

## ***PROGRAMME MEMORANDUM***

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### **RAINY DAY INVESTMENTS EIGHTEEN (Proprietary) Limited**

(Registration Number 2019/1115) (“Issuer SPV”)

N\$ 2,000,000,000

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#### **Sale on Instalments Asset Backed Domestic Medium Term Note Programme**

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**Under this N\$ 2,000,000,000 Sale on Instalments Asset Backed Domestic Medium Term Note Programme (“Programme”) Issuer SPV (Proprietary) Limited (“Issuer”), may from time to time issue notes (“the Notes”), subject to the terms and conditions (“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”). Save as set out herein, the Notes will not be subject to any maximum or minimum maturity. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed N\$ 2,000,000,000.**

**Application was made for this Programme and was approved by the Namibian Stock Exchange (“NSX”). Any successor, or such other or further exchange as may be determined by the Issuer and the relevant authority and subject to the applicable ruling laws may be approached for an approval in the future. Application may be made for the Notes to be issued under this Programme to be listed on NSX or its successor, or such other or further exchange as may be determined by the Issuer and the relevant authority and subject to the applicable ruling laws. Notice of the aggregate Nominal Amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes (as defined under “Terms and Conditions of Notes”) will be set forth in the Applicable Pricing Supplement which will be delivered to the NSX (as defined under “Form of Notes”) on or before the date of issue of such Notes and the Notes may then be traded by or through members of the NSX from the date specified in the Applicable Pricing Supplement. The Issuer may determine that particular Notes will not be listed on the NSX or any other exchange and in that case, no Applicable Pricing Supplement will be delivered to the NSX. However the NSX will be notified of all issuances under this Programme.**

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under “Summary of Programme” and any additional Dealer appointed from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “Dealer” and together “the Dealers”). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Notes is or are referred to as “the relevant Dealer(s)” in respect of those Notes.

This Programme has, as at the date of this Programme Memorandum, not been rated by any rating agency, however, it is expected that Tranches of Notes issued under the Programme will be rated by GCR Ratings and/or one or more other rating agency appointed by the Issuer on a national scale basis. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein contained, in which case a supplementary Programme Memorandum, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. Unrated Notes may also be issued by the Issuer.

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**The Notes are not directly secured by any of the assets of the Issuer, but RAINY DAY INVESTMENTS NINETEEN (Proprietary) Limited, Registration Number 2019/1116 (“the Security SPV”) will execute the limited recourse Security SPV Guarantee in favour of the Secured Creditors (including the Noteholders). All payments to be made to the Secured Creditors (including the Noteholders) (whether made by the Issuer or the Security SPV) are required to be made in accordance with the Priority of Payments. The attention of the investors is drawn to the section of the Programme Memorandum headed “Security” for an understanding of the security**

structure relating to the Notes. Because the noteholders are not directly secured by the assets of the Issuer, the noteholders should ensure that the security which is being presented in this programme is sufficient for them. Any other terms and conditions not contained in the Conditions which are applicable to any Notes will be set forth in an Applicable Pricing Supplement issued in relation to such Tranche of Notes. Additional Security will be contained in each Pricing Supplement, such as a subordinated loan.

The investors should ensure that they read the section headed “Security” as it is possible for RTO and the Security SPV to be wound-up, liquidated or placed under judicial management, which would adversely affect the rights of the investors. It should be noted that in the event of the insolvency of RTO, only the parties listed in the Priority of Payments from 1 – 3, rank prior to the noteholders. There are no other creditors which rank prior to the noteholders.

The Notes will be obligations of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, the Arranger, the Dealer, the other parties to the Transaction Documents and/or their advisors, save to the extent of the net amount recovered from the Issuer pursuant to the Issuer Indemnity and from the property realised pursuant to the other Security Agreements (and then subject to the payment of higher ranking creditors in the Priority of Payments), the Security SPV, or any of their respective affiliates. No liability whatsoever in respect of the failure by the Issuer to pay any amount due under the Notes will be accepted by the Arranger, the Dealer, the other parties to the Transaction Documents and/or their advisors, save to the extent of the net amount recovered from the Issuer pursuant to the Issuer Indemnity and from the property realised pursuant to the other Security Agreements, the Security SPV, or any of their respective affiliates.

Prospective purchasers of the Notes issued under the Programme should pay particular attention to the section of the Programme Memorandum headed “Risk Factors”.

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Arranger, Sponsor of the Programme and Calculation Agent:	Simonis Storm Securities (Proprietary) Limited (member of the NSX)
Dealer(s):	Simonis Storm Securities (Proprietary) Limited
Settlement and Paying Agent:	NedBank Namibia Limited
Transfer Agent:	Transfer Secretaries (Proprietary) Limited
Legal Advisers to the Issuer and Programme:	Dr. Weder Kauta and Hoveka Inc

***Programme Memorandum dated 4 September 2020.***

*The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.*

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

*material respect. The Issuer confirms that this Programme Memorandum contains or incorporates all information required by Applicable Law and the NSX Listing Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial statements and any amendments to the annual financial statements or any supplements from time to time, except as otherwise stated therein.*

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

*The NSX assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time), and the NSX makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time). The NSX 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 the annual financial statements or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time). The NSX’s approval of the registration of the placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or the debt securities and that, to the extent permitted by law, the NSX will not be liable for any claim whatsoever.*

*The NSX, Arrangers, the Dealers, Originator, Security SPV, other professional advisers, and the other parties to the Transaction Documents and their respective affiliates have not separately verified the information contained herein. Accordingly, no representation or warranty is made and no responsibility is accepted by the NSX, Arrangers, the Dealers, Originator, Security SPV, other professional advisers, or the other parties to the Transaction Documents and their respective affiliates as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information supplied in connection with the Programme. The Arrangers, the Dealers and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the Issuer, the Originator, the NSX, Arrangers, the Dealers or other professional advisers and Security SPV, the other parties to the Transaction Documents and their respective affiliates in connection with its investigation of the accuracy of such information or its investment decision.*

*Information contained in this Programme Memorandum with respect to the Arranger, the Dealer, Originator, the other parties to the Transaction Documents and the Security SPV has been obtained from each of them for information purposes only and the Issuer assumes no responsibility for such information. The delivery of this Programme Memorandum shall not suggest that there has been no change in the affairs of the Arranger, the Dealer, Originator, the Issuer and the other parties to the Transaction Documents or the Security SPV since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.*

*No person has been authorised to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arrangers, the Dealers, Originator and the other parties to the Transaction*

*Documents or the Security SPV or any other 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 shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to the date of this Programme Memorandum.*

*Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the NSX, the Arrangers or any of the Dealers and other professional advisers and Security SPV, the other parties to the Transaction Documents and their respective affiliates that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme, should subscribe for or purchase any Notes.*

***Each investor contemplating the subscription for or purchase of any Notes should make its own independent investigation 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, and any other factors which may be relevant to it in connection with such investment. Neither this Programme Memorandum nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arrangers or any of the Dealers to any person to subscribe for or to purchase any Notes.***

*The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. The NSX, Arrangers, Dealers, the Originator and other professional advisers and Security SPV, the other parties to the Transaction Documents and their respective affiliates expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, among others, the most recent non-consolidated and/or consolidated financial statements of the Issuer when deciding whether or not to subscribe for or purchase any Notes.*

*The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes will not be obligations of, or the responsibility of, or guaranteed by the Arranger, the Dealers, Originator, the other parties to the Transaction Documents or, save to the extent of the amount recovered from the Issuer pursuant to the Issuer Indemnity and from the property realised pursuant to the other Security Agreements (and then subject to the payment of higher ranking creditors in the Priority of Payments), the Security SPV, or any of their respective affiliates. No liability whatsoever in respect of the failure by the Issuer to pay any amount due under the Notes will be accepted by the Arranger, the Dealers, the Security SPV, or any of their respective affiliates.*

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

***The distribution of this Programme Memorandum and the offer for subscription or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Notes come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom and the Republic of Namibia. None of the Issuer, the Arrangers, the Dealers or the other professional advisers represents that this Programme Memorandum may be lawfully***

***distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers, the Dealers or the other professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or subscribed for or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented that all offers and sales by them will be made in compliance with this prohibition.***

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

*In connection with the issue and distribution of any Tranche of Notes (as defined in the Terms and Conditions of the Notes), the Dealer may over-allot or effect transactions which stabilise or maintain the market price of the Notes of the Series (as defined in the Terms and Conditions of the Notes) of which such Tranche forms part, at a level which might not otherwise prevail. Such stabilising shall be carried out in accordance with all applicable laws and regulations and if commenced, may be discontinued at any time.*

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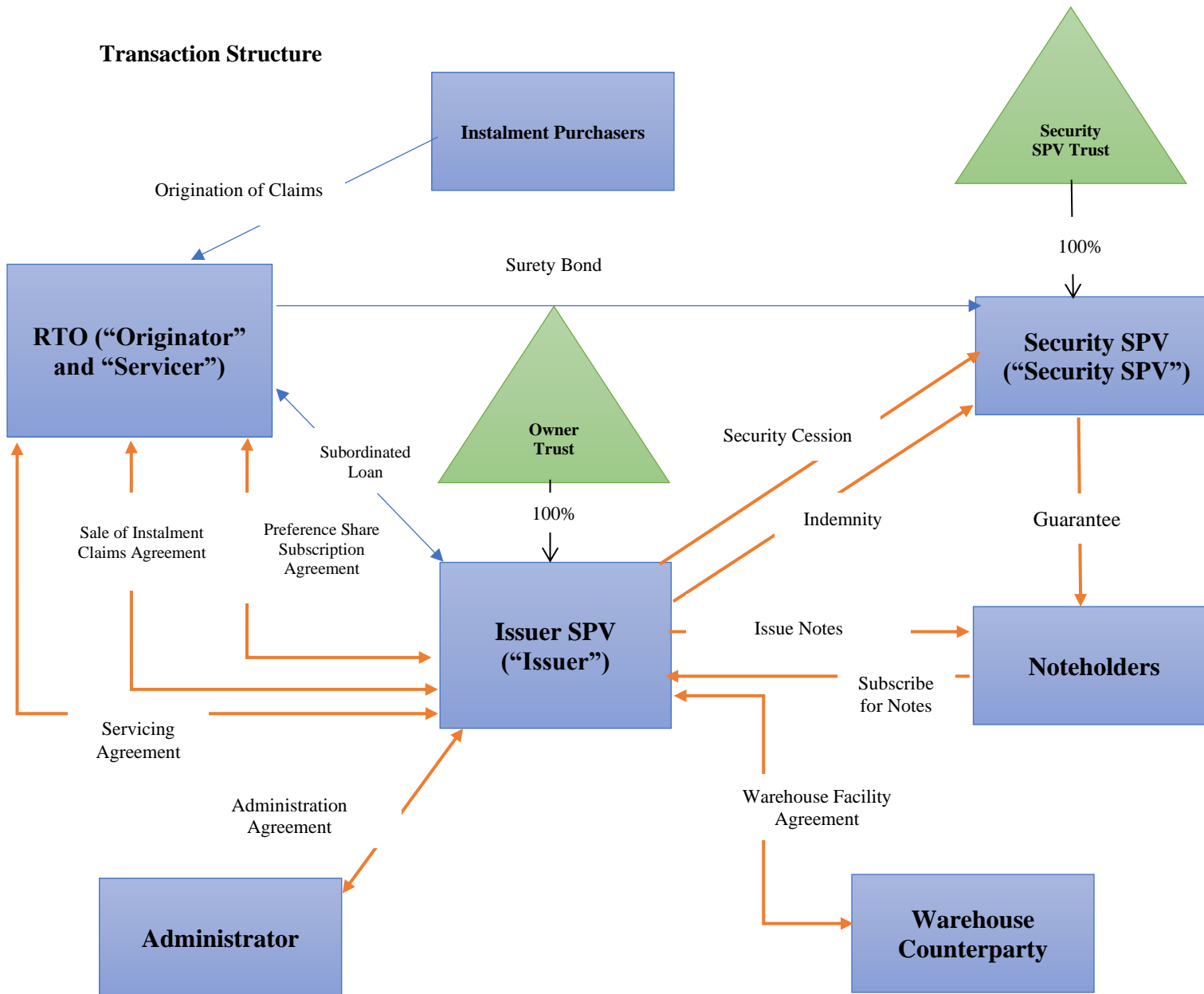
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## TRANSACTION OVERVIEW

This section contains a summary of the principal features of the asset backed transaction described below (“the Transaction”) and should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words use in this section headed “Transaction Overview” shall bear the same meanings as used in the section headed “Terms and Conditions of the Notes” 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.

