilizing financial and other resources from the private and public sectors nationally and internationally;
- b) appraising, planning and monitoring the implementation of development schemes, export projects and other economic programmes of national importance;
- c) facilitating the participation of the private sector and community organizations in development schemes, export projects and other economic programmes of national importance; and
- d) assisting in the development of money and capital markets.

The ancillary objects of the Issuer are stipulated to include-

- a) to cooperate with, and assist, other development financial institutions in order to achieve an integrated finance system in Namibia for economic growth and sustainable development; and
- b) to assist other institutions in the public and private sectors with the management of specific funds in order that the development requirements of Namibia may be met.

The Issuer has the powers set out in section 6 of the Development Bank of Namibia Act 8 of 2002, which are:

- a) to appraise, approve or mobilize, wholesale funding for, and to monitor the implementation of, development schemes, export projects and other economic programmes of national importance;
- b) to establish, within Namibia or elsewhere, any juristic person capable of exercising, performing or carrying out such powers, functions and duties as may or must be exercised, performed or carried out by the Issuer in terms of the Act, and to open offices within Namibia and elsewhere.

The powers set out above are in addition and supplementary to the powers set out in Schedule 2 of the Companies Act except in so far as a power set out in that Schedule 2 is qualified or limited by the above-stated powers, in which case such qualification or limitation must be adhered to by the Bank.

Public Enterprises Governance Act 2 of 2006

The Issuer constitutes a “*State-owned enterprise*” for purposes of the Public Enterprises Governance Act 2 of 2006, which latter mentioned act imposes certain obligations upon the Issuer.

Every State-owned enterprise must annually submit a business and financial plan to its portfolio Minister. The business and financial plan of a State-owned enterprise must encompass all the businesses and activities, including investments, of the State-owned enterprise and its wholly-owned subsidiaries, if any.

The portfolio Minister must provide a copy of an annual business and financial plan to the Minister of Public Enterprises. A State-owned enterprise must act only in accordance with its business plan, unless it has first obtained the written approval of the portfolio Minister to do otherwise.

The Minister of Public Enterprises may furnish to the portfolio Minister any comment in relation to the proposed budget and the portfolio Minister may thereafter provide the State-owned enterprise with any comments in relation to its budget. The board of directors of the public enterprise would then be obliged to consider any such comments and make such changes as are necessary to give effect to comments agreed to and furnish the Minister of Public Enterprises and the portfolio Minister with a completed budget.

A State-owned enterprise must not incur any expenditure except in accordance with an estimate of expenditure approved in terms of the provisions of the Public Enterprises Governance Act 2 of 2006.

The Minister of Public Enterprises, in consultation with the Cabinet, may provisionally identify any State-owned enterprise to be considered for restructuring.

The board of directors of a restructuring enterprise must submit to the Minister of Public Enterprises a full and detailed risk and impact assessment report, on all risks and consequences of the proposed restructuring, which must *inter alia* take into account-

- a) all existing agreements with any third parties;
- b) all rights and obligations of the State-owned enterprise in respect of third parties; and
- c) any other relevant information pertaining to the operations of the State-owned enterprise.

A restructuring plan must contain detailed proposals on the proposed method or methods of restructuring of the State-owned enterprise, which may include, amongst other -

- a) that the share capital of a State-owned company be reorganised and made available, either in full or in part, for disposal to members of the public;
- b) that the undertaking and assets and liabilities, or certain specified assets and liabilities of the State-owned enterprise be transferred to another State-owned enterprise;
- c) that the undertaking and assets of a State-owned enterprise, or part of its undertaking and certain of its assets, be offered for disposal to members of the public;
- d) that a State-owned enterprise be liquidated.

In approving or determining a proposed plan for restructuring, the Minister of Public Enterprises must give consideration to the inclusion of schemes on achieving empowerment objectives through increasing private sector participation, and in particular for the empowerment of persons who have been disadvantaged by past discriminating laws and practices that were applied before the date of Namibia's independence. "empowering objectives" means objectives to increase the number of historically disadvantaged persons who-

- a) have ownership or control of enterprises; or
- b) serve in executive and senior capacities in the management of enterprises.

The Companies Act, 2004

The Issuer is incorporated as a public company with a share capital.

The Companies Act, 2004 applies to the Issuer subject to the provisions of the Development Bank of Namibia Act 8 of 2002. The Minister of Finance, after consultation with the Issuer and the shareholders of the Issuer, may by notice in the *Government Gazette* exempt the Issuer from the application of any other provision of the Companies Act, 2004 or render such provision applicable subject to such modification as the Minister of Finance may deem fit, and the Minister may withdraw or amend such notice.

The Registrar of Companies may issue such directives and authorize such deviations from the regulations made under the Companies Act, 2004 and the forms prescribed by that Act as the Registrar may deem necessary to give effect to the provisions of the Development Bank of Namibia Act 8 of 2002.

Banking Institutions Act, 1998

The Banking Institutions Act, 1998 (Act 2 of 1998), does not apply to the Bank, but the Minister of Finance, after consultation with the Bank of Namibia, may by notice in the *Government Gazette*-

- (a) apply any provision of that Act to the Issuer in so far as such provision is not inconsistent with the provisions of the Development Bank of Namibia Act 8 of 2002, with such modifications as the Minister may deem fit and may specify in the notice; and
- (b) may withdraw or amend any such notice.

4. DESCRIPTION OF BUSINESS

The Issuer's mandate is to contribute to the economic growth and social development of Namibia by providing financing in support of key development activities, and for the sustainable promotion of the welfare of the Namibian people by: Mobilising financial and other resources from the private and public sectors nationally and internationally; Appraising, planning and monitoring the implementation of development schemes, export projects and other economic programmes of national importance; Facilitating the participation of the private sector and community organisations in development schemes, export projects and other economic programmes of national importance; and Assisting in the development of money and capital markets.

A more detailed description of the Issuer and its business is set out in the annual report of the Issuer for the financial year ended 31 March 2017. This annual report is incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "Documents Incorporated by Reference"). This annual report is available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, this annual report is available on the Issuer's website at <http://www.dbn.com.na>.

5. OWNERSHIP AND CONTROL

In terms of section 3(2) of the Development Bank of Namibia Act, 2002 the Government of Namibia would be the holder of the total issued share capital of the Issuer. As at the Programme Date, the Government of Namibia is the sole shareholder of the Issuer. Shares of the Issuer may be issued to the Government of Namibia, statutory and private financial institutions in Namibia and, with the approval of the Minister, international financial institutions.

6. CORPORATE GOVERNANCE

The primary mandate of the Issuer's board of directors is to ensure the sustainability and successful continuation of the business activities by providing strategic direction to the executive management. Non-executive directors are appointed by the Shareholder in terms of section 10 of the Development Bank of Namibia Limited Act, 2002 for a period of five years, and can be re-elected.

Subject to the Development Bank of Namibia Limited Act, 2002, the Companies Act, 2004 and the articles of association of the Issuer, the board of directors of the Issuer determines and controls the business strategy of the Issuer and directs the operations of the Issuer.

The board of directors of the Issuer is required to be constituted, and its members shall be appointed in accordance with, and for a period as determined under the Public Enterprises Governance Act 2 of 2006, but the membership of the board is required to include-

- a) three directors appointed by the Minister of Finance;
- b) three directors appointed by the shareholders of the Bank other than the Government, in the manner determined in the articles:

Provided that-

- i. if the Government has more than 50 percent of the shares of the Bank the Minister may appoint one of those directors for every full 20 percent of shares the Government holds over 50 percent; or
- ii. if the Government is the sole shareholder of the Bank, the Minister appoints the remaining three directors.