### Transaction Structure



## Transaction Steps

1. RTO as originator ("**Originator**" or "**Seller**") will originate Namibian law governed sale on instalment agreements ("**Instalment Agreements**") and related security (i.e. suretyships, guarantees, indemnities, cessions, endorsements or rights to payments in respect of insurance policies, etc) ("**Claims**") with underlying instalment purchasers/end users ("**Instalment Purchasers**"). The agreements are based on the Sale of Land on Instalments Act.
2. The Originator will sell the Claims (which comply with the Eligibility Criteria) to the Issuer in terms of a sale or acquisition agreement ("**Sale of Instalment Claims Agreement**").
3. On the Initial Issue Date, the Issuer will issue Notes to investors to fund the payment of the purchase price to the Seller in respect of the Initial Portfolio. Notwithstanding the date of payment of the purchase price, right, title and interest in and to the Sold Claims comprising of the Initial Portfolio will vest in the Issuer on the Initial Issue Date.
4. Thereafter, during the Revolving Period, the Issuer shall be entitled to issue additional Notes from time to time in order to fund the acquisition of Claims, provided that such issue will not adversely impact on any Rating of the existing Notes or otherwise cause a deterioration of the Subordinated Funding Ratio.
5. RTO will act as Servicer and will collect and administer the Claims on the Issuer's behalf. Should an event of default occur under the Servicing Agreement and not be waived by the Noteholders, the Servicer's mandate (as per the Servicing Agreement) will terminate and the Back-Up Servicer will render the services and collect and administer the Claims in accordance with the provisions of the Servicing Agreement. In addition, the Issuer will appoint a suitable administrator ("**Administrator**") to manage the day to day operations of the Issuer, including performing all calculations in terms of the Transaction Agreements and administering the priority of payments in terms of an administration agreement with the Administrator ("**Administration Agreement**").
6. Credit enhancement will be made available to the Issuer, inter alia, through Subordinated Loans up to the limit specified in the Subordinated Loan Agreement. The Issuer will, to the extent required, drawdown under the Subordinated Loan Agreement with the Subordinated Lender which will serve as credit enhancement in relation to higher ranking Notes. The Subordinated Loans may be utilised by the Issuer, inter alia, to fund the initial claims.
7. The Security SPV has been incorporated for the purposes of holding and realising Security for the benefit of Secured Creditors, including Noteholders, subject to the Priority of Payments. The Security SPV will execute a Security SPV Guarantee in favour of the Noteholders and other Secured Creditors, and any payments under such Security SPV Guarantee would be subject to the Priority of Payments.
8. The Issuer will indemnify the Security SPV in terms of the Issuer Indemnity in respect of any claims that may be made against it arising out of the Security SPV Guarantee. The Issuer's obligations under the Issuer Indemnity will be secured in terms of the Security Agreements and the Preference Shareholder will be entitled to receive Preference Dividends in respect of the Preference Shares.



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## DOCUMENTS INCORPORATED BY REFERENCE

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*Words used in this section headed “Documents Incorporated by Reference” shall bear the same meanings as used in the section headed “Terms and Conditions of the Notes” 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 shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) the Transaction Documents;
- (b) each Applicable Pricing Supplement;
- (c) each supplement to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Agreement between the Arrangers, the Dealers (as defined therein) and the Issuer (the “Programme Agreement”);
- (d) the audited annual financial statements, and notes thereto, of the Issuer and the Security SPV for each financial year ending on **August** with such statements, reports and notes attached to or intended to be read with such audited annual financial statements in respect of all financial years of the Issuer or the Security SPV, as the case may be, after the date of this Programme Memorandum, as and when such approval and become available, but in any event, within **4** months after the end of every financial year;
- (e) each rating report and/or rating affirmation of the tranche listed by the Issuer issued by GCR (and/or any other Rating Agency/ies) after the Programme Date; and
- (f) 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, 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).

This Programme Memorandum is available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and each 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) at the office of the Originator. 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 NSX.

The respective annual reports of the Issuer referred to in paragraph (d) above and the documents listed in paragraphs (b), (c) and (e) 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 each 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 (d) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (e) above will, as and when such annual reports and such rating reports and/or rating affirmations are approved and become available, be available at the office of the Originator. 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.

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## SUMMARY OF THE PROGRAMME

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*Under the Programme the Issuer may from time to time issue Notes denominated in Namibian Dollars. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes as modified and supplemented by the Applicable Pricing Supplement and any supplement to the Programme Memorandum. A summary of the Programme and Terms and Conditions is set out below.*

This Programme Memorandum will only apply to Notes issued and Outstanding under the Programme in an aggregate nominal amount which does not exceed N\$2,000,000,000.

From time to time, the Issuer may wish to increase the aggregate nominal amount of the Notes that may be issued under the Programme. Subject to the requirements of the NSX and/or any such other exchange or exchanges on which the Notes may be listed or in terms of any law, the Issuer may without the consent of the Noteholders, increase the aggregate nominal amount of the Notes that may be issued under the Programme by delivering a notice thereof to the Noteholders and the relevant exchange. Upon such notice being given, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the aggregate nominal amount of the Notes, shall be deemed to be references to the increased aggregate nominal amount.

For the purpose of calculating the aggregate amount of Notes issued under the Programme from time to time the amount of Zero Coupon Notes and other Notes issued at a discount or premium shall be calculated by reference to the net proceeds received by the Issuer for the relevant issue.

*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.*

<b>Arranger(s)</b>	Simonis Storm Securities (Proprietary) Limited, a company registered and incorporated in accordance with the law of the Republic of Namibia under registration number 96/421.
<b>Administrator</b>	Simonis Storm Securities (Proprietary) Limited, a company registered and incorporated in accordance with the law of the Republic of Namibia under registration number 96/421, which will be appointed under the terms of the Administration Agreement as agent for the Issuer (or any replacement Administrator appointed in accordance with the provisions of the Administration Agreement), inter alia, to manage the day to day operations of the Issuer, including performing all calculations that need to be performed in relation to the Transaction Documents and administering the Priority of Payments;
<b>Applicable Procedures</b>	(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);

<b>Asset Payments</b>	Means any payments made in respect of relevant Assets.
<b>Back-up Servicer</b>	No appointment at the date of the Programme Memorandum.
<b>Blocked Dollars</b>	Blocked Namibia Dollars may be used for the purchase of Notes, subject to Namibian Exchange Control Regulations.
<b>Calculation Agent</b>	Simonis Storm Securities (Proprietary) Limited, a company registered and incorporated in accordance with the law of the Republic of Namibia under registration number 96/421.
<b>Conditions</b>	The terms and conditions of the Notes set out below in this Programme Memorandum under the section headed "Terms and Conditions of the Notes".
<b>Credit Rating</b>	<p>All of the Notes issued under the Programme will be rated by the Rating Agency and attributed a structured finance rating on a national scale basis. The Rating will be specified in the Applicable Pricing Supplement.</p> <p>A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, Suspension or withdrawal at any time by the Rating Agency.</p>
<b>CSD</b>	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;
<b>CSD's Nominee</b>	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;
<b>CSD Participant</b>	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;

<b>Currency</b>	Namibia Dollar.
<b>Cut-Off Date</b>	Means in relation to the relevant identified Assets, the close of business as notified in writing by the Issuer to the Seller, not later than [3] days before a repurchase.
<b>Dealer(s)</b>	Simonis Storm Securities (Proprietary) Limited, a company registered and incorporated in accordance with the law of the Republic of Namibia under registration number 96/421.
<b>Delinquent Assets</b>	means Assets in respect of which more than [30%] of any Asset Payment which is due and payable in respect of those identified Assets, is more than [60] days but less than [150] days overdue at a measurement date.
<b>Denomination of Notes</b>	Notes will be issued in such denominations as may be indicated in the Applicable Pricing Supplement.
<b>Description of Programme</b>	Sale on Instalments Asset Backed Domestic Medium Term Note Programme.
<b>Distribution</b>	Notes may be offered by way of private placement or any other means permitted by law and in each case on a syndicated or non-syndicated basis as determined by the Issuer and reflected in the Applicable Pricing Supplement.
<b>Final Redemption</b>	Unless redeemed at a prior date, the Issuer shall redeem each Tranche of Notes at their Principal Amount Outstanding (together with accrued interest) on the Final Redemption Date for that Tranche of Notes.
<b>Fixed Rate Notes</b>	Fixed Rate Notes will bear interest at a fixed interest rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 8.6 of the Terms and Conditions.
<b>Floating Rate Notes</b>	Floating Rate Notes will bear interest at a floating interest rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 8.7 of the Terms and Conditions.
<b>Form of Notes</b>	<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 "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</p>

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 headed "Form of the Notes").

**Governing Law**

The Notes will be governed by and construed in accordance with the laws of the Republic of Namibia.

**Individual Certificate**

(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;

**Interest Period(s) or Interest Payment Dates(s)**

Quarterly or as otherwise specified, on such dates as may be indicated in the Applicable Pricing Supplement.

**Issuer**

Rainy Day Investments Eighteen (Proprietary) Limited, a company registered and incorporated in accordance with the law of the Republic of Namibia under registration number 2019/1115

**Issue Price**

The Notes will be issued on a fully paid basis, at an issue price which is at its Principal Amount or at a discount to, or premium over, its Principal Amount, as specified in the Applicable Pricing Supplement.

**Listing**

The Programme was approved by the NSX. Notes issued under the Programme may be listed on the NSX (or on a successor exchange to the NSX or such other or further exchange or exchanges as may be selected by the Issuer in relation to such issue) or may be Unlisted Notes.

**Maturities**

Such maturity as may be indicated in the Applicable Pricing Supplement.

**Negative Pledge and other undertakings of the Issuer**

Condition 6 of the Conditions provides for a negative pledge and other restrictions on the Issuer requiring the consent of the Security SPV relating to activities, disposals, bank accounts, dividends, distributions, borrowings, mergers and amendments to the Transaction Documents.

**Notes**

The Notes are limited recourse, secured, registered notes issued by the Issuer under the Programme. The description of, and terms and conditions applicable to Notes, other than those specifically described in this Programme Memorandum, will be set out in the Applicable Pricing Supplement.

**Noteholder(s)**

The holders of the Notes as reflected in the Register.

<b>Originator</b>	RTO HOUSING NAMIBIA (Proprietary) Limited, a company with limited liability, registered and incorporated in accordance with the laws the Republic of Namibia under registration number 2015/0735
<b>Owner Trust</b>	<b>RTO HOUSING ISSUER SPV TRUST</b> , a trust established in accordance with the laws of the Republic of Namibia with Master's Reference Number T 86/2020, solely to own as beneficial shareholder the entire issued ordinary share capital of the Issuer.
<b>Paying Agent</b>	Nedbank Namibia Limited, or any successor Paying Agent.
<b>Permitted Investments</b>	The Servicer will be entitled to invest cash from time to time standing to the credit of the Bank Account in various investments with the Highest Short-Term Credit Rating or wholly and unconditionally guaranteed by an entity with the Highest Short-Term Credit Rating as described below under the section headed "Credit Structure.
<b>Preference Shares</b>	The Preference Shareholder will hold 1000 participating preference shares in the Issuer. These Preference Shares will entitle the Preference Shareholder to extract any excess profits that may be generated by the Issuer.
<b>Preference Shareholder</b>	RTO HOUSING NAMIBIA (Proprietary) Limited, a company with limited liability, registered and incorporated in accordance with the laws the Republic of Namibia under registration number 2015/0735, which is the holder of the Preference Shares.
<b>Principal Amount</b>	The face value of each Note.
<b>Priority of Payments</b>	<p>The Priority of Payments is the sequence in which the Issuer will make payments to creditors of the Issuer out of the Available Funds.</p> <p>The Issuer shall contract with the Secured Creditors on the basis that payments due to them shall be made on an Interest Payment Date to the extent to which funds are available in the Bank Account, strictly in the sequence set out in the applicable Priority of Payments so that a Secured Creditor who ranks subsequent to any other creditors in that Priority of Payments will not be paid unless and until all the creditors which rank prior to it in the Priority of Payments have been paid all the amounts then due and payable to them by the Issuer.</p> <p>The various Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments, are set out under the section headed "Priority of Payments".</p>
<b>Programme</b>	The Issuer SPV (Proprietary) Limited N\$ 2,000,000,000 Sale on Instalments Asset Backed Domestic Medium Term Note Programme.
<b>Purchase of Notes</b>	The Issuer will not be entitled to purchase Notes.

**Rating Agency**

Global Credit Rating Co Proprietary Limited, a company registered and incorporated in accordance with the laws of South Africa under registration number 1995/005001/07.

**Redemption**

The Notes of each Class may be subject to mandatory redemption, in whole or in part, from time to time or, in certain circumstances, subject to optional redemption of all but not some only of the Notes, by the Issuer in the following circumstances —

- a) Mandatory redemption by the Issuer of all of the Notes at the Final Redemption in accordance with Condition 7.2;
- b) Mandatory redemption in part by the Issuer of the Notes on Interest Payment Dates in accordance with the Pre-Enforcement Priority of Payments, in accordance with Condition 7.3;
- c) Optional redemption by the Issuer of all of the Notes on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes is equal to or less than 25% of the aggregate Principal Amount of the Notes that have been issued, as described in Condition 7.5;
- d) Optional redemption by the Issuer of the Notes for tax reasons in accordance with Condition 7.6; and
- e) Mandatory redemption by the Issuer of all of the Notes upon delivery of an Enforcement Notice following an Event of Default in accordance with Condition 7.7.

**Register**

The register maintained by the Transfer Agent in terms of the Terms and Conditions.

**Register Closed**

The Register will be closed prior to each Interest Payment Date and the Final Redemption Date for the periods prescribed in Condition 16, in order to determine those Noteholders entitled to receive payments.

**Security for the Notes**

Notes will be obligations of the Issuer only.

The Security SPV will bind itself under the Security SPV Guarantee to each Secured Creditor, including Noteholders. Pursuant to such Security SPV Guarantee, the Security SPV will undertake in favour of each Secured Creditor to pay to it the full amount then owing to it by the Issuer if an Event of Default should occur. The liability of the Security SPV pursuant to the Security SPV Guarantee will, however, be limited in the aggregate to the amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity referred to below. Payment of amounts due by the Security SPV pursuant to the Security SPV Guarantee will be made strictly in accordance with the Post-Enforcement Priority of Payments after delivery of an Enforcement Notice such that Secured Creditors on each tier of the relevant Priority of Payments will be paid in full before Secured



Creditors ranking below them in the relevant Priority of Payments receive any payment.

The Issuer will give the Issuer Indemnity to the Security SPV in respect of the claims that may be made against the Security SPV arising out of the Security SPV Guarantee. The obligations of the Issuer in terms of the Issuer Indemnity are, *inter alia*, secured by security cessions over all assets of the Issuer and a Surety Bond, given by the Originator (as mortgagor) to the Security SPV (as mortgagee) in respect of any amount paid or to be paid by the Security SPV in terms of the Security SPV Guarantee, as described under the section headed "Security". The Notes will share the same security (through the Security SPV Guarantee and \_ Issuer Indemnity) but in the event of the Security being enforced, each Class of Notes will be subordinated to the Class(es) of Notes which rank before it in the Priority of Payments.

**Security SPV**

**RAINY DAY INVESTMENTS NINETEEN** Proprietary Limited, a company with limited liability registered in accordance with the laws of the Republic of Namibia under registration number 2019/1116 which has been incorporated to hold and realise Security for the benefit of Secured Creditors (including the Noteholders), subject to the Security SPV Guarantee and the Priority of Payments. The Security SPV has been established as a ring-fenced special purpose vehicle which has no other business. Its sole shareholder is the Security SPV Owner Trust and its address is Charles Cathral Street, Namibia. The Directors of the Security SPV are Johannes Christiaan Cronje and Damoline Muruko.

**Security SPV Owner Trust**

RTO Housing Security SPV Trust, a trust established in accordance with the laws of the Republic of Namibia with Master's Reference Number 85/2020, solely to own as beneficial shareholder the entire issued ordinary share capital of the Security SPV.

**Selling Restrictions**

There are selling restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Notes which may be included in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum must inform themselves about and observe any such restrictions.

**NENS**

The NSX Stock Exchange News Service.

**Servicer**

RTO HOUSING NAMIBIA (Proprietary) Limited, a company with limited liability, registered and incorporated in accordance with the laws the Republic of Namibia under registration number 2015/0735, which will be appointed under the terms of the Servicing Agreement as agent for the Issuer, *inter alia*, to administer the Claims, including the collection of payments under the Claims and the operation of the collections and arrears procedures. The Servicer is obliged under the Servicing Agreement to report on a monthly basis to the Security SPV and the Issuer on the Claims and the administration of the Portfolio.

<b>Settlement Agent</b>	Nedbank Namibia Limited.
<b>Settlement Dates</b>	The respective dates determined by the Issuer as the date on which subscribers for each Class of Notes, respectively, shall be obliged to pay the subscription price for the Notes concerned.
<b>Size of Programme</b>	Up to nominal value of N\$2,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Stabilisation</b>	In connection with the issue and distribution of any of the Notes, the Issuer may in its discretion and, to the extent permitted by applicable laws and regulations, appoint a stabilisation manager to over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Stabilisation is subject to the approval of the NSX.
<b>Stamp Duty</b>	This will be applied in line with the terms of Stamp Duties Act, 1993 (Act 15 of 1993), as amended.
<b>Status and Characteristics of Senior Notes</b>	Unless otherwise specified in the Applicable Pricing Supplement, the Senior Notes will constitute direct, unconditional, unsubordinated and secured and/or unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by law) equally with all other secured and/or unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.
<b>Status and Characteristics of Subordinated Notes</b>	The Subordinated Notes will constitute direct, unconditional, secured and/or 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 secured and/or unsecured and subordinated obligations of the Issuer, save for those that have been accorded preferential rights by law. Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up, the claims of the persons entitled to 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 (as defined below). Accordingly, in any such event and provided as aforesaid, no amount shall be eligible for set-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.
<b>Subordinated Indebtedness</b>	Any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated

creditors of the Issuer in the event of the dissolution, winding-up or placing into liquidation of the Issuer.

**Taxation**

As at the date of issue of this Programme Memorandum all payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in the Republic of Namibia. In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to certain exceptions as provided in Condition 10 of the Terms and Conditions, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

**Transaction**

As defined on page 8 above.

**Transfer Agent**

Transfer Secretaries (Proprietary) Limited, registration number 93/713.

**Terms and Conditions**

The terms and conditions of the Notes set out below.

**Unlisted Notes**

Notes which are not listed on the NSX, any successor exchange or any further exchange as contemplated in the Programme.

**Withholding Tax**

Payments of interest and principal will be made without withholding or deduction for taxes unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer will not be obliged to pay additional amounts in relation thereto.

**Zero Coupon Notes**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment.

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## **RISK FACTORS**

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*The following is a summary of certain aspects of the issue of the Notes about which prospective Noteholders should be aware. The Issuer does not, however, represent that the statements below regarding the risks of holding the Notes are exhaustive. The information below is not intended as advice and does not purport to describe all the considerations that may be relevant to a prospective subscriber for or purchaser of Notes. Prospective investors should, prior to investing in the Notes, carefully consider the investment considerations set out below in addition to the information set out elsewhere in this Programme Memorandum (including all documents incorporated by reference into this Programme Memorandum) and the Applicable Pricing Supplement.*

*Prospective investors should consult their own financial, tax and legal advisors 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.*

*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Risk Factors" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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 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 can be influenced by external market and regulatory conditions.

### **Credit Risk**

The Issuer is exposed to the risk of financial loss as a result of failure by Instalment Purchasers to meet its contractual obligations. The Issuer assumes counter-party risk in connection with the Instalment Agreements as it relies on the Instalment Purchasers to satisfy their financial obligations to the Issuer on a timely basis. The resultant credit exposure will depend on a number of factors, including the financial condition of the counterparty, the value of the Instalment Agreements the Issuer holds as collateral and the market value of the counterparty instruments and obligations the Issuer holds.

### **Liquidity Risks**

Liquidity risk is the risk that the Issuer is unable to meet its payment obligations, the consequence of which may be the failure to meet the Issuer's obligations to repay commitments to its funders.

## **Market Risk**

Market risk is the exposure to adverse changes in the value of future cashflows and/or financial instruments and/or financial assets as a result of changes in market prices or volatility, including risks arising from interest rates, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within and across markets. Any decline in global asset markets, including property and other asset markets, or in market liquidity, could adversely impact the Issuer's results of operations and financial conditions.

## **Interest Rate Risk**

Interest rate risk arises from a variety of sources including mismatches between the re-pricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Issuer.

## **Possible Prepayment of Instalment Purchasers Purchase Price**

To the extent that Instalment Purchasers are able to access better interest rates or otherwise accumulate cash, there is a risk that they may look to refinance or otherwise prepay their balance purchase price to the Issuer. Any such refinance or prepayment would cause the Notes to amortise faster than anticipated and may prevent an investor from realising its investment objectives.

## **Liquidation of the Issuer**

The Issuer has been structured as an insolvency remote, ring-fenced special purpose vehicle, a structure which limits the risk of external creditors who are not bound into the Priority of Payments. The Security SPV represents most creditors of the Issuer and those not tied into the contractual waterfall are in any event creditors at the top of the Priority of Payments, including the tax authorities and administrative creditors. Secured Creditors contract with the Issuer on the basis that they will have no claim against the Issuer to the extent that there are no funds available to pay them in accordance with the Priority of Payments, will not institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up, liquidation, de-registration or judicial management of the Issuer until 1 (one) year and 1 (one) month after the payment of all amounts outstanding and owing by the Issuer under the Notes and all the Transaction Documents, and agree not to sue the Issuer except through the Security SPV. The proceeds in the hands of the Security SPV are required to be distributed in accordance with the contractual waterfall.

If, notwithstanding the ring-fenced structure, there is an external creditor not bound into the Priority of Payments, and there are any assets of the Issuer that are not properly secured by the Security Cession, then on the liquidation of the Issuer such external creditor would, in respect of those assets, rank pari passu with or ahead of the Security SPV, depending on the statutory preference of claims in terms of the Insolvency Act, 1936 (**Section 99 of Act 24 of 1936**)

## **Ratings of the Notes**

Certain of the Notes issued under the Programme will be rated by the Rating Agency on a national scale basis. The rating of the Notes is not a recommendation to purchase, hold or sell Notes, inasmuch as such rating does not comment on the market price or suitability of the Notes for a particular investor. The methodology of the ratings of the Notes is to rate for timely and ultimate repayment of the Notes. The Rating Agency's ratings address only the credit risks associated with the Transaction. Other non-credit risks have not been addressed

but may have a significant effect on the yield to investors. There can be no assurance that any rating agency not requested to rate the Notes will issue a rating and, if so, what such rating would be. A rating assigned to the Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent ratings assigned by the Rating Agency, or such rating agency may assign an international scale rating which could be similar to the national scale ratings assigned by the Rating Agency. In addition, there can be no assurance that a rating will remain for any given period-of time or that the rating will not be lowered, withdrawn or suspended entirely by the Rating Agency if in its judgment circumstances in the future so warrant. Each rating is given on a national scale basis. There can be no assurance of any connection between the national scale rating and any international scale rating.

## **Warranties**

Neither the Issuer nor the Security SPV has undertaken or will undertake any investigations, searches or other actions in respect of the Claims, and each will rely instead on the warranties given by the Originator in the Sale of Instalment Claims Agreement. The sole remedies (Save as described below) of the Issuer in respect of a breach of warranty shall be the requirement that the Originator pays the Issuer such damages as it may have suffered arising from the breach of warranty. This shall not limit any other remedies available to the Issuer and/or the Security SPV if damages are not paid when obliged to do so. There can be no assurance that the Originator will have the financial resources to honour its obligations under the Sale of Instalment Claims Agreement. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than the Originator, and neither the Issuer nor the Security SPV shall have any contractual recourse to any other person in the event that they, or either of them, for whatever reason, fails to meet such obligations.

## **Non-Recourse Obligations**

The Notes will be obligations solely of the Issuer. In particular, without limitation, the Notes will not be obligations of, and will not be guaranteed by the Arranger, the Dealer, the Security SPV, the Originator, the Servicer, the Administrator, the Preference Shareholder or, save to the extent of the amount recovered from the Issuer in terms of the Issuer Indemnity, the Security SPV. The Issuer will rely solely on payments in respect of amounts due under the Sold Claims, and in the Bank Account and Permitted Investments to enable it to make payments in respect of the Notes.

Upon enforcement of the Security for the Notes and enforcement of a claim under the Issuer Indemnity, the Security SPV will have recourse only to the Sold Claims and any other assets of the Issuer then in existence, including amounts standing to the credit of the Bank Account and the Permitted Investments. The Issuer and the Security SPV will have no recourse to the Arranger, or, other than as provided in the Transaction Documents, the Originator, the Servicer, the Administrator, the Preference Shareholder or any other entity.

If, upon default by the Instalment Purchasers and after the exercise by the Servicer of all available remedies in respect of the Sold Claims, the Issuer does not receive the full amount due from those Instalment Purchasers, then Noteholders may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay in full or in part interest due on the Notes.

### **Collectability of Sold Claims**

The collectability of amounts due under the Sold Claims is subject to credit, liquidity and interest rate risks and will generally fluctuate in response to, among other things, market interest rates, general economic conditions, the financial standing of Instalment Purchasers, and other similar factors. Other factors may have an impact on the ability of Instalment Purchasers to repay the Sold Claims.