The first Chief Executive officer of the Issuer would be appointed by the Minister of Finance and thereafter the Issuer would make the appointment, subject to the provisions of the Public Enterprises Governance Act 2 of 2006.

The directors are required to be appointed from among persons who have shown ability in and experience with regard to socio-economic development, development finance, business, finance, banking and administration.

As long as the Government of Namibia remains the guarantor of instruments issued by the Bank, the Minister of Finance appoints one of the directors as Chairperson of the board and such person is eligible for re-appointment.

The Issuer's Articles of Association provide that there shall be seven directors. Currently the Board comprises of six non-executive independent directors and one executive director.

The non-executive directors have diverse skills, experiences and backgrounds and have unrestricted access to information, documents, and records of the Issuer. The executive director, the Chief Executive Officer, provides an operational understanding of the Bank, thereby providing for an appropriate combination of knowledge, skills, and attributes to deliver its mandate.

The board of directors performs its obligations as a collective and continues to constructively engage the Chief Executive Officer and other members of executive management.

Every director is expected to be aware and be knowledgeable on the Issuer's business environment, the fiduciary duties as elucidated in the Companies' Act, 2004 and NamCode and King III, sustainability issues, and all directors are informed on a continuous basis in respect of the activities of the Issuer.

The Executive Management (EXCO) is responsible for the execution of strategy and day-to-day management of the Bank. In addition to managing their own functions and / or departments, members of EXCO also participate in committees which span spheres of management that cross various departments. These are the Asset and Liabilities Committee (ALCO), the Tender Committee, the Risk and Compliance Committee, the Human Capital and Remuneration Committee, the Information Technology Committee, and the Management Credit and Investment Committee. Members of the Executive Committee generally report to the CEO, but may also be called to inform and report to the Board of Directors, either representing their departments and functions, or as members of Committees. The Company Secretary reports to the Board, as well as the CEO, on management matters.

7 RISK MANAGEMENT

The Issuer manages risk in the interests of its own sustainability, as well as the security of its borrowers. The purpose of risk management is to properly understand the risks that the Issuer faces, and proactively and effectively mitigate against and adjust to risk. Risk management does not reduce the Issuer's operational capacity and activities, but empowers the Issuer to engage in operations within acceptable levels of risk.

A further description concerning the Issuer's risk management is set out in the annual report of the Issuer for the financial year ended 31 March 2017. This annual report is incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "Documents Incorporated by Reference"). This annual report is available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, this annual report is available on the Issuer's website at <http://www.dbn.com.na>.

8 BOARD OF DIRECTORS

In recognition of corporate governance principles, the Board consists of experienced and well-respected local business people.

As at the Programme Date, DBN's directors (together the **Board of Directors**) are:

- Martin Inkumbi (Chief Executive Officer and executive director);
- Albie Basson (Non-executive independent director);
- Tania Hangula (Non-executive independent director);
- Muetulamba Shingenge-Haipinga (Non-executive independent director);
- Emma Haiyambo (Non-executive independent director); and
- Tabitha Mbome (Non-executive independent director).

9 TAXATION LAWS

The Issuer is exempt from the payment of-

- a) income tax;
- b) transfer duties or other money payable in respect of the acquisition of immovable property by the Issuer;
- c) annual duties under the Companies Act, 2004;

Non-resident shareholders' tax referred to in section 42 of the Income Tax Act, 1981 (Act 24 of 1981), is not payable by a non-resident shareholder, of the Bank.

Interest received by or accrued to any natural person or any external company not carrying on business in Namibia, from stock or securities issued by the Issuer is exempt from tax.

The Minister, after consultation with the Issuer and the shareholders of the Issuer, may however, at any time withdraw any exemption referred to hereinbefore by notice in the *Government Gazette*.

11. FURTHER INFORMATION

A more detailed description of DBN and its business is set out in the respective annual reports of DBN which are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "**Documents Incorporated by Reference**").

The annual reports of DBN for the financial years ended 31 December 2014, 31 March 2016 and 31 March 2017 are (or will be, in the case of the 31 March 2017 annual report) available for inspection, upon request, during normal office hours, at the Specified Offices of DBN and the Transfer Agent (who will hold such annual reports on behalf of DBN). In addition, these annual reports are (or will be, in the case of the 31 March 2017 annual report) available on DBN's website at <http://www.dbn.com.na>. The Issuer had resolved to change its financial year end from the last day of *December* each year, to the last day of *March* each year, effective from 31 March 2016, in accordance with the provisions of section 293(2) of the Companies Act, 2004.

The annual reports of DBN for all financial years of DBN after the Programme Date will, as and when such annual reports are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of DBN and the Transfer Agent (who will hold such annual reports on behalf of DBN). In addition, these annual reports will, as and when such they are approved and become available, be available on DBN's website at <http://www.dbn.com.na>.

Section 10

Financial Information

*Words used in this section entitled "**Financial Information**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

General

The respective annual reports of the Issuer for the financial years ended 31 December 2014, 31 March 2016 and 31 March 2017, which include the audited annual financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements, are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "**Documents Incorporated by Reference**"). These annual reports are (or will be, in the case of the 31 March 2017 annual report) available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Transfer Agent (who will hold such annual reports on behalf of the Issuer). In addition, these annual reports are (or will be, in the case of the 31 March 2017 annual report) available on the Issuer's website at <http://www.dbn.com.na>. The Issuer had resolved to change its financial year end from the last day of *December* each year, to the last day of *March* each year, effective from 31 March 2016, in accordance with the provisions of section 293(2) of the Companies Act, 2004.

The respective annual reports of the Issuer for all financial years of the Issuer after the Programme Date, which will include the audited annual consolidated financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements, are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "**Documents Incorporated by Reference**"). These annual reports will, as and when they are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Transfer Agent (who will hold such annual reports on behalf of the Issuer). In addition, these annual reports will, as and when such they are approved and become available, be available on the Issuer's website at <http://www.dbn.com.na>.

Commercial Paper Regulations - latest audited financial statements

If the Commercial Paper Regulations are applicable to the issue of a Tranche of Notes (as contemplated in Annexure "A" to the Applicable Pricing Supplement set out in Section 6 of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*") then, where this Programme Memorandum and/or the Applicable Pricing Supplement relating to that Tranche of Notes is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited financial statements will at all times separately accompany this Programme Memorandum and/or that Applicable Pricing Supplement, as required by the Commercial Paper Regulations.

Section 11

Subscription and Sale

*Words used in this section entitled "**Subscription and Sale**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

Dealer and placing Arrangements

A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by Applicable Law, as determined by the Issuer and the relevant Dealer(s).

In terms of (and subject to) the Programme Agreement, IJG, SBN, and SBSA have been appointed as joint Arrangers and Sponsors of the Programme.

In terms of (and subject to) the Programme Agreement, IJG, SBN and SBSA have been appointed as Dealers for the duration of the Programme. The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more additional Dealers for the duration of the Programme or to place one or more particular Tranches of Notes.

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, on the Issue Date, delivery of the Notes in a Tranche of Notes which is held in the CSD to the subscribers of such Notes will, in accordance with the relevant Placement Agreement (as read with the Programme Agreement), be effected by the Issuer's CSD Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The relevant Dealer(s) may procure sale and purchase transactions in respect of the relevant Tranche(s) of Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Placement Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date. The relevant Dealer(s) may, under certain circumstances (before the issue of or payment for the relevant Tranche(s) of Notes) terminate their obligations to place the relevant Tranche(s) of Notes under the relevant Placement Agreement. The relevant Placement Agreement may, under certain circumstances (before the issue of or payment for the relevant Tranche(s) of Notes), automatically terminate. If the relevant Placement Agreement is terminated before the Issue Date, the transactions in the relevant Tranche(s) of Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination. The Issuer has no right to cancel the relevant Placement Agreement before the issue of or payment for the relevant Tranche(s) of Notes.

Selling restrictions

Republic of South Africa

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it will not solicit any offers for subscription for (or sale of) any of such Notes and will not itself sell any of such Notes, in South Africa in contravention of the South African Companies Act, the South African Banks Act, the South African Exchange Control Regulations and any other Applicable Laws and regulations of South Africa in force from time to time. In particular, this Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the South African 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 South African Companies Act) of any of such Notes (whether for subscription, purchase or sale). Notes will not be offered for subscription or sale to any single addressee for an amount of less than ZAR1,000,000.

Republic of Namibia

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it will not solicit any offers for subscription for (or sale of) any of such Notes or itself sell any of such Notes, in Namibia contravention of the Companies Act, the Banking Institutions Act, the Exchange Control Regulations and any other Applicable Laws and regulations of Namibia in force from time to time. In particular, this Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the 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 Companies Act) of any of such Notes (whether for subscription, purchase or sale), and each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it will not solicit any offers for subscription for (or sale of) any of such Notes or itself sell any of such Notes, to persons other than specifically selected and invited investors and individuals who have been identified and approached in connection with the acquisition of Notes to make an offer to any such Dealer for subscription for (or sale of) any of such Notes.

United States of America

Regulation S Category 2

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

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it has not offered, sold, resold or delivered any of such Notes and will not offer, sell, resell or deliver any of such Notes:

- a) as part of its distribution at any time; and
- b) otherwise until 40 (forty) days after completion of the distribution of all of the Notes in the relevant Tranche(s) of Notes, as determined and certified by the relevant Dealer or, in the case of an issue of the relevant Tranche(s) of Notes on a syndicated basis, the relevant Lead Manager(s), of all Notes of the Series of which the relevant Tranche(s) of Notes is/are a part,

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

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

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

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

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

European Economic Area

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes and each Relevant EEA State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State ("**Relevant Implementation Date**"), it has not made and will not make an offer of any of such Notes to the public in that Relevant EEA State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant EEA State:

- a) if the Applicable Pricing Supplement specifies that an offer of such Notes may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant EEA 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 EEA State or, where appropriate, approved in another Relevant EEA State and notified to the competent authority in that Relevant EEA State, provided, if applicable, that any such prospectus has subsequently been completed by the Applicable Pricing Supplement (as constituting final terms for the purposes of the prospectus) contemplated in such a Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 100 or, if the Relevant EEA State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons per Relevant EEA State (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) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive

provided that no such offer of such Notes referred to in paragraphs (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 EEA 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 Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State, 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 EEA State), and includes any relevant implementing measure in each Relevant EEA State, the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU and the expression "**Relevant EEA State**" means any Member State of the European Economic Area which has implemented the Prospectus Directive.

United Kingdom

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes:

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

Changes to the above selling restrictions

The selling restrictions set out above may in relation to the relevant Tranche(s) of Notes, be changed by the Issuer and the relevant Dealer(s), including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any such change will be set out in the Applicable Pricing Supplement(s) relating to the relevant Tranche(s) of Notes.

Other selling restrictions

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes:

- a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells, Notes in the relevant Tranche(s) of Notes or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of any of such Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales;
- b) it will comply with such other or additional restrictions as the Issuer and the relevant Dealer(s) agree and as are set out in the Applicable Pricing Supplement.

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

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

Section 12

Taxation

The information below is intended as a general guide to the relevant tax laws of Namibia and South Africa as at the Programme Date. The contents of this Section 12 do not constitute (and are not intended as) advice and do not purport to describe all of the considerations that may be relevant to a Noteholder (or prospective Noteholder). Noteholders (or prospective Noteholders) should consult their professional advisers. Words used in this section entitled "Taxation" shall bear the same meanings as used in the section entitled "Definitions", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Income Tax

Nature of any original issue discount or premium

Any original issue at a discount to the Principal Amount of the Notes will, in terms of the Income Tax Act, be treated as interest for tax purposes and the discount amount will be deemed to accrue to the Noteholder in accordance with the applicable provisions of the Income Tax Act. Any original issue premium over the Principal Amount of the Notes will also be treated as interest for tax purposes, and will be deemed to have been incurred by the Noteholder in accordance with the applicable provisions of the Income Tax Act.

Position as at the Programme Date

Income tax in Namibia is governed by the Income Tax Act. Namibia has a source based system as opposed to a residence based tax system. In terms of the Income Tax Act, in relation to any year or period of assessment, income means, in respect of any person, the total amount, in cash or otherwise, received by or accrued to or in favour of such person during such year or period of assessment from a source within, or deemed to be within, Namibia.

Section 15 (2) of the Income Tax Act provides that "*Any interest which has been received by or has accrued to any 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, or any dividend distributed by any building society which has been received by or has accrued to any such domestic company or person, shall be deemed to have been derived from a source within Namibia, wheresoever such loan, deposit or advance is made or held or participation bond is registered or debenture, interest-bearing security or any share to which such dividend relates is subscribed for or issued or held or such interest or dividend is payable*".

Accordingly, any income accruing to Noteholders in respect of the Notes will be liable for Taxes imposed or assessed by the Receiver of Revenue if such income is sourced (or deemed to be sourced) within Namibia subject to (and in accordance with) the applicable provisions of the Income Tax Act, subject to the provisions of any double taxation agreements between Namibia and other countries. As at the Programme Date, Namibia has double taxation agreements in place with Botswana, France, Germany, India, Malaysia, Mauritius, Romania, the Russian Federation, South Africa, Sweden and the United Kingdom.

However, interest received or accrued to any Noteholder who is a natural person or an external company not carrying on business in Namibia, from the Notes issued by the Issuer, is exempt from income tax in terms of section 4(6)(c) of the Development Bank of Namibia Act, 2002. The Minister of Finance, after consultation with the Issuer and the shareholders of the Issuer, may however, at any time withdraw any exemption referred to hereinbefore by notice in the Government Gazette.

Withholding tax

The Issuer is, subject to the provisions of any double taxation agreement that may apply between Namibia and a country where a Noteholder is situated, obliged to withhold, and pay to the Receiver of Revenue, a withholding tax, which currently is equal to 10 percent, of any amount of any interest that is paid by the Issuer to a Noteholder who is a non-resident of the Republic of Namibia, and who is not a natural person or an external company not carrying on business in Namibia.

Stamp duty on issue

In terms of the Stamp Duties Act as at the Programme Date stamp duty of 0.2% of the aggregate Principal Amount of a Tranche of Notes is payable by the Issuer to the Receiver of Revenue upon the original issue of such Tranche of Notes.

Stamp duty on transfer

Subject to the exemption set out in the subsequent paragraph below, stamp duty of 0.2% of the aggregate Principal Amount of the Notes is payable by the transferee to the Receiver of Revenue upon the registration of transfer of such Notes, provided that registration of transfer of the relevant Notes takes place before the expiry of a period of six months from the date of execution of the relevant Individual Certificate.