### **Yield and Prepayment Considerations**

The yield to maturity of the Notes of each Class will depend on a number of factors and may be adversely affected by higher or lower than anticipated rates of payments by Instalment Purchasers. Payments made before the stipulated due date for payment in respect of a Sold Claim may result from Instalment Purchasers refinancing their obligations. In addition, warranty claims under the Sale of Instalment Claims Agreement would have the same effect as early payment of such Sold Claims. The rates of payment and Prepayment cannot be predicted and are influenced by a wide variety of economic, social and other factors, including prevailing interest rates, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of Prepayments that the Sold Claims will experience.

### **Defaults under the Sold Claims**

If a sufficient number of Instalment Purchasers default, the Servicer may be unable to pay the Secured Creditors (including the Noteholders) on behalf of the Issuer. To reduce the risk of default, the Servicer on behalf of the Originator or the Issuer, as the case may be, has applied certain Credit Criteria. The purpose of the Credit Criteria is to maintain the quality of the existing portfolio and to limit the Issuer's exposure to certain lower quality Instalment Purchasers. There is no assurance that the measures set out above will eliminate the relevant risks.

### **Changes in legislation**

The Sold Claims, the Issuer and other parties to the Transaction Documents are subject to legislation which may change at any time, such as the Companies Act, Sale of Land on Instalments Act, Short term Insurance Act. No prediction can be made as to whether such legislation will change and, if it does, what the effect of such changes will be on the Sold Claims, the Issuer and/or any other parties to the Transaction Documents.

## **Priority of Payments**

The Programme Memorandum prescribes a "Pre-Enforcement Priority of Payments" in terms of which the Secured Creditors will be paid prior to delivery of an Enforcement Notice and a "Post-Enforcement Priority of Payments" in terms of which the Secured Creditors will be paid after delivery of an Enforcement Notice.

The Priority of Payments may be disturbed by claims of creditors who are not Secured Creditors. However, as described in the aforementioned paragraph headed "Liquidation of the Issuer", the Issuer is structured as an insolvency remote, ring-fenced special purpose vehicle which limits the risk of external creditors who are not bound into the Priority of Payments.

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

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. 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. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

## **Security SPV Guarantee and Issuer Indemnity**

The Security SPV will grant a Security SPV Guarantee to Secured Creditors and will enter into the Issuer Indemnity with the Issuer. The Issuer has received a legal opinion stating that the entry into the Security SPV Guarantee and Issuer Indemnity will enable the security structure in favour of the Secured Creditors to be held by the Security SPV in the manner set out in this Programme Memorandum. There is no guarantee that a court would reach the same conclusion as that in the legal opinion obtained by the Issuer.

If the guarantee and indemnity structure is not enforceable, then Secured Creditors shall be entitled but not obliged to take action themselves to enforce claims directly against the Issuer should an Event of Default occur. If a Secured Creditor elects to do so, then the Security held by the Security SPV will be bypassed and thus no longer be effective as a means of achieving distribution of the Issuer's assets in accordance with the Priority of Payments.



## **Security SPV**

The interests of the Secured Creditors will be represented by the Security SPV. In terms of the Transaction Documents and the Conditions, the Security SPV is required to enforce the Security on behalf of the Secured Creditors in certain circumstances. Secured Creditors will not be able to enforce the Security themselves nor to take action against the Issuer to enforce claims against the Issuer except through the Security SPV unless the guarantee and indemnity structure is not enforceable or the Security SPV is wound-up liquidated or fails to act within a reasonable time of being called upon to do so.

## **Insolvency of the Security SPV**

It is possible for the Security SPV itself to be wound-up, liquidated or placed under judicial management, which would adversely affect the rights of the Secured Creditors and the enforcement of the Security granted to the Security SPV.

The liabilities of the Security SPV consist of the Security SPV Guarantee given to the Secured Creditors, which cannot in the aggregate exceed the amount recovered pursuant to the Issuer Indemnity. Accordingly, it is improbable that the Security SPV itself will be insolvent or financially distressed (and therefore be wound-up, liquidated or placed under judicial management) unless there was, for example, dishonesty or negligent or fraudulent conduct or a breach of contract on the part of the Security SPV, for instance by entering into unauthorized transactions on behalf of the Security SPV.

If the Security SPV fails to enforce its claim against the Issuer pursuant to the Issuer Indemnity within 60 (sixty) Business Days of being called upon by any Secured Creditor to do so, or is wound-up, liquidated, de-registered or placed under judicial management, Secured Creditors shall be entitled to take action themselves to enforce claims directly against the Issuer should an Event of Default occur but, in such circumstances, the Security held by the Security SPV will be bypassed and thus no longer be effective as a means of achieving distribution of the Issuer's assets in accordance with the Priority of Payments.

## **Absence of Operating History or Profitable Operations**

As the Issuer has no operating history and has never conducted any profitable operations there is no way of assessing whether it would be able to successfully conduct the business contemplated in the Transaction Documents. In order to mitigate this risk, however, the management and administration of the Issuer's business is outsourced to the Administrator in terms of the Administration Agreement.

## **Security**

The security structure in the form of the Security SPV Guarantee from the Security SPV, backed-up by the Issuer Indemnity provides Secured Creditors, through the Security SPV, with contractual recourse to the Issuer.

## **Servicer**

In terms of the Servicing Agreement, a Back-Up Servicer will be contractually bound to provide the services provided by the Servicer should RTO's appointment as Servicer be terminated. The Servicing Agreement, inter alia, makes provision for the back-up of data and the maintenance of a disaster recovery site. There is, however, an operational risk that the continuity of services will be interrupted should the Back-Up Servicer have to assume the responsibilities of the Servicer and there can be no assurance that a transition of servicing will occur

without adverse effect on Noteholders or that an equivalent level of performance of collections and administration of the Sold Claims can be maintained by the Back-Up Servicer.

In terms of the Servicing Agreement, the Servicer will, amongst its various duties, perform cash management duties and act as custodian of various documents. On an insolvency of the Servicer, the Issuer will (as principal) be entitled to vindicate all property which it can identify among the assets of the Servicer (as agent) as being vested in it as owner.

While most Claims are collected by way of debit order directly into the Issuer's Bank Account, certain Instalment Purchasers may occasionally pay by way of direct deposit. In relation to such deposits, there may be a co-mingling risk if amounts are paid into the Originator's bank account. The Servicing Agreement attempts to mitigate any co-mingling risk by providing for monies paid into the Originator's bank account in respect of a Sold Claim to be swept from that bank account to the Bank Account on the Business Day on which such payment comes to the Servicer's attention. In addition, the monthly statements sent out to the Instalment Purchasers reflect the details of the Bank Account and not the bank accounts in the name of the Originator.

As details of the Sold Claims will be kept electronically on the Servicer's systems, there are also potential risks upon insolvency of the Servicer. The Servicing Agreement mitigates this risk by providing for the maintenance of back-up data and the storage of such data off-site with an independent third party.

### **Administrator**

Although the Administration Agreement contemplates that a replacement Administrator would be appointed if, for any reason, the Administrator commits any of the specified events of default or otherwise becomes unable to render the Administration Services, there is a potential risk that the continuity of services will be interrupted and there can be no assurance that a transition of the Administration Services will occur without adverse effect on Noteholders or that an equivalent level of performance of the Administration Services will be maintained by the substitute Administrator. To mitigate against this risk, the Administration Agreement provides that the termination of the Administrator's appointment will become effective only upon the appointment of a substitute Administrator, but there is no guarantee that this will be possible in all circumstances.

### **Suitability of Investment**

This Programme Memorandum identifies some of the information that a prospective investor should consider prior to making an investment in the Notes. This Programme Memorandum does not, however, purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes. A prospective investor should, therefore, conduct its own thorough analysis, including its own accounting, legal and tax analysis, prior to deciding to invest in the Notes. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its financial investment objectives. This Programme Memorandum is not, and does not purport to be, investment advice.

## **Political, social and economic risks in Namibia**

The Claims are concentrated in Windhoek and accordingly, all the Issuer's revenues derive from the Windhoek market. The Namibian market is subject to various risks which need to be assessed in comparison to jurisdictions elsewhere. These include political, social and economic risks specific to Namibia, such as general economic volatility, recession, inflationary pressure, exchange rate risks and exchange controls, which could affect an investment in the Notes. The existence of such factors may have an impact on Namibia and the results of the Issuer in ways that cannot be predicted.

## **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 23 contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. Condition 23 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.

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## **CREDIT STRUCTURE**

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Credit Structure" shall bear the same meanings as used in the section headed "Terms and Conditions of the Notes", 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.*

### **Interest only during the Revolving Period**

On the Initial Issue Date the Issuer will issue Notes to investors to fund payment of the purchase price payable to the Originator in respect of the Initial Portfolio. During the Revolving Period the Issuer will pay interest only on the Notes and shall not be obliged to pay any amount in respect of the Outstanding Principal Amount. Interest payments shall be made on each Interest Payment Date.

### **Additional Loans**

During the Revolving Period the Issuer may acquire additional Claims, provided that the acquisition of such Claims does not cause a breach of any of the Portfolio Covenants and provided further that the additional Claims purchased by the Issuer do not cause the aggregate value of the Portfolio to exceed the Base Portfolio Amount. Additional Claims shall be acquired by the Issuer using monies available for this purpose in accordance with the applicable Pre-Enforcement Priority of Payments.

### **Tap Issues**

During the Revolving Period the Issuer shall be entitled to issue further tranches of Notes in order to fund the acquisition of additional Claims, provided that such issue will not adversely impact the Rating (if any) on the existing Notes or otherwise cause a deterioration of the Subordinated Funding Ratio.

**Bank Account**

If the short-term national scale credit rating of the Account Bank assigned by the Rating Agency or any other Rating Agency falls below the Highest Short-Term Credit Rating, whether solicited or unsolicited, or, if such institution is not rated by the Rating Agency, then the Issuer shall, in consultation with the Security SPV, appoint a successor Account Bank with the Highest Short-Term Credit Rating within 30 days of the termination or resignation of the appointment of the Account Bank, as the case may be; provided that, written notice is given of the proposed appointment to the Rating Agency by the Issuer and the resignation or termination of the Account Bank's appointment shall not become effective until a successor Account Bank with the Highest Short-Term Credit Rating is appointed.

**Permitted Investments**

The Servicer will be entitled to invest cash from time to time standing to the credit of the Bank Account in various investments with the Highest Short-Term Credit Rating or wholly and unconditionally guaranteed by an entity with the Highest Short-Term Credit Rating. If the applicable Rating falls below the Highest - Short-Term Credit Rating, the Administrator will be required to move the cash to another Permitted Investment within 30 days.

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## **FORM OF THE NOTES**

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Form of the Notes" shall bear the same meanings as used in the section headed "Terms and Conditions of the Notes" 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 Notes may be listed on the Namibian Stock Exchange, a licensed financial exchange in terms of the Stock Exchange Control Act No.1 of 1985 (“**the NSX**”) and/or a successor exchange to the NSX or may be Unlisted Notes.

### **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 and Settlement Agent and each 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 17h00 (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, each 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.

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**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

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Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme and published on the Servicer's website and announced on the NSX Daily Report no later than close of business on the day before the listing of the Notes:

**RAINY DAY INVESTMENTS EIGHTEEN (PROPRIETARY) LIMITED, Registration Number: 2019/1115**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] limited recourse, secured, registered, [fixed/floating] rate class [\*] Notes under its N\$ 2,000,000,000 Sale on Instalments Asset Backed Domestic Medium Term Note Programme, registered with the NSX on \_\_\_\_\_**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the Programme Memorandum dated **4 September 2020** (the "**Programme Memorandum**"). This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

The Programme Memorandum was approved by the Namibian Stock Exchange ("NSX") on **31 August 2020**.

The Tranche of Notes described herein is listed only on the NSX [unlisted tranches will also be issued by the Issuer, but not through the NSX].

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "Terms and Conditions of the Notes". References in this Applicable Pricing Supplement to the Conditions are to the section of the Programme Memorandum headed "Terms and Conditions of the Notes". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and the NSX Listings Requirements. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement, the Programme Memorandum and the annual financial statements and any amendments to the annual financial statements or any supplements from time to time, except as otherwise stated therein.

The NSX assumes no responsibility or liability of whatsoever nature for the contents of this Applicable Pricing Supplement or the Programme Memorandum or the annual financial statements or any other information incorporated by reference into this Applicable Pricing Supplement (as amended or restated from time to time), and the NSX makes no representation as to the accuracy or completeness of this Applicable Pricing Supplement or the Programme Memorandum, the annual financial statements or any other information incorporated by reference into this Applicable Pricing Supplement (as amended or restated from time to time). The NSX expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this



Applicable Pricing Supplement or the Programme Memorandum or the annual financial statements or any other information incorporated by reference into this Applicable Pricing Supplement (as amended or restated from time to time). The NSX's approval of the registration of the placing document and listing of the Notes or debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the Notes or debt securities and that, to the extent permitted by law, the NSX will not be liable for any claim whatsoever.

## DESCRIPTION OF THE NOTES

1. Issuer	<b>RAINY DAY INVESTMENTS EIGHTEEN (PROPRIETARY) LIMITED, Registration Number: 2019/1115</b>
2. Status and Class of the Notes (Whether the Notes are Senior Notes or Subordinated)	<b>Secured Class [*] Notes</b>
3. (a) Tranche Number	[ ]
(b) Series No.	[ ]
4. Aggregate Principal Amount of this Tranche	[ ]
5. Designated Class A Ranking	[N/A] / [Equal ranking with the [Class A1 / Class A2 / Class A3] Notes]]
6. Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon]
7. Automatic/Optional Conversion from one Interest/Payment Basis to another	[insert details including date for conversion]
8. Security description	[ ]
9. Issue Date	[ ]
10. Specified Denomination	[ ]
11. Issue Price	[ ]
12. Interest Commencement Date	[ ]
13. Maturity Date	[ ]
14. Last Day to Register	[ ]
15. Mandatory Redemption in Part Applicable	During the Pre-Enforcement Period the Issuer shall, with effect from the termination of the Revolving Period, apply all Available Funds to pay the Principal Amount Outstanding in accordance with the Pre-Enforcement Priority of Payments
16. Final Redemption Date	[*], provided that if a trigger event occurs, the early redemption date of the Notes or debt security will be a minimum of 5 business days after the date on which the trigger event

occurred and such early redemption date will be announced on the NSX Daily Report. For this purpose “trigger event” means an event that precipitates an automatic redemption in relation to the debt security as defined in the Programme Memorandum

17. Final Redemption Amount [ ]
18. Use of Proceeds The net proceeds of the issue of these Notes, together with [the net proceeds from the issue of the [Class [\*] Notes] will be used to [\*]
- Currency Namibia Dollar;
- Set out the relevant description of any additional Conditions relating to the Notes [ ]
- Interest Commencement Date [ ]
- First Interest Payment Date [ ]
- FIXED RATE NOTES**
19. Fixed Rate of Interest [ ]
20. Fixed Interest Date(s) [ ]
21. Initial Broken Amount [ ]
22. Final Broken Amount [ ]
23. Any other terms relating to the particular method of calculating interest [ ]
- FLOATING RATE NOTES**
24. Interest Payment Date(s) [ ]
25. Interest Period(s) [ ]
26. Definitions of Business Day [ ]
27. Applicable Business Day Convention [Floating Rate/Following Business Day/Modified Business Day/ Preceding Business Day/other convention – insert details]
28. Minimum Rate of Interest [ ]
29. Maximum Rate of Interest [ ]
30. Other terms relating to the method of calculating interest (eg: day count fraction, rounding up provision) [ ]
31. Manner in which the Rate of Interest is to be determined [Screen Rate Determination/other (insert details)]
32. Margin [(+/-) ( ) per cent. per annum to be added to/subtracted from the relevant Reference Rate)]

33. If ISDA Determination
- (a) Floating Rate Option [ ]
- (b) Designated Maturity [ ]
- (c) Reset Date(s) [ ]
34. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) [ ]
- (b) Interest Rate Determination Date(s) [ ]
- (c) Relevant Screen Page and Reference Code [ ]
35. If Rate of Interest to be calculated otherwise than by reference to 28 or 29 above, insert basis for determining Rate of Interest/Margin/Fall back provisions [ ]
36. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest [ ]

**ZERO COUPON NOTES**

37. Accrual Yield [ ]
38. Reference Price [ ]
39. Any other formula or basis for determining amount(s) payable [ ]

**PROVISIONS REGARDING REDEMPTION / MATURITY**

40. Issuer's Optional Redemption: if yes [Yes/No]
- (a) Optional Redemption Date(s) [ ]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount [ ]
- (c) If redeemable in part:
- Minimum Redemption Amount(s) [ ]
- Higher Redemption Amount(s) [ ]
- (d) Other terms applicable on Redemption [ ]
41. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default (if required) [ ]

**GENERAL**

42. Additional selling restrictions (if any) [ Not Applicable] [give details]
43. NSX Stock Code Number [ ]
44. International Securities Numbering (ISIN) (if applicable)
45. Financial Exchange [ The NSX ]
46. Exchange Control Approval [ The Bank of Namibia gave its written approval, on \_\_\_\_\_ 2020, to the Issuer issuing Notes under the Programme, which are listed on the NSX.  
Specific approval: [Not Applicable] [Applicable]
- 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. ]
47. 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 headed "Subscription and Sale" of the Programme Memorandum.)
48. Credit Rating assigned to this Tranche of Notes (if any) ) as at the Issue Date [ ]
49. Date on which such Rating is expected to be reviewed [ ]
50. Rating Agency [ ]
51. Governing Law [ ]
52. Books Closed Period [ ]
53. Names of Dealer(s) [ ]
54. Calculation Agent [ ]

55. Specified Office of the Calculation Agent	[	]
56. Transfer Secretary	[	]
57. Specified Office of the Transfer Secretary	[	]
58. Any other terms and conditions	[	]
59. Paying Agent	[	]
60. Settlement Agent	[	]

**Paragraph 15 — Disclosure Document**

- i. Name of the Issuer — Issuer SPV (Proprietary) Limited;
- ii. Name of Auditors - PricewaterhouseCoopers Inc
- iii. Total amount of commercial paper to be issued – N\$[\*]
- iv. The Notes comprising this issue are to be **[listed/unlisted]**;
- v. Description of the assets transferred — A portfolio of Claims
- vi. The cash flows arising from the assets transferred, that will be utilised for the payments by the Issuer in respect of the commercial paper issued - **SEE APPENDIX "A"**;
- vii. Credit-enhancement facilities: None.
- viii. Liquidity facilities: None.
- ix. The Originator is not obliged to support any losses suffered by the Issuer.
- x. The board of directors of the Issuer is independent from the Originator.
- xi. The aggregate value of Notes issued ([\*] [\*] this Tranche) does not exceed N\$ 2,000,000,000
- xii. Any other information that may reasonably be necessary to enable an investor to ascertain the nature of the financial and commercial risk of his or her investment: None.
- xiii. Notes held by the Originator: [\*]

PRO-FORMA INVESTOR REPORT - **APPENDIX "A"**

Details regarding the general characteristics and descriptions of the Underlying Assets are available for inspection on the Servicer's website. The Servicer will, on a quarterly basis, provide an investor report as required in terms of the NSX Listings Requirements.

Application is hereby made to list this Tranche of the Notes on the Interest Rate Market of the NSX, as from [\*], pursuant to the **RAINY DAY INVESTMENTS EIGHTEEN(PROPRIETARY) LIMITED**, N\$2,000,000,000 Sale on Instalments Asset Backed Note Programme.

SIGNED at ..... this ..... day of .....20

For and on behalf of

**RAINY DAY INVESTMENTS EIGHTEEN(PROPRIETARY) LIMITED, Registration Number: 2019/1115**

.....

Name:  
Capacity: Director  
who warrants his/her authority hereto

Name:  
Capacity: Director  
who warrants his/her authority hereto

## APPENDIX "A"

### PRO-FORMA INVESTOR REPORT

#### RAINY DAY INVESTMENTS EIGHTEEN (PROPRIETARY) LIMITED - Quarterly Investor Report

Determination Date:

Reporting Date:

#### PROGRAMME INFORMATION

Transaction type	Sale on Instalments Asset Backed Programme
Inception date	[ ]
Revolving period	[ ]
Revolving period end date	[ ]
Originator (if applicable)	[ ]
Servicer (if applicable)	[ ]
Administrator (if applicable)	[ ]
Calculation Agent	[ ]
Settlement Bank	[ ]
Paying Agent	[ ]
Transfer Agent	[ ]
Account Bank	[ ]
Programme size	N\$ 2,000,000,000
Rating Agency	[ ]
Contact person details	[ ]

**ASSET DATA**

**Pool Summary**

Type of Assets

Installment Sales

	<b>WEIGHTED AVEARGE</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>
Original Facility Amount			
Current Loan Amount			
Original Term (months)			
Remaining Term (months)			

<b>Current Loan Balance Distribution</b>	<b>No of Installment Sales</b>	<b>% of Total</b>	<b>Current Balance</b>	<b>% of Total</b>
Loan Balance (N\$)				
<b>TOTAL</b>				


<b>Remaining Distribution</b>	<b>Term</b>	<b>No of Installment Sales</b>	<b>% of Total</b>	<b>Current Balance</b>	<b>% of Total</b>
Months Remaining					



<b>TOTAL</b>	
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**LIABILITY DATA**

Total Nominal Amount of Notes in Issue	[	]
Principal paid during the reporting period	[	]
Outstanding balance at the end of the reporting period	[	]

<b>CLASS OF NOTE</b>	<b>CLASS A</b>	<b>CLASS B</b>	<b>CLASS C</b>	<b>CLASS D</b>
NSX STOCK CODE				
INTERNATIONAL SECURITIES NUMBERING (ISIN)				
CURRENCY	<b>N\$</b>			
TYPE OF NOTES	<b>Fixed Rate</b>	<b>Floating Rate</b>		
RATING AGENCY				
LONG TERM CREDIT RATING				
NEXT INTEREST PAYMENT DATE				
SCHEDULED MATURITY				
FINAL LEGAL MATURITY				

**TRIGGERS**

Cumulative Non Performing Loan (NPL) Trigger

where the aggregate outstanding balance of all Claims that have rolled into NPL at any time during the Programme exceeds **30%** of the nominal value of all Notes issued under the Programme

### **CREDIT ENHANCEMENT**

Type of Credit Enhancement

[Subordination]

Available to each Noteholder

Yes

### **LIQUIDITY FACILITY**

[None]

### **PRIORITY OF PAYMENTS (ONE)**

- i. Taxes
- ii. Senior Expenses
- iii. Interest due to Class A notes
- iv. Interest due to Class B notes
- v. Interest due to Class C notes
- vi. Interest due to Class D notes
- vii. Additional Claims
- viii. Payment in sequence of:
  - Principal in respect of the Class A Notes;
  - Principal in respect of the Class B Notes;
  - Principal in respect of the Class C Notes;
  - Principal in respect of the Class D Notes;
- ix. Fees payable by the Issuer to other third parties
- x. Any amounts due to Secured Creditors;

- xi. Preference share dividends
- xii. Interest and capital of Subordinated Loan;
- xiii. Common Expenses;
- xiv. Permitted Investments

**APPENDIX "B"**

**REPORT OF THE INDEPENDENT AUDITOR OF THE ISSUER**

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## TERMS AND CONDITIONS OF THE NOTES

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*Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement included in this Programme Memorandum, setting out further details of the Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace, modify or supplement the following Terms and Conditions for the purposes of such Tranche of Notes.*

The following are the terms and conditions of the Notes

### 1. Interpretation

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

<b>“Account Bank”</b>	such bank appointed by agreement between the Issuer and the Security SPV;
<b>“Account Bank Agreement”</b>	a standard form banking agreement entered into by and between the Issuer and the Account Bank, in terms of which the parties thereto regulate their respective rights and obligations in respect of the Bank Account;
<b>“Actual Redemption Amount”</b>	in respect of any Note, the principal amount redeemed in respect of such Note;
<b>“Administration Agreement”</b>	a written agreement entered into by and between the Issuer, the Administrator and the Security SPV in terms of which the Administrator agrees to the management and administration of the Issuer’s business on certain terms and conditions;
<b>“Administrator”</b>	Simonis Storm Securities its successor in title, in its capacity as Administrator under the Administration Agreement, or such other person as may be appointed as Administrator under the Administration Agreement;
<b>“Agreement”</b>	when used in a Transaction Document, refers to that Transaction Document in which it is used, and includes any schedules and/or annexures to such Transaction Document;

**“Ancillary Documents”**

in relation: to each Claim -

- a) the corresponding Instalment Agreements;
- b) all and any debit order authorisations in respect of instalments and other amounts payable by the relevant Instalment Purchaser under such Claim; and
- c) all and any judgments, orders, notices and other court processes issued out or granted in respect of such Claim;
- d) All Insurance Claims

**“Applicable Laws”**

in relation to a person, all and any -

- a) statutes and subordinate legislation;
- b) regulations, ordinances and directives;
- c) by-laws;
- d) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and
- e) other similar provisions, from time to time,

compliance with which is mandatory for that person;

**“Applicable Pricing Supplement”**

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, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the pro forma pricing supplement which is set out in the section of this Programme Memorandum headed "Pro Forma Applicable Pricing Supplement";

**“Applicable Procedures”**

the rules and operating procedures for the time being of the NSX, Settlement Agents and/or any other relevant financial exchange, as the case may be;

**"Arranger"**

Simonis Storm Securities (Proprietary) Limited;

**“Auditor”**

the auditors of the Issuer from time to time, which, at the date of registration of this Programme

Memorandum by the NSX, are  
PricewaterhouseCoopers Inc;

**“Available Funds”**

as at any point in time, the credit balance of clear and available funds in the Bank Account available to be drawn down by the Issuer and any other amounts invested in Permitted Investments, as determined by the Administrator from time to time;

**“Back-Up Servicer”**

**“Back-up Servicer”** means a competent property manager in the Windhoek property market with at least 5 years’ experience in property management and the required ability to fulfil the duties of the Servicer as indicated in the Service Agreement. The Back-up Servicer will be appointed by the Issuer if the Servicer gives notice of its termination or is in default and its appointment is terminated by the Issuer as per clause 15.2 of the Service Agreement.