The Stamp Duties Act, No. 15 of 1993 stipulates that any registration of transfer of any marketable security purchased on a licensed stock exchange, as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act 1 of 1985), which would include listed Notes, is exempt from stamp duty which would otherwise be payable on the registration of transfer of any Notes at NAD2.00 for every NAD1,000.00, or part thereof, of the amount or value of the consideration given in respect of any such Notes.

Section 13

Exchange Control

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 13 below do not constitute (and are not intended as) exchange control advice and do not purport to describe all of the considerations that may be relevant to a Noteholder (or prospective Noteholder). Noteholders (or prospective Noteholders) who are non-residents of the Common Monetary Area or emigrants from the Common Monetary Area should consult their professional advisers. Words used in this section entitled "Exchange Control" shall bear the same meanings as used in the section entitled "Definitions", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Republic of Namibia: Notes listed on the NSX and unlisted Notes

Issue of certain Notes

The issue of a particular Tranche of Notes which is listed on the NSX or which are unlisted may, depending on the type and terms of the Notes in that Tranche, require the prior written approval of the Exchange Control Authority in terms of the Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions may also be subject to the Exchange Control Regulations.

Emigrant Blocked Namibia Dollar

Emigrant Blocked Namibia Dollar may be used for the subscription for or purchase of any Notes which are listed on the NSX or which are unlisted. Any principal and/or other redemption amount which is due and payable in respect of such Notes subscribed for or purchased with Emigrant Blocked Namibia Dollar may not, in terms of the Exchange Control Regulations, be remitted out of Namibia or paid into a bank account outside Namibia.

Emigrants from the Common Monetary Area

As regards Notes which are listed on the NSX or which are unlisted, the Individual Certificates issued to a Noteholder who is an emigrant from the Common Monetary Area ("**Emigrant Noteholder**") will be restrictively endorsed "*emigrant*" and must be deposited with the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets within 30 (thirty) days from the date on which such Emigrant Noteholder becomes the holder of such Notes. Where a Beneficial Interest is held by an Emigrant Noteholder through the CSD (if applicable), the securities account maintained for such Emigrant Noteholder by the relevant CSD Participant will be designated as an "*emigrant*" securities account.

All payments of principal and/or other redemption amount due and payable, to an Emigrant Noteholder, in respect of Notes which are listed only on the NSX or which are unlisted will be deposited into such Emigrant Noteholder's Emigrant Blocked Namibia Dollar account, as maintained by the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations. Payments of interest due and payable in respect of such Notes to such Emigrant Noteholder need not be deposited into such Emigrant Noteholder's Emigrant Blocked Namibia Dollar account, and such amounts of interest are freely transferable from the Common Monetary Area.

Non-Residents of the Common Monetary Area

As regards Notes which are listed on the NSX or which are unlisted, the Individual Certificate issued to a Noteholder who is not resident in the Common Monetary Area ("**Non-Resident Noteholder**") will be restrictively endorsed "*non-resident*". Where a Beneficial Interest is held by a Non-Resident Noteholder through the CSD (if applicable), the securities account maintained for such Non-Resident Noteholder by the relevant CSD Participant will be designated as a "*non-resident*" securities account.

It will be incumbent on a Non-Resident Noteholder to instruct its nominated authorised dealer in foreign exchange as to how payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes held by such Non-Resident Noteholder are to be dealt with. Such amounts may, in terms of the Exchange Control Regulations, be remitted abroad only if such Notes were acquired with foreign currency introduced into Namibia and provided that the relevant Individual Certificate has been restrictively endorsed "*non-resident*".

Section 14

Settlement, Clearing and Transfer

*Words used in this section entitled "**Settlement, Clearing and Transfer**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

Notes listed on the NSX

Each Tranche of Notes which is listed on the NSX will be issued in registered certificated form and will be represented by one or more Individual Certificates. Each Tranche of Notes which is listed on the NSX will be issued, cleared and settled in accordance with the NSX Rules and settlement procedures for the time being of the NSX, by the Paying Agent in conjunction with the NSX Broker(s).

Where a Tranche of Notes is to be listed on the NSX then, subject to (and in accordance with) the NSX Rules and the settlement procedures for the time being of the NSX:

- the Issuer will, at least 2 (two) Business Days before the Issue Date, apply to the NSX in writing for an ISIN Code;
- the Issuer will cause the Individual Certificate/s representing the Notes in that Tranche to be executed, issued and delivered, prior to the Issue Date, to the Transfer Agent;
- prior to the Issue Date, a copy of the signed Applicable Pricing Supplement relating to that Tranche will be delivered to the NSX;
- prior to the Issue Date, the Issuer and the relevant Dealer will provide the Transfer Agent with delivery and receipt instructions for the subscription for the Notes in that Tranche and payment therefor;
- on the Issue Date, delivery of the Notes in that Tranche subscribed for by an investor will be effected by the Transfer Agent, on behalf of the Issuer, delivering the Individual Certificate representing such Notes to that investor against payment of the Issue Price to the Paying Agent, on behalf of the Issuer;
- against payment of the Issue Price to the Paying Agent, on behalf of the Issuer, the Issuer will ensure that, on the Issue Date, the Notes in that Tranche subscribed for by an investor are registered in the Register in the name of that investor.

Payments of all amounts payable in respect of the Notes will be made to the person named as the registered Noteholder of such Notes in the Register at 16h00 (Namibian time) on the Last Day to Register. Joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.1.

Notes listed on any Exchange other than (or in addition to) the NSX

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

If a Tranche of Notes which is listed on any Exchange (other than the NSX) may, in terms of the rules of that Exchange and Applicable Laws, be lodged in a central securities depository and/or issued in uncertificated form, the relevant procedures (including those relating to beneficial ownership interests in that Tranche of Notes) will be set out in the Applicable Pricing Supplement.

Notes listed on the NSX clearing systems

In the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, the following provisions shall apply:

The CSD would be the operator of an electronic clearing system and has been appointed by the NSX to match, clear and facilitate the settlement of transactions. Each Tranche of Notes which is listed on the NSX would be issued in registered uncertificated form and held in the CSD. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Each such Tranche of Notes will be settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the NSX and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the NSX, the Issuer and the Dealer(s).

CSD Participants

The CSD would maintain central securities accounts only for CSD Participants. Branches or agents of Namibian CSD Participants in South Africa would settle transfers in South Africa through such Namibian CSD Participants.

CSD Participants would be responsible for the settlement of scrip and payment transfers through the CSD, the NSX and the Bank of Namibia.

Payments

While a Tranche of Notes is held in its entirety by the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

Payments of all amounts in respect of a Tranche of Notes which is held in the CSD will be made to the CSD's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant CSD 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's Nominee, as the registered Noteholder of such Notes.

Transfer and exchange of Beneficial Interests

Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients. Title to Beneficial Interests held by CSD 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 CSD Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Subject to the relevant laws and / or rules that may become applicable, Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 15.4.

Unlisted Notes

Unlisted Notes may also be issued under the Programme Memorandum.

Limited recourse to the NSX Guarantee Fund

The holders of Notes that are not listed on the NSX will have no recourse against the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes on the NSX and listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.