**“Bank Account”**

the bank account held at the Account Bank, in the name of the Issuer, into which, inter alia, all cash collected by or on behalf of the Issuer is deposited, which bank account is ceded to the Security SPV in accordance with the Security Cession;

**“Base Portfolio Amount”**

the value of the Initial Portfolio together with such further Claims acquired pursuant to any pre-funding raised by the Issuer and/or any Tap Issue;

**“Business Day”**

a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act No.26 of 1990) which is a day on which commercial banks settle NAD payments in Namibia or any Additional Business Centre specified in the Applicable Pricing Supplement;

**“Calculation Agent”**

Simonis Storm Securities (Proprietary) Limited;

<b>"Agency Agreements"</b>	the agreement entered into between the Issuer, Transfer Secretaries (as the Transfer Agent), the Paying Agent and Calculation Agent, as amended, novated and/or substituted from time to time in accordance with its terms;
<b>"Claim"</b>	the rights which the Originator has against an Instalment Purchaser under an Instalment Agreement, together with all the Originator's rights under and in terms of the corresponding Instalment Purchaser Security Agreements, which rights are to be transferred to the Issuer in terms of the Sale of Instalment Claims Agreement;
<b>"Class of Noteholders" or "Class"</b>	<p>the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;</p> <p>all of the Notes having the same ranking in the Priority of Payments, designated by a letter of the alphabet (being the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes) on the basis that a Note in a Class of Notes identified by a letter closer to the beginning of the alphabet will rank higher than Notes in those Classes of Notes identified by a letter closer to the end of the alphabet. The Class of Notes may comprise separate Tranches having different terms as set out in the Applicable Pricing Supplement (and, if so, these will be numbered in order to distinguish the Tranches as the Class A1 Notes the Class A2 Notes, and so on and so forth);</p>
<b>"Clean-Up Call"</b>	the Issuer's right to redeem the Notes pursuant to Condition 7.5;
<b>"Common Terms Agreement"</b>	the common terms agreement between the Arranger, the Dealer, the Issuer, the Settlement Agent, the Administrator, the Servicer, the Calculation Agent, the Transfer Secretary, the Originator, the Preference Shareholder, the Security SPV, the trustee of the Security SPV Owner Trust and the trustee of the Owner Trust;
<b>"Companies Act"</b>	the Companies Act, 28 of 2004;
<b>"Conditions"</b>	the terms and conditions of the Notes incorporated in this Programme Memorandum under the section headed "Terms and Conditions of the Notes" and in accordance with which the Notes are issued, as amended, novated and/or substituted from time to time in accordance with their terms, and reference in



the Transaction Documents to a particular numbered Condition shall be construed as a reference to the corresponding condition in this Programme Memorandum;

<b>“Controlling Class ”</b>	the Class A Notes, for so long as any of such Class A Notes are outstanding, and after such Class A Notes are no longer outstanding, each succeeding Class of Notes, in reducing order of rank, for so long as each such succeeding Class is outstanding;
<b>"Cumulative NPL Trigger Event"</b>	where the aggregate outstanding balance of all Claims that have rolled into NPL at any time during the Programme exceeds 30% of the nominal value of all Notes issued under the Programme;
<b>"Date of Signature" or "Signature Date"</b>	in respect of a Transaction Document, the date of signature of that Transaction Document by the signatory which signs it last;
<b>“Dealer(s)”</b>	Simonis Storm Securities (Proprietary) Limited;
<b>"Determination Date"</b>	the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day;
<b>"Directors"</b>	the directors of the Issuer;
<b>“Early Amortisation Event”</b>	any of the events specified as such in the Conditions;
<b>“Early Redemption Amount”</b>	the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 7;
<b>"Eligibility Criteria"</b>	the criteria that a Claim must satisfy to be acquired by the Issuer, being as follows - <ul style="list-style-type: none"><li>(i) the loan amount advanced under a single Instalment Agreement shall not exceed N\$1 800 000.00 million;</li><li>(ii) the aggregate loan amount advanced to all Instalment Purchasers controlled by a single natural person or group of natural persons shall not exceed N\$1 800 000.00 million;</li></ul>

- (iii) the original term of the instalment sale shall not exceed 60 months;
- (iv) the loan must have been originated by the Originator in accordance with the Originator's credit criteria;
- (v) the interest rate on the loan must not be greater than the rate prescribed by the Minister of Economic Affairs by regulation from time to time in terms of the Sale of Land on Instalments Act, Act 72 of 1971
- (vi) no amounts are overdue in respect of the instalment sale as at the date of purchase;
- (vii) the relevant property must be insured under an insurance policy;
- (viii) all security contemplated in the applicable Instalment Agreements must be in place and of full force and effect;
- (ix) there must be no obligation on the Issuer, after transfer of the Sold Claim in terms of the Sale on Instalments Agreement, to advance or re-advance or make an advance to the Instalment Purchaser;
- (x) the instalment sale must have monthly capital repayments, must be fully amortising over the remaining term, and at least one instalment must have been paid;
- (xi) if there is a construction phase, the instalment sale must be outside of construction phase and have been certified complete by the Originator;
- (xii) the Claim must constitute an unconditional, irrevocable, valid, binding and enforceable obligation of the Instalment Purchaser;

- (xiii) the instalment sale must be NAD based;
- (xiv) the relevant property must be located in Windhoek;
- (xv) Written confirmation by RTO Credit board of the approval of Purchasers on the following criteria:
  - (a) The Purchaser should not be listed on any credit bureau;
  - (b) The Purchaser must be able to afford the monthly instalments payable from date of occupation in terms of the sales agreement;
  - (c) The Purchaser must be able to pay the 4(four) month deposit payable prior to occupation of the unit. Affordability shall be determined by utilizing the approval process used by Nedbank when assessing a client for a home loan;
  - (d) The Purchaser must have the ability to obtain a home loan from a Financial Institution for the balance purchase price, taking into consideration a 5% increase in his salary over the 5(five) year period. (Home loan approval for: Purchase price less deposit and capital payments) within 5(years) from date of occupation of the Unit;

**"Encumbrance"**

includes any surety mortgage bond, notarial bond, 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 or preferential treatment to a person over another person's assets (including set-off, title

retention or reciprocal fee arrangements) or any agreement or arrangement to give any form of security or preferential treatment to a person over another person's assets, but excluding statutory preferences;

**"Enforcement Notice"**

a notice served on the Issuer following an Event of Default by or on behalf the Security SPV, pursuant to the Conditions;

**"Event of Default"**

an event of default by the Issuer as set out in Condition 11;

**"Exchange Control Regulations"**

the Exchange Control Regulations, 1961 promulgated in terms of section 9 of the Currency and Exchanges Act, 1933;

**"Excluded Items"**

means monies which properly belong to third parties (such as monies owing to any party in respect of reimbursement for direct debit recalls) all of which items rank above all other items in the Priority of Payments, and the payment of which is not restricted to Interest Payment Dates;

**"Fee Letter"**

the Fee Letter as defined in the Administration Agreement and/or the Servicer Agreement;

**"Final Redemption Amount"**

in relation to each Tranche of Notes, the final date by which such Tranche of Notes will be redeemed (assuming they have not previously been redeemed), being the date as specified in the Applicable Pricing Supplement;

**"First Interest Payment Date"**

in respect of each Tranche of Notes, the First Interest Payment Date as set out in the Applicable Pricing Supplement;

**"Fixed Rate Notes"**

Notes which will bear interest at a Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;

**"Floating Rate Notes"**

Notes which will bear interest at a Floating Rate of Interest, as indicated in the Applicable Pricing Supplement;

**"Guarantee Conditions"**

any conditions specified or contemplated in the Security SPV Guarantee;

<b>"Guarantee Event"</b>	a guarantee event contemplated in the Security SPV Guarantee;
<b>"Highest Short-Term Credit Rating"</b>	the highest short-term credit rating that the Rating Agency may assign to an entity or instrument in Windhoek at any point in time;
<b>"Initial Issue Date"</b>	as defined in each Applicable Pricing Supplement;
<b>"Initial Portfolio"</b>	the portfolio of Claims purchased, or to be purchased, by the Issuer on the Initial Issue Date, in terms of the Sale of Instalment Claims Agreement;
<b>"Initial Purchase Price"</b>	the purchase price payable by the Issuer to the Originator for the Initial Portfolio, in terms of the Sale of Instalment Claims Agreement;
<b>"Instalment Agreement"</b>	an Instalment Agreement which complies with the Eligibility Criteria;
<b>"Instalment Purchaser"</b>	in relation to each Claim, the person or persons who is/are the obligor/s in respect of that Claim, as set out in the relevant Instalment Agreement;
<b>"Instalment Purchaser Security Agreements"</b>	the security agreements (including, without limitation, all cessions of insurance policies, cessions of investment accounts, cessions of instalments, guarantees and suretyships) in terms of which the obligations of the Instalment Purchaser under an Instalment Agreement are secured;
<b>"Interest Amount"</b>	the interest payable on each Class of Notes on each Interest Payment Date as determined in accordance with the Conditions;
<b>"Interest Commencement Date"</b>	the first date from which the interest on the Notes will accrue, as specified in the Applicable Pricing Supplement;
<b>"Interest Payment Date"</b>	the Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a quarter period following the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
<b>"Interest Period"</b>	each period as indicated in the Applicable Pricing Supplement commencing on and including the day of

	any Interest Payment Date and ending on but excluding the following Interest Payment Date provided that the first Interest Period shall be from and including the issue date to but excluding the first Interest Payment Date thereafter;
<b>"Interest Rate"</b>	the rate of interest from time to time payable on each Tranche of Notes as specified in the Applicable Pricing Supplement;
<b>"ISDA"</b>	International Swaps and Derivatives Association, Inc.;
<b>"ISDA Definitions"</b>	the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc as amended or supplemented from time to time;
<b>"Issue Date"</b>	in relation to each Note, the date specified as such in the Applicable Pricing Supplement;
<b>"Issue Price"</b>	in relation to each Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
<b>"Issuer"</b>	Rainy Day Investments Eighteen (Proprietary) Limited (Registration Number 2019/1115);
<b>"Issuer Indemnity"</b>	the written indemnity given by the Issuer to the Security SPV indemnifying the Security SPV against claims by Secured Creditors in terms of the Security SPV Guarantee;
<b>"Issuer Insolvency Event"</b>	the occurrence of any of the following events in relation to the Issuer - <ul style="list-style-type: none"> <li>a) the Issuer becoming subject to a scheme of arrangement or scheme of compromise as envisaged in section 317 of the Companies Act (other than on terms which have been approved by the Security SPV or by a Special Resolution of the Noteholders and where the Issuer is solvent);</li> <li>b) the Issuer being wound-up, liquidated, deregistered or placed under judicial management, in any such event whether provisionally or finally and whether voluntarily or compulsorily;</li> </ul>

- c) the Issuer compromising or attempting to compromise' with, or deferring or attempting to defer payment of debts owing by it to, its creditors generally or any significant class of creditors (except a deferral provided for in the Transaction Documents as a result of lack of funds available for that purpose in terms of the Priority of Payments);
- d) the Issuer committing an act which would be an act of insolvency, in terms of the Insolvency Act, 1936, were the Issuer a natural person (other than any deferral of payments in terms of the Priority of Payments);
- e) the Issuer being deemed to be unable to pay its debts in terms of the Companies Act (except where such is as a result of a lack of available funds for that purpose in terms of the Priority of Payments); or
- f) the members or creditors or, where applicable, directors of the Issuer propose to convene a meeting or convene a meeting in order to pass a resolution providing for the Issuer to be wound up, liquidated, deregistered or placed under judicial management, or any resolution being proposed to be passed or being passed to this effect;

**"Issuer Settlement Agent"**

Nedbank Namibia Limited;

**"Junior Expenses"**

those fees and expenses (if any) designated as Junior Servicer Expenses, payable to the Servicer, in the corresponding Fee Letter;

**"Last Day to Register"**

with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and where after, the Register is closed for further transfers or entries until the Payment Day;