Section 15

General Information

*Words used in this section entitled "**General Information**" shall bear the same meanings as used in the section entitled "**Definitions**", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.*

Authorisations

Republic of Namibia

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Namibia have been given for the establishment of the Programme and the execution of this Programme Memorandum.

Approval and listing

This Programme Memorandum was approved by the NSX on 31 July 2017. The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the NSX. Listed Notes will be listed on the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement relating to a Tranche of Notes will specify whether or not the Notes in that Tranche will be listed and, if so, on which Exchange(s).

Material change

After due and careful enquiry, the Issuer hereby confirms that as at the Programme Date, there has been no material change in the Issuer's financial or trading position since 31 March 2017 (being the date of the Issuer's last audited financial statements). This statement has not been confirmed or verified by the Auditors of the Issuer.

Litigation

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had, during the 12 months prior to the Programme Date, a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

Conflicts of Interests

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

Auditors

KPMG (registered chartered accountants and auditors) has acted as Auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2014, 31 March 2016 and 31 March 2017 and, in respect of each of these years, issued an unqualified audit report.

Section 16

Definitions

Unless separately defined in this Programme Memorandum or, in relation to a Tranche of Notes, unless separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

"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;

"Actual Redemption Date" means, in relation to each Note in a Tranche, the date upon which such Note is actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the holder of such Note has been paid, being the date on which such amount is paid to such holder, or, if such Note is held in the CSD (if applicable), the earlier of (i) the date on which such amount is paid to such holder and (ii) the date on which such amount is paid to the CSD's Nominee and (in the circumstances set out in Condition 9) notice to that effect has been given by the Issuer to such holder (in the manner set out in Condition 19.1);

"Affected Subsidiary" means each subsidiary of the Issuer in respect of which the Issuer holds in excess of 60% of the total issued share capital, as reflected in such subsidiaries most recent audited annual financial statements;

"Affiliate" means, in relation to a company, its holding company (as defined in the Companies Act) and the subsidiaries (as defined in the Companies Act) of such company and such holding company, it being recorded that the relevant entities shall not be limited to being South African and/or Namibian companies;

"Agency Agreement" means the written agreement, dated 3 August 2017, entered into between the Issuer, Transfer Agent, the Paying Agent and Calculation Agent, as amended, novated and/or substituted from time to time in accordance with its terms;

"Applicable Laws" means, in relation to a person, all and any (i) statutes and subordinate legislation, (ii) regulations, ordinances and directives, (iii) by-laws, (iv) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, and (v) other similar provisions, from time to time, compliance with which is mandatory for that person;

"Applicable Maturity Date" means, in relation to a Tranche of Notes:

- a) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.1, the Final Maturity Date;
- b) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.2 (where applicable), the Optional Redemption Date;
- c) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.5, the Early Redemption Date stipulated in the notice contemplated in Condition 7.5;

"Applicable Pricing Supplement" means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, as contemplated in Section 6 of this Programme Memorandum headed **"Form of the Applicable Pricing Supplement"**;

"Applicable Procedures" means:

- (a) in relation to a Tranche of Notes which is listed on the NSX, the rules and operating procedures for the time being of the NSX applicable to the Transfer Agent and/or the NSX Brokers (including, without limitation, the NSX Rules and the NSX Listing Requirements);

- (b) in the event of a central securities depository being established, and such central securities depository is established at any time after the Programme Date, then and in such an event, in relation to a Tranche of Notes which is listed on the NSX, the rules and operating procedures for the time being of the CSD, CSD Participants and the NSX (including, without limitation, the NSX Rules);

"Applicable Terms and Conditions" means, in relation to a Tranche of Notes, 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;

"Arrangers" means IJG, SBN, and SBSA;

"Auditors" means the statutory auditors of the Issuer from time to time, being (as at the Programme Date) KPMG (registered chartered accountants and auditors in Namibia);

"Bank of Namibia" means the Bank of Namibia established under the Bank of Namibia Act, 1997;

"Beneficial Interest" means, in relation to a Tranche of Notes, the beneficial interest as co-owner of all of the Notes in that Tranche, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Principal Amount of such number of Notes bears to the aggregate Outstanding Principal Amount of all of the Notes in that Tranche;

"Business Day" means, subject to the Applicable Procedures a day (other than a Saturday, Sunday or statutory public holiday in Namibia) on which commercial banks settle payments in Namibia Dollars in Windhoek;

"Business Day Convention" means, in relation to a Tranche of Notes (where applicable), the convention for adjusting any date if it would otherwise fall on a day that is not a Business Day, and the following terms, when specified in the Applicable Pricing Supplement and used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- a) if **"Following"** is specified in the Applicable Pricing Supplement the relevant payment date will be the first following day that is a Business Day; or
- b) if **"Modified Following"** or **"Modified"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; or
- c) if **"Preceding"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first preceding day that is a Business Day; or
- d) such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;

"Calculation Agent" means Standard Bank Namibia Limited, unless the Issuer elects to appoint, in relation to one or more Tranche(s) of Notes or a Series of Notes, another entity as Calculation Agent pursuant to an Agency Agreement, as contemplated in Condition 17;

"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;

"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;

"Commercial Paper Regulations" means the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of *"the business of a bank"* in the South African Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

"Common Monetary Area" means the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho;

"Companies Act" means the Companies Act (No 28 of 2004), as amended;

"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;

"CSD" means the entity that may be licensed or otherwise authorised as a central securities depository in terms of any law of Namibia or in terms of the rules of any regulatory authority, which may be established, at any time after the Programme Date, or any additional or alternate depository approved by the Issuer;

"CSD's Nominee" means, in relation to a Tranche of Notes which is held in the CSD, a wholly owned subsidiary of the CSD approved by the applicable regulatory authority in terms of any applicable laws of Namibia or the rules of any regulatory authority, as applicable, which may come into existence at any time after the Programme Date, and any reference to "CSD's Nominee" shall, whenever the context permits, be deemed to include any successor nominee;

"CSD Participant" means, in relation to a Tranche of Notes which is held in the CSD, a person accepted by the CSD as a participant in terms of any applicable laws of Namibia or the rules of any regulatory authority, as applicable, which may come into existence at any time after the Programme Date;

"Day Count Fraction" means, in relation to a Tranche of Notes (where applicable):

- a) if **"1/1"** is specified in the Applicable Pricing Supplement, 1; or
- b) if **"Actual/365"**, **"Act/365"**, **"Actual/Actual"** or **"Act/Act"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- c) if **"Actual/365 (Fixed)"**, **"Act/365 (Fixed)"**, **"A/365 (Fixed)"** or **"A/365F"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- d) if **"Actual/360"**, **"Act/360"** or **"A/360"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or

- e) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or
- f) if "**30E/360**" or "**Eurobond Basis**" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- g) such other calculation method as is specified in the Applicable Pricing Supplement;

"**Dealer(s)**" means IJG, SBN, SBSA and each additional Dealer appointed by the Issuer under the Programme from time to time pursuant to the Programme Agreement, 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;

"**Early Redemption Amount**" means, in relation to a Tranche of Zero Coupon Notes, the amount calculated in accordance with Condition 7.7.1, and (where applicable) in relation to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions), the amount specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement, as contemplated in Condition 7.7.2;

"**Early Redemption Date**" means, in relation to a Tranche of Notes:
in the case of the redemption of that Tranche of Notes pursuant to Condition 7.5, the date stipulated as the date for early redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 7.5;

"**Emigrant Blocked Namibia Dollar**" means, for purposes of the Exchange Control Regulations, funds which may not be remitted out of Namibia or paid into a bank account outside Namibia;