**"Latest Property Valuation"**

in respect of each property in the Portfolio, the most recent valuation of that building in terms of clause 4.1.13 of the Servicing Agreement

<b>"Legal Maturity Date"</b>	The Maturity Date in respect of each tranche of notes issued as indicated in the applicable pricing supplement of such tranche;
<b>"Nedbank Namibia Limited"</b>	Nedbank Limited, a public company with limited liability registered as a bank in terms of the Banking Institution Act, Act 2 of 1998 and incorporated in accordance with the company laws of Namibia under registration number No 73/04561.
<b>"Noteholders"</b>	in relation to a Note - <ul style="list-style-type: none"> <li>(a) means the holder of the Note as recorded in the Register as far as voting and the receipt of payment of principal and interest on the Notes is concerned; and</li> <li>(a) for all other purposes, means the holder of a Beneficial Interest;</li> </ul>
<b>"Notes"</b>	the limited recourse, secured registered Notes issued by the Issuer under the Programme in terms of the Conditions;
<b>"Notification Event"</b>	a Notification Event as set out in the Sale of Instalment Claims Agreement;
<b>"NPL"</b>	an Instalment Purchaser's Claim in terms of their Agreement which has fallen more than 3 (three) cumulative instalments in arrears, provided that once an account has rolled into NPL, it will retain its NPL status;
<b>"Ordinary Resolution"</b>	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Class of Notes, as the case may be, upon a show of hands, by holders of Notes constituting not less than a majority of the value of the Notes or the relevant Class of Notes, as the case may be, present in person or by proxy and voting at the meeting, upon a show of hands or a poll; or, if a poll is duly demanded, by majority of the votes cast at such poll;
<b>"NSX"</b>	the Namibian Stock Exchange, a duly licensed stock exchange under the provisions of the Stock Exchange Control Act No. 1 of 1985, or any exchange which operates as a successor exchange to the NSX;
<b>"Originator"</b>	RTO HOUSING NAMIBIA (Proprietary Limited as company duly registered and incorporated under the



laws of Namibia with registration number **Registration Number 2015/0735**;

**“Outstanding”**

in relation to the Notes, all the Notes issued other than:

- (a) those which have been redeemed in full;
- (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Definitive Certificates;
- (c) those which have been purchased and cancelled as provided in Condition 7.11;
- (d) those which have become void under Condition 11;
- (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to Condition 15;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 18 and 24,

all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding;

**"Outstanding Balance"**

in respect of each Claim, the principal amount outstanding together with accrued interest thereon and any other amounts payable thereunder;

**"Owner Trust"**

The Owner Trust, the trust established in accordance with the laws of the Republic of Namibia with Master's Reference Number IT 86/2020, solely to own as beneficial shareholder the entire issued ordinary share capital of the Issuer;

<b>"Owner Trustee"</b>	the trustee for the time being of the Owner Trust;
<b>"Paying Agent"</b>	Nedbank Namibia Limited or any successor Paying Agent;
<b>"Payment Day"</b>	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
<b>"Payment Schedule"</b>	a schedule in the form as agreed upon in writing between the Issuer, the Security SPV and the Administrator, setting out the information required to calculate the amounts payable under each item of the applicable Priority of Payments, which schedule must be signed off by the Calculation Agent prior to any payment being made;
<b>"Permitted Investments"</b>	investments in which the Servicer is entitled to invest cash from time to time standing to the credit of the Bank Account, namely investments with, or wholly and unconditionally guaranteed by an entity with, the Highest Short-Term Credit Rating from the Rating Agency that mature 2 (two) Business Days prior to the next Interest Payment Date, are in the same currency as that of the cash used to make such investments and are purchased at or below face value;
<b>"Pledge"</b>	the pledge and cession by the Owner Trustee, as shareholder of the Issuer, of its shares in the Issuer to the Security SPV as security for the obligations of the Owner Trustee in terms of the Owner Trust Suretyship;
<b>"Portfolio"</b>	the portfolio of Sold Claims owned by the Issuer from time to time;
<b>"Portfolio Covenants"</b>	all covenants will be maintained by the Issuer in respect of the Portfolio.  Covenants to be confirmed by client and arrangers.
<b>"Post-Enforcement Payments"</b>	<b>Priority of</b> the order in which payments shall be made by the Issuer after delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the Programme Memorandum;
<b>"Post-Enforcement Event"</b>	the date of first occurrence of an Event of Default;

<b>"Pre-Enforcement Period"</b>	the period commencing on the Initial Issue Date and ending on the date of first occurrence of a Post-Enforcement Event;
<b>"Pre-Enforcement Priority of Payments"</b>	the order in which payments shall be made by the Issuer during the Pre-Enforcement Period, being -  (a) the Pre-Enforcement Priority of Payments (One); or  the Pre-Enforcement Priority of Payments (Two);
<b>"Pre-Enforcement Priority of Payments (One)"</b>	(b) the order in which payments shall be made by the Issuer during the Pre-Enforcement Period, but prior to the occurrence of a Cumulative NPL Trigger Event;
<b>"Pre-Enforcement Priority of Payments (Two)"</b>	the order in which payments shall be made by the Issuer after the occurrence of an Cumulative NPL Trigger Event, but prior to the delivery of an Enforcement Notice;
<b>"Preference Shares"</b>	the participating preference shares with no nominal value in the issued share capital of the Issuer which will entitle the Preference Shareholder to extract any excess profits earned by the Issuer;
<b>"Preference Shareholder"</b>	the registered holder from time to time of the Preference Shares;
<b>"Preference Share Subscription Agreement"</b>	the agreement entered into between the Preference Shareholder, the Security SPV and the Issuer relating to the subscription for the Preference Share;
<b>"Prepayments"</b>	principal repayments received under an Instalment Agreement in excess of the minimum scheduled instalments which an Instalment Purchaser is obliged to pay
<b>"Principal Amount"</b>	in relation to a Note, the nominal value of that Note;
<b>"Principal Amount Outstanding"</b>	in relation to any Tranche of Notes, the Principal Amount of such Tranche of Notes less the aggregate amount of all Actual Redemption Amounts in respect of that Note;

<b>"Priority of Payments"</b>	the applicable Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be;
<b>"Programme Memorandum"</b>	this final information memorandum to be issued by the Issuer in relation to the Programme, providing information about the Issuer, the listing of the Notes and incorporating the Conditions;
<b>"Programme"</b>	The Issuer SPV (Proprietary) Limited N\$ 2,000,000,000 Sale on Instalments Asset Backed Domestic Medium Term Note Programme;
<b>"Rate Determination Date"</b>	in respect of each Interest Period for a Tranche of Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, being the day upon which the Interest Rate in respect of that Tranche of Notes for that Interest Period will be determined by the Calculation Agent in accordance with Condition 8.3;
<b>"Rating"</b>	in relation to the Notes, a rating granted by the Rating Agency, which Rating shall be a long- term, local currency, national scale credit rating;
<b>"Rating Agency"</b>	Global Credit Rating Co. Proprietary Limited (registration number 1995/005001/07) and/or such other rating agency as may be appointed by the Issuer from time to time with the prior written consent of the Security SPV and after consultation with the Servicer;
<b>"Redemption Date"</b>	in relation to each Tranche of Notes, each Interest Payment Date until and including the Final Redemption Date;
<b>"Reference Banks"</b>	Standard Bank Namibia Limited, FirstRand Bank Limited, Nedbank Limited, Bank Windhoek Limited and each of their successors;
<b>"Register"</b>	the register of Noteholders maintained by the Transfer Secretary;
<b>"Required Credit Rating"</b>	in relation to all other investments or entities, <b>A1</b> on a short-term local currency national scale, if such a rating has been assigned by the Rating Agency and if assigned by another rating agency, the equivalent rating, (whether solicited or unsolicited) or, in the case of an international bank, the national scale long-term credit rating for both local and foreign currency assigned by the Rating Agency or another rating

agency, provided that such rating is the Second-lowest sovereign rating assigned to Namibia by such Rating Agency. rating is not lower than the long-term rating assigned to Namibia;

<b>"Revolving Period"</b>	the period from the Initial Issue Date to the date of first occurrence of the Cumulative NPL Trigger Event or the Maturity Date, whichever is the earlier;
<b>"Relevant Date"</b>	in respect of any payment relating to the Notes, the date on which such payment first becomes due;
<b>"Representative"</b>	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
<b>"Sale of Instalment Claims Agreement"</b>	the agreement between the Issuer and the Originator in relation to the sale and transfer of Claims from the Originator to the Issuer;
<b>"Secured Property"</b>	the property, assets, rights and undertakings for the time being subject to the Security granted pursuant to the Security Agreements;
<b>"Secured Amounts"</b>	any and all of the amounts which are owed by the Issuer to the Secured Creditors under and pursuant to the Transaction Documents;
<b>"Secured Creditors"</b>	each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Transaction Document and contractually bound by the Priority of Payments;
<b>"Security"</b>	the security created pursuant to the Security Agreements;
<b>"Security Agreements"</b>	(a) the Issuer Indemnity;

- (b) the Security Cession;
- (c) Guarantee
- (d) the Pledge;
- (e) Special Power of Attorney by RTO and
- (f) the Surety Bond.

**"Security Cession"**

the cession executed by the Issuer in favour of the Security SPV, by way of a cession in securitatem debiti, of all the Issuer's right, title and interest in and to -

- (a) each Sold Claim and Instalment Agreement comprising the Portfolio owned by the Issuer from time to time; and

the Bank Account, the Settlement Account, Permitted Investments, Insurance proceeds and Transaction Documents;

**"Security Interest"**

any , pledge, lien, equity option, Encumbrance, right of set-off, adverse right or interest whatsoever, howsoever created or arising;

**"Security SPV"**

RAINY DAY INVESTMENTS NINETEEN (Proprietary) Limited, a company with limited liability registered in accordance with the laws of the Republic of Namibia under registration number 2019/1116, which has been incorporated to hold and realise Security for the benefit of Secured Creditors (including the Noteholders), subject to the Security SPV Guarantee and the Priority of Payments. The Security SPV has been established as a ring-fenced special purpose vehicle which has no other business. Its sole shareholder is the Security SPV Owner Trust and its address is Charles Cathral Street, Windhoek, Namibia. The Directors of the Security SPV are Johannes Christian Cronje and Damoline Muruko;

**"Security SPV Owner Trust"**

RTO Housing Security SPV Trust, the trust established in accordance with the laws of the Republic of Namibia with Master's Reference Number 85/2020, solely to own as beneficial

	shareholder the entire issued ordinary share capital of the Security SPV;
<b>"Security SPV Owner Trustee"</b>	the trustee for the time being of the Security SPV Owner Trust;
<b>"Security SPV Guarantee"</b>	the guarantee executed by and between the Security SPV, RTO Namibia (Pty) Limited (in its capacity as Servicer and Administrator), the Owner Trust and the Security SPV Owner Trust, in terms of which the Security SPV guarantees the obligations of the Issuer to the Secured Creditors on certain terms and conditions;
<b>"Senior Expenses"</b>	all fees and expenses payable by the Issuer in terms of items 1 to 3 (both inclusive) of the applicable Priority of Payments;
<b>"Senior Servicer Expenses"</b>	all fees and expenses payable to the Servicer (and the Back-up Servicer) which have not been designated as Junior Servicer expenses in the corresponding Fee Letter;
<b>"Senior Notes"</b>	Notes issued with the status set out in Condition 5;
<b>"Series"</b>	<p>the Notes comprised of a Tranche of Notes together with any other Tranche or Tranches of Notes which are -</p> <p>(a) expressed in the Applicable Pricing Supplement to be consolidated and form a single series of Notes; and</p> <p>identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;</p>
<b>"Servicer"</b>	(b) the Originator and its successors-in-title, in its capacity as Servicer under the Servicing Agreement, or such other person as may be appointed as Servicer under the terms of the Servicing Agreement;
<b>"Servicer Report"</b>	the report to be provided by the Servicer to the Issuer and the Calculation Agent in accordance with the terms and conditions of the Servicing Agreement;

<b>"Services"</b>	the Services to be provided by the Servicer and/or the Administrator, as the case may be, to the Issuer and the Security SPV pursuant to the Servicing Agreement or the Administration Agreement;
<b>"Servicing Agreement"</b>	the agreement between the Issuer, the Servicer, Servicer and the Security SPV relating to the servicing of Claims;
<b>"Settlement Account"</b>	the bank account opened and maintained by the Issuer with the Settlement Agent;
<b>"Settlement Agent"</b>	Nedbank Namibia Limited Issuer SPV (Proprietary) Limited;
<b>"Settlement Agent Agreement"</b>	the standard form settlement agent agreement entered into between the Issuer and the Issuer Settlement Agent setting out the terms upon which the Issuer Settlement Agent is appointed;
<b>"Settlement Dates"</b>	means the respective dates determined by the Issuer as the date on which subscribers for the Notes, respectively, shall be obliged to pay the subscription price for the Notes concerned, which shall correspond to the Issue Date;
<b>"Sold Claim"</b>	a Claim that complies with the Eligibility Criteria and is sold to the Issuer by the Originator pursuant to the provisions of the Sale of Instalment Claims Agreement;
<b>"Special Resolution"</b>	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Class of Notes, as the case may be, upon a show of hands or a poll, by holders of Notes constituting not less than <b>75%</b> of the value of the Notes or the relevant Class of Notes, as the case may be, present in person or by proxy and voting at the meeting;
<b>"Specified Office"</b>	in relation to each of the Issuer, the Issuer Settlement Agent, the Calculation Agent and the Transfer Secretary, 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 accordance with Condition 176, as the case may be;