"**Encumbrance**" means any mortgage, pledge, lien, hypothecation, assignment, cession-in-*securitatem debiti*, 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;

"**Event of Default**" means an event of default as set out in Condition 13.1;

"**Exchange**" means, if applicable to a Tranche of Notes, the NSX and/or such other exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws, as specified in the Applicable Pricing Supplement;

"**Exchange Control Authority**" means the Bank of Namibia;

"**Exchange Control Regulations**" means the Exchange Control Regulations, 1961 promulgated pursuant to the Namibian Currency and Exchanges Act No 9 of 1933, as amended;

"**Final Broken Amount**" means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

"**Fitch Ratings**" means Fitch Ratings Ltd;

"Final Maturity Date" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Fixed Interest Rate" means, in relation to a Tranche of Notes (where applicable), the fixed interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Fixed Rate Notes" means Notes which bear interest at a Fixed Interest Rate;

"Floating Interest Rate" means, in relation to a Tranche of Notes (where applicable), the floating interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Floating Rate Notes" means Notes which bear interest at a Floating Interest Rate;

"Group" or **"Group of Noteholders"** means, in relation to a Tranche of Notes, the holders of the Notes in that Tranche or, if a Tranche of Notes is in the same Series as any other Tranche or Tranches of Notes, the holders of the Notes in that Series, as the case may be;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);

"IJG" means IJG Securities (Proprietary) Limited (member of the NSX) (incorporated with limited liability under company registration number 95/2005) (as Arranger, Dealer, Calculation Agent and Sponsor of the Programme);

"Implied Yield" means, in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price, specified as a percentage in the Applicable Pricing Supplement;

"Income Tax Act" means the Income Tax Act (No 24 of 1981), as amended;

"Indebtedness" means:

- a) any indebtedness of any person in respect of moneys borrowed or raised whether present or in future, actual or contingent (including, without limitation, any indebtedness of any Person arising from any transaction which has the commercial effect of a borrowing); and
- b) in relation to any indebtedness of any person described in sub-paragraph (a) above, any obligation of another person to pay such indebtedness whether present or future, actual or contingent (including, without limitation, any guarantee and/or suretyship and/or indemnity given by such other Person and/or any transaction entered into by such other Person which has the commercial effect of a guarantee, suretyship or indemnity);

"Index-Linked Notes" means a Tranche of Notes, the redemption amount and/or the interest amount of which is not fixed on the Issue Date, but which is calculated with reference to such formula and/or other arrangement as is specified in the Applicable Pricing Supplement;

"Individual Certificate" means:

- (a) in relation to (i) a Tranche of Notes which is listed on the NSX and (ii) a Tranche of unlisted Notes, the single certificate in definitive registered form without interest coupons representing one or more Notes in that Tranche;
- (b) in relation to a Tranche of Notes which is held in the CSD (if applicable), the single certificate in definitive registered form without interest coupons representing Notes for which a Beneficial Interest has been exchanged in accordance with Condition 15.4;

"Initial Broken Amount" means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

"Insolvency Act" means the Insolvency Act (No 24 of 1936), as amended;

"Interest Amount" means, in relation to a Tranche of Notes (where applicable), the amount of interest due and payable in respect of each Note in that Tranche, on the relevant Interest Payment Date, in respect of the relevant Interest Period, calculated by the Calculation Agent in accordance with Condition 8.2.6 and Condition 10.1;

"Interest Commencement Date" means, in relation to a Tranche of Notes (where applicable), the Issue Date or such other date (if any) as is specified in the Applicable Pricing Supplement;

"Interest Payment Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement or, if no date is specified in the Applicable Pricing Supplement, the last day of each Interest Period;

"Interest Period" means, in relation to a Tranche of Notes (where applicable), each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period shall commence on and include the Interest Commencement Date and the last Interest Period shall end on but exclude the Applicable Maturity Date;

"Interest Rate" means, in relation to a Tranche of Notes (where applicable), the Fixed Interest Rate and/or the Floating Interest Rate applicable to that Tranche;

"Investment Grade Rating" means a national scale rating of Baa3za by Moody's, BBB-(zaf) by Fitch, zaBBB- by S&P, BBB- by GCR (Proprietary) Limited or its equivalent for the time being, or better;

"ISDA" means International Swaps and Derivatives Association Inc;

"ISDA Definitions" means the 2000 ISDA Definitions (Interest Rate and Currency Derivative Transactions) published by ISDA (as amended, supplemented, revised or republished from time to time);

"ISDA Determination" means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 8.2.6.1 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

"Issue Date" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Issue Price" means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

"Issuer" means The Development Bank of Namibia Limited established as a corporate body in terms of section 2 of the Development Bank of Namibia Act 8 of 2002, and is incorporated as a public company with limited liability under company registration number 2003/189, in terms of the Companies Act, 2004;

"JIBAR Rate" means, in relation to a Tranche of Floating Rate Notes (where applicable), unless otherwise specified in the Applicable Pricing Supplement, the average mid-market yield rate per annum for 3 month deposits in ZAR which appears on the Reuters Screen SAFEX MNY MKT page as the "SFX 3M YIELD" at or about 12h00 (Namibian time) on the Rate Determination Date, determined by the Calculation Agent in accordance with Condition 8.2.6.2;

"Last Day to Register" means, in relation to a Tranche of Notes, the eleventh day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date until 16h00 (Namibian time) on that day, such day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes in that Tranche represented by Individual Certificate(s);

"Late Redemption Amount" means, in relation to a Tranche of Zero Coupon Notes, the amount calculated in accordance with Condition 9.2.1, and (where applicable) in relation to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions), the amount specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Listed Indebtedness" means any Indebtedness which is in the form of any bond, note, debenture, debenture stock, loan stock, certificate or other similar security which is, or is to be, listed quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and having an original maturity of more than 364 days from its date of issue;

"Margin" means, in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

"NACA" means nominal annual compounded annually;

"NACM" means nominal annual compounded monthly;

"NACQ" means nominal annual compounded quarterly;

"NACS" means nominal annual compounded semi-annually;

"NAD" or **"Namibia Dollar"** or **"N\$"** means the lawful currency of Namibia;

"Namibia" means the Republic of Namibia;

"Negative Rating Event" means the withdrawal of the Issuer's credit rating and/or a Note Rating by the Rating Agency, or the downgrading of the Issuer's credit rating and/or a Note Rating below (or further below) an investment grade rating on a national rating scale by the Rating Agency, as the case may be, within the Change of Control Period; and "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 60th (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; or
- (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;

"NENS" means the electronic news service, referred to as "Namibian Exchange News Service" of the NSX;

"Noteholders" and **"holders of Notes"** means the holders of Notes recorded as the registered holders of such Notes in the Register (it being recorded that, in relation to a Tranche of unlisted Notes and a Tranche of Notes which is listed on the NSX, joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders);

"Notes" means the unsecured registered notes of any kind issued by the Issuer, under the Programme, pursuant to the Programme Memorandum;

"NSX" means the Namibian Stock Exchange, licensed as an exchange in terms of section 1 of the Stock Exchanges Control Act, and any reference to "NSX" shall, whenever the context permits, be deemed to include any successor exchange operating in terms of the Stock Exchanges Control Act;

"NSX Broker(s)" means members of the NSX who are registered as such in terms of the Stock Exchanges Control Act and the NSX Rules and who are appointed to act as brokers in respect of transactions in Notes which are listed only on the NSX and/or unlisted Notes by investors in (or Noteholders of) such Notes;

"NSX Guarantee Fund" means the Guarantee Fund established by the NSX, and provided for in the NSX Rules;

"NSX Listing Requirements" means the listing requirements from time to time of the NSX which are applicable to notes and other debt instruments which are listed on the NSX;

"NSX Rules" means the Rules of the NSX from time to time, published by the NSX in terms of the Stock Exchanges Control Act;

"Optional Maturity Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement;

"Optional Redemption Amount" means, in relation to a Tranche of Notes, the optional redemption amount(s) specified as such in the Applicable Pricing Supplement;

"Optional Redemption Date(s)" means, in relation to a Tranche of Notes, the optional redemption amount(s) specified as such in the Applicable Pricing Supplement;

"Ordinary Resolution" means a resolution passed, at a properly constituted meeting of (as applicable) the Noteholders or the relevant Group/s of Noteholders, upon a poll, by a majority of not less than 51% (fifty one percent) of the total votes cast on such poll to which the Noteholders or the relevant Group/s of Noteholders, who are present at such meeting in person or by proxy, are entitled;

"Outstanding Principal Amount" means, in relation to each Note in a Tranche of Notes, the Principal Amount of that Note less (on each occasion on which that Note is partially redeemed in terms of Condition 7) that portion of the Principal Amount of that Note which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate outstanding Principal Amount of all of the Notes in issue under the Programme at that time;

"Paying Agent" means Standard Bank Namibia Limited, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 17;

"Permitted Encumbrances" means any Encumbrance arising out of:

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

- g) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary, or between any Subsidiary; or
- h) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or
- i) any Encumbrance the Issuer created in the ordinary course of business; or
- j) any Encumbrance subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset, but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased, save in the ordinary course of business as set out in above;
- k) any Encumbrance created by or on behalf of the Issuer to secure any Listed Indebtedness issued in relation to or for the purposes of any Project Financing; provided that the property over which such Security Interest is granted consists solely of the assets of the project financed by that Project Financing and the revenues derived from that project;
- l) any Encumbrance created by or on behalf of the Issuer to secure any Listed Indebtedness where the Security Interest is created, in accordance with normal practice, pursuant to any asset buy-and-sell back transaction (such as a repurchase agreement) which provides for the outright transfer of ownership (full title transfer) of the assets which are the subject of such buy-and-sell back transaction as collateral security for such Listed Indebtedness;
- m) in addition to any Encumbrance referred to in paragraph (a) to (j) above, any Encumbrance securing in aggregate an amount which equals to or exceeds the greater of 2% (two percent) of the total assets of the Issuer as published in the Issuer's latest audited financial statements, at the time the Encumbrance is established;]

"Place" means to subscribe and pay for, or procure the subscription and payment for, the Notes in one or more Tranches of Notes pursuant to a Placement Agreement so that all of the Notes in such Tranche(s) are subscribed and paid for on the Issue Date(s) and "placing" will be construed accordingly;

"Placement Agreement" means an agreement, concluded in accordance with the Programme Agreement, in terms of which the Issuer agrees to issue one or more Tranches of Notes and one or more Dealers agree to place such Tranche or Tranches of Notes, in accordance with such agreement;

"Principal Amount" means, in relation to each Note in a Tranche of Notes, the nominal amount of that Note (being the amount equivalent to the Specified Denomination);

"Programme" means the Development Bank of Namibia Limited NAD2,500,000,000 Medium Term Note Programme under which the Issuer may from time to time issue Notes;

"Programme Agreement" means the written agreement so entitled, dated 3 August 2017, entered into between the Issuer, and IJG, SBN and SBSA, as amended, novated and/or substituted from time to time in accordance with its terms;

"Programme Amount" means the maximum aggregate Outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time being, as the Programme Date, NAD2,500,000,000, 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 set out in Section 2 of this Programme Memorandum headed **"General Description of the Programme"**;

"Programme Date" means the date of this Programme Memorandum, being 3 August 2017;

"Programme Memorandum" means this document so entitled in respect of the Programme dated 3 August 2017; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in Section 1 of this document headed **"Documents Incorporated by Reference"**), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be;

"Project Financing" means any financing of all or any part of the costs of the acquisition, construction and/or development of any project where the person/s providing such financing expressly agree/s to limit its/their recourse to the assets of the project so financed and the revenues derived from the project so financed as the sole source of repayment for moneys advanced in relation to such financing;

"R" or **"Rand"** or **"ZAR"** means the lawful currency of South Africa;

"Rate Determination Date" means, in relation to a Tranche of Notes (where applicable), the day falling on the first day of each Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Rate Determination Date shall be brought forward to the first preceding Business Day;

"Rating" means, in relation to a Tranche of Notes (where applicable), the rating of that Tranche of Notes granted by a Rating Agency, specified as such in the Applicable Pricing Supplement;

"Rating Agency/ies" means Global Credit Rating Co. Proprietary Limited (**GCR**), Standard & Poor's Ratings Services (**S&P**), Moody's Investors Service Limited (**Moody's**) or Fitch Ratings Limited (**Fitch Ratings**), as the case may be, and their successors or any other rating agency of equivalent international standing specified from time to time by the Issuer specified in the Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 19 (*Notices*).

"Rating Downgrade" shall, in relation to Issuer and/or the Guarantors as the case may be and/or where any Notes are and/or where the Programme is, rated by a Rating Agency, 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;
- (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; and

"Rating Notch" means the difference between one rating and another level lower for example from **"BB+"** to **"BB"** by the Rating Agency or such similar lower or equivalent rating.

"Redemption Amount" means, in relation to each Note in a Tranche of Notes, unless otherwise specified in the Applicable Pricing Supplement, the Outstanding Principal Amount of that Note or, where Condition 7.7.1 or Condition 7.7.2 is applicable to that Note, the Early Redemption Amount, as the case may be;

"Reference Banks" means, if applicable to a Tranche of Notes, the banks specified as such in the Applicable Pricing Supplement or, if none, four major banks (selected by the Calculation Agent and approved by the Issuer) in the market that is most closely connected with the Reference Rate;

"Reference Rate" means, in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;

"Register" means the register of Noteholders maintained by the Transfer Agent in terms of (and subject to) Condition 16;

"Register Closed Period" means, in relation to a Tranche of Notes, the period(s), following the Last Day to Register, specified in the Applicable Pricing Supplement, during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Notes;

"Relevant Date" means, in relation to a Tranche of Zero Coupon Notes:

- a) in the case of the redemption of that Tranche pursuant to Condition 7.2 (where applicable), the Optional Redemption Date;
- b) in the case of the redemption of that Tranche pursuant to Condition 7.3, the Early Redemption Date stipulated in the notice contemplated in Condition 7.3;
- c) in the case of the redemption of that Tranche of Notes pursuant to Condition 13.2 (as contemplated in Condition 7.5), the Acceleration Date (as defined in Condition 13.2.2).

"Relevant Payment Amount" means, in relation to a Tranche of Notes, the aggregate amount which is due and payable by the Issuer to the relevant Noteholders, on the relevant Payment Date, pursuant to the Applicable Terms and Conditions;

"Relevant Payment Date" means, in relation to a Tranche of Notes, the Applicable Maturity Date and (where applicable) each Interest Payment Date or (in relation to a Tranche of Index-Linked Notes or any other Tranche of Notes not specifically provided for in the Terms and Conditions), each payment date specified as such in the Applicable Pricing Supplement, as the case may be;

"Relevant Screen Page" means, in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters and/or Bloomberg) 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;

"SBN" means the Standard Bank Namibia Limited, a public company incorporated in Namibia with limited liability under company registration number 78/01799;

"SBSA" means The Standard Bank of South Africa Limited (registration number 1962/000738/06), a public company with limited liability, duly incorporated and registered as a bank in accordance with the laws of the Republic of South Africa;

"Screen Rate Determination" means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 8.2.6.2 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

"Senior Noteholders" means the Noteholders of Senior Notes;

"Senior Notes" means Notes issued with the status and characteristics set out in Condition 25 (*Status of Senior Notes*), as indicated in the Applicable Pricing Supplement;

"Series" means a Tranche of Notes which, together with any other Tranche(s) of Notes, is expressed in the Applicable Pricing Supplement to form a single series of Notes, identified in the relevant Applicable Pricing Supplements by way of a unique numeral (such as Series 1), it being recorded, for the avoidance of doubt, that:

- a) a Tranche of Notes (see the definition of "*Tranche*" and "*Tranche of Notes*" below) are Notes which have identical Terms and Conditions and which are issued pursuant to a single issue;

- b) a tap issue of a Tranche of Notes pursuant to Condition 25, is the separate issue of a new Tranche of Notes which has the same ISIN Code number as, and the identical Terms and Conditions (save for the Issue Price, actual Issue Date and aggregate Principal Amount) which are applicable to, a Tranche of Notes which is already in issue, so that the new Tranche of Notes is consolidated with the existing Tranche of Notes and forms part of the same existing Tranche of Notes;
- c) a Series of Notes comprises one or more Tranche/s of Notes which do not have the same Terms and Conditions but which are categorised by the Issuer (in its sole and absolute discretion) as forming part of the same Series for identification purposes only, for example, all Tranches of Fixed Rate Notes or all Tranches of Notes having the same maturity, may be categorised by the Issuer as forming part of the same Series of Notes;

"Share Capital and Reserves" means the sum of: issued linked units, each comprising one (1) ordinary share of one (1) cent and one unsecured variable rate debenture of 449 cents, debenture premium, distributable reserves and non-distributable reserves.

- a) the aggregate amount (including any share- and debenture premium) for the time being paid up or credited as paid up in the share capital and issued linked units of the Issuer (the "*issued linked units*", as at the date that this Programme Memorandum was approved by the NSX, each comprised one (1) ordinary share of one (1) cent and one unsecured variable rate debenture of 449 cents)(including, without limitation, ordinary shares, preference shares, linked units of any nature and any interest and/or rights, however designated, to any of such shares or units); plus
- b) the aggregate amount standing to the credit of the capital and revenue reserves of the Issuer,

each such aggregate amount being the amount shown in, or calculated by reference to, the Issuer's most recent audited financial statements and, in this regard, a report by the auditors of the Issuer that, in their opinion, the amount of the Share Capital and Reserves shown in a certificate provided by the Issuer is correctly shown in, or has been correctly calculated by reference to, the Issuer's most recent audited financial statements shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates;

"South Africa" means the Republic of South Africa;

"South African Banks Act" means the South African Banks Act, 1990, as amended;

"South African Companies Act" means the South African Companies Act, 2008, as amended;

"South African Exchange Control Authority" means the Financial Surveillance Department of the South African Reserve Bank;

"South African Exchange Control Regulations" means the South African Exchange Control Regulations, 1961 promulgated pursuant to the South African Currency and Exchanges Act, 1933, as amended;

"South African Financial Markets Act" means the South African Financial Markets Act, 2012, as amended;

"South African Income Tax Act" means the South African Income Tax Act, 1962, as amended;

"Special Resolution" means a resolution passed at a properly constituted meeting of (as applicable) the Noteholders or the relevant Group/s of Noteholders, upon a poll, by a majority consisting of not less than 75% (seventy five percent) of the votes cast on such poll to which the Noteholders or the relevant Group/s of Noteholders, who are present at such meeting in person or by proxy, are entitled;

"Specified Currency" means, in relation to a Tranche of Notes, the Namibia Dollar (NAD) or (subject to the South African Exchange Control Regulations or the Exchange Control Regulations, as applicable) any other currency specified as such in the Applicable Pricing Supplement;

"Specified Denomination" means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;

"Specified Office" means, in relation to each of the Issuer, the Calculation Agent, the Paying Agent, the Transfer Agent, the address of the office specified in respect of such entity at the end of this Programme Memorandum, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders (in the manner set out in Condition 19.1), as the case may be, and in relation to the NSX, the address of the office specified in respect of the NSX at the end of this Programme Memorandum, or such other address at which the NSX (or, where applicable, a successor to the NSX) is located from time to time;

"Sponsor" means IJG (as Sponsor of the Programme);

"Stabilisation Manager" means, in relation to the issue and placing of a Tranche of Notes (where applicable), the Issuer or the Dealer who is designated in the Applicable Pricing Supplement as the approved stabilisation manager;

"Step-Up Margin" means, in relation to a Tranche of Notes (where applicable), the step-up margin specified as such in the Applicable Pricing Supplement;

"Stamp Duties Act" means the Stamp Duties Act (No 15 of 1993), as amended;

"Stock Exchanges Control Act" means the Stock Exchanges Control Act (No 1 of 1985), as amended;

"Subsidiary" has the meaning as ascribed to it in terms of the provisions of the Companies Act;

"Terms and Conditions" means the Terms and Conditions of the Notes set out in Section 7 of this Programme Memorandum headed **"Terms and Conditions of the Notes"**;

"Tranche" or **"Tranche of Notes"** means those Notes which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

"Transfer Agent" means Transfer Secretaries, as contemplated in Condition 17;

"Transfer Form" means the written form for the transfer of Notes represented by an Individual Certificate, in the usual form or in such other form approved by the Transfer Agent and otherwise complying with Applicable Laws;

"Transfer Secretaries" means Transfer Secretaries (Proprietary) Limited (incorporated with limited liability under company registration number 93/713);

"Value-Added Tax Act" means the Value Added Tax Act (No 10 of 2000), as amended;

"Taxes" means all present and future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in Namibia (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" will be construed accordingly;

"WIBAR Rate" means, in relation to a Tranche of Notes (where applicable), unless otherwise specified in the Applicable Pricing Supplement, the average mid-market yield rate per annum for 3-month deposits in N\$ as published by the NSX on the Rate Determination Date, determined by the Calculation Agent in accordance with Condition 8.2.6.2;

"Zero Coupon Notes" means a Tranche of Notes which are offered and sold at a discount to their aggregate Principal Amount and which will not bear interest.

SIGNED at Windhoek on 3 August 2017

For: The Development Bank of Namibia Limited

By: 

Name: MARTIN INKUMBI

Capacity: *Director, duly authorised*

ISSUER

The Development Bank of Namibia Limited
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Email: Minkumbi@dbn.com.na

**PAYING AGENT and CALCULATION AGENT
Standard Bank Namibia Limited**

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Corner: Werner List & Post Street Mall
P.O. Box 3327
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Corporate and Investment Banking
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294 2304
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(a member of the NSX)**

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ARRANGER AND DEALER**The Standard Bank of South Africa Limited**

(incorporated under registration number 1962/000738/06)
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