<b>“Subordinated Indebtedness”</b>	any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution, winding-up or placing into liquidation of the Issuer;
<b>“Subordinated Notes”</b>	Notes issued with the status set out in Condition 5;
<b>“Surety Bond”</b>	means the surety mortgage bond registered or to be registered by the Originator/RTO (as mortgagor) directly in favour of the Security SPV (as mortgagee) to secure the obligations of the Issuer under the Issuer Indemnity in terms of which the Issuer (as principal debtor) indemnifies and agrees to hold the Security SPV harmless in respect of any amount paid or to be paid by the Security SPV, in terms of the Security SPV Guarantee provided or to be provided by the Security SPV to and in favour of the holders of Notes issued or to be issued by the Issuer and to and in favour of other Secured Creditors of the Issuer from time to time in terms of the Programme;
<b>"Taxes"</b>	all present and future taxes, levies, imports, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in Namibia or any _ other jurisdiction from which any payment is made (and including any penalty payable’ in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" shall be construed accordingly;
<b>“Terms and Conditions”</b>	the terms and conditions incorporated in this section headed “ <i>Terms and Conditions of the Notes</i> ” and in accordance with which the Notes will be issued;
<b>“Tranche”</b>	in relation to any particular Series, all Notes which are identical in all respects (including as to listing );
<b>"Transaction Documents"</b>	the Conditions;  the Common Terms Agreement;  the Sale of Instalment Claims Agreement;

the Servicing Agreement;  
the Administration Agreement;  
the Security SPV Guarantee;  
the Security Agreements;  
the Preference Share Subscription Agreement;  
the MOA Nedbank Namibia;  
the Settlement Agent Agreement;  
the Agency Agreement;  
Subordinated Loan Agreement  
Transfer Secretary Agreement;  
the trust deed of the Owner Trust;  
the trust deed of the Security SPV Owner Trust;  
the memorandum of incorporation of the Issuer; and  
the memorandum of incorporation of the Security SPV;  
Programme Agreement;

**“Transfer Agent/Secretary”**

Transfer Secretaries (Proprietary) Limited (Registration Number 93/713), or any successor Agent;

**"Transfer Date"**

the effective date of the sale of Sold Claims by the Originator to the Issuer pursuant to the Sale of Instalment Claims Agreement;

**“Transfer Form”**

the written form for the transfer of any Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;

**“N\$”**

the lawful currency of the Republic of Namibia, being Namibian Dollar, or any successor currency;

**"VAT"**

value added tax imposed in terms of the Value-Added Tax Act, 200, as amended or any similar tax

imposed in place thereof from time to time;

**“WIBAR”**

means -

- (a) the mid-market rate for three-month deposits in Namibian Dollar for the relevant Interest Period which appears on the Reuters screen SAFEY page under caption "Yield" as of approximately 11h00, Windhoek time, on the relevant Rate Determination Date, rounded to the third decimal point; or
- (b) if such rate does not appear on the Reuters screen SAFEY page for the relevant Interest Period for any reason whatsoever, the rate determined on the basis of the mid-market three month deposit rates for Rand quoted by at least two of the Reference Banks at approximately 11h00, Windhoek time, on the Rate Determination Date (the requesting party will request the principal Windhoek office of each of the Reference Banks to provide a quotation of such rate. If at least two quotations are provided, the rate for that date will be the arithmetic mean of those quotations); or

if on any Rate Determination Date on which the previous sub-paragraph applies, fewer than two quotations are provided by the Reference Banks, the rate for that date will be determined by the Servicer, acting in good faith and in a commercially reasonable manner, using a representative rate which in its opinion is as close as possible to three month WIBAR, and the reasonableness of the selection of such rate will be reported on by the Issuer's auditor. If such auditor regards such selection as unreasonable, the Servicer shall repeat the process until the auditor is satisfied as to the reasonableness of the selection of such rate;

**“Zero Coupon Notes”**

- (a) Notes which will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment.

- 1.2 words denoting the singular number only shall include the plural number also and vice versa, words denoting one gender only shall include the other genders and words denoting persons only shall include firms and corporations and vice versa;

- 1.3 any reference to any statute, regulation or other legislation shall be a reference to the legislation as same may be amended, re-enacted or replaced from time to time;
- 1.4 any reference to an agreement shall be a reference to that agreement as at the Date of Signature and as amended, novated and/or substituted from time to time in accordance with the terms of that agreement;
- 1.5 any reference to a person(s) includes a reference to natural persons and juristic persons; and
- 1.6 unless expressly specified to the contrary in a Transaction Document where any performance falls due under a Transaction Document on a day which is not a Business Day the Following Business Day Convention shall apply such that the performance shall fall due on the next Business Day.

## 2. **ISSUE**

- 2.1 All Notes will be issued as fully paid up and will be freely transferable.
- 2.2 The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more tranche(s) of Notes pursuant to the Programme, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.3 Notes may be issued by the Issuer in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes.
- 2.4 The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Transaction Documents.
- 2.5 In respect of each Tranche of Notes, the terms and conditions of the Applicable Pricing Supplement are incorporated in these Conditions for the purposes of those Notes only and supplement these Conditions. The Applicable Pricing Supplement may specify other terms and conditions which may replace, modify or supplement these Conditions, in which event such other terms and conditions shall in the Applicable Pricing Supplement or to the extent inconsistent with these Conditions, replace, modify or supplement these Conditions for the purpose of that Tranche of Notes.
- 2.6 The proceeds of the issue of the Notes will, except as otherwise expressly permitted in these Conditions or in the Applicable Pricing Supplement of a particular Tranche of Notes, only be used to purchase Claims in accordance with the provisions of the Sale of Instalment Claims Agreement.
- 2.7 Copies of the Applicable Pricing Supplement are available for inspection at the specified offices of the Transfer Agent.

## 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.
- 3.1.4 Each Note shall be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement.
- 3.1.5 Each Note, whether a Senior Note or a Subordinated Note, may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note or such other types of Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.
- 3.1.6 All payments in relation to the Notes will be made in Namibia Dollar.

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

- 3.2.1 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**

- 3.3.1 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, 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**

- 4.2.1 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, 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**

- 4.3.1 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, the following provisions shall apply:
- 4.3.1.1 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.
- 4.3.1.2 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.
- 4.3.1.3 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, each Transfer Agent and the relevant CSD Participant as the holder of that aggregate Outstanding Principal Amount of such Notes for all purposes.
- 4.3.1.4 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.

4.3.1.5 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.

4.3.1.6 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 each 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 either 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.

### **5. STATUS**

#### **5.1 Status of the Senior Notes**

5.1.1 The Notes constitute direct, limited recourse, secured obligations of the Issuer.

5.1.2 The Senior Notes are direct, unconditional, unsubordinated and secured and/or unsecured obligations of the Issuer payable in sequence from A to D (subject to Condition 5.2.1 to 5.2.2 (save for certain debts required to be preferred by law) equally with all other secured and/or unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

5.1.3 The claims of all Classes of Noteholders shall be subordinated to the claims of certain creditors in accordance with the Priority of Payments. The Notes of each Class rank *pari passu* among themselves.

5.1.4 Notwithstanding the subordinations envisaged in this Condition, the Noteholders shall be entitled to be paid any amounts due and payable to them in accordance with the Priority of Payments, on any Interest Payment Date, provided that all creditors that rank prior to them in the Priority of Payments have been paid, in full, any amounts due and payable to them by the Issuer on that date.

## 5.2 Status and Characteristics relating to Subordinated Notes

- 5.2.1 The Subordinated Notes constitute direct, unconditional, secured and/or unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and, in the event of liquidation, shall rank at least *pari passu* with all other present and future secured and/or unsecured and subordinated obligations of the Issuer, save for those that have been accorded by law preferential rights.
- 5.2.2 Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up the claims of the persons entitled to 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, 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 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, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

## 6. ISSUER'S UNDERTAKINGS

### 6.1 Comply with obligations

The Issuer undertakes that it will comply in all material respects with the obligations imposed on it in terms of the Transaction Documents to which it is a party.

### 6.2 Positive undertakings

The Issuer undertakes that it shall -

- 6.2.1 **(Accounting Records)** prepare proper and adequate accounting records and lodge returns in accordance with International Financial reporting Standards (IFRS) and the Companies Act;
- 6.2.2 **(Accounts)** provide to the Security SPV and the Rating Agency its audited annual financial statements for each financial year within 4 months of the end of that year;
- 6.2.3 **(certificate regarding Events of Default)** at the time of providing its audited annual financial statements pursuant to 6.2.2, provide to the Security SPV and the Rating Agency a certificate relating to the occurrence of any Event of Default;
- 6.2.4 **(other information)** promptly give to the Security SPV such information relating to the financial condition or operations of the Issuer as the Security SPV may from time to time reasonably request, except for such information the disclosure of which would contravene Applicable Law or render the Issuer in breach of any confidentiality obligation;
- 6.2.5 **(Taxes)** pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;
- 6.2.6 **(Event of Default)** notify the Security SPV, the Rating Agency and the NSX of the occurrence of any Event of Default, as soon as it becomes aware of it;



- 6.2.7 **(separate entity)** always hold itself out as an entity which is separate from any other entity or group of entities, and correct any misunderstanding known to the Issuer regarding its separate identity; and
- 6.2.8 **(notification to Rating Agency)** notify the Rating Agency -
  - 6.2.8.1 should the Security SPV be requested to give its consent to anything in relation to the Transaction Documents and the response of the Security SPV to such request; and/or
  - 6.2.8.2 should the Issuer intend to issue any further Notes; and/or
  - 6.2.8.3 should a supplement to the Programme Memorandum be issued by the Issuer.

### 6.3 Negative undertakings

The Issuer undertakes that it shall not, except as permitted under any Transaction Document or otherwise with the prior written consent of the Security SPV -

- 6.3.1 **(negative pledge)** create or permit to subsist any Encumbrance (unless arising by operation of law) upon the whole or any part of its assets, present or future, save for any Encumbrance upon the assets pursuant to the Security Agreements;
- 6.3.2 **(disposal of assets)** transfer, sell, exchange, realise, alienate, lend, part with or otherwise dispose of, or deal with, or grant any right of first refusal, option or present or future right to acquire any of its assets or any interest, right, title or benefit therein, save as in accordance with any Transaction Document;
- 6.3.3 **(winding-up)** cause itself to be voluntarily wound-up or placed under judicial management;
- 6.3.4 **(restrictions on activities)** engage in any activity which is not in terms of or necessarily incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;
- 6.3.5 **(shares)** issue any further shares or repurchase shares, except those Preference Shares created pursuant to the Transaction Documents which -
  - 6.3.5.1 have no rights which conflict with the rights of Noteholders; and
  - 6.3.5.2 are subordinated in all respects to the rights of Noteholders;
- 6.3.6 **(dividends)** authorise the payment of, or pay, any dividend or other distribution to its shareholders, except any preference dividend, and any Tax thereon, payable in accordance with the Priority of Payments and pursuant to the Transaction Documents;
- 6.3.7 **(bank accounts)** open or operate any bank accounts, other than the bank accounts opened in terms of the Transaction Documents;
- 6.3.8 **(no payment)** make or attempt or purport to make any payment in respect of a Note or other amount owing prior to the date on which the payment is due for payment in terms of the Priority of Payments;

- 6.3.9                   **(borrowings)** raise or incur any obligation, whether as principal or surety, for the payment or repayment of money, whether present or future, actual or contingent, other than as envisaged in the Transaction Documents;
- 6.3.10                   **(other financial accommodation)** grant any guarantee or other assurance whatsoever against financial loss or allow any such guarantee or assurance to be outstanding in connection with any money borrowed or raised by any person other than as part of the Issuer's business;
- 6.3.11                   **(general acts)** do any of the following things -
- 6.3.11.1                         register any transfer of shares in its issued share capital;
- 6.3.11.2                         amend its articles and memorandum of association;
- 6.3.11.3                         engage any employees;
- 6.3.11.4                         have or acquire any subsidiaries; or
- 6.3.11.5                         occupy any premises;
- 6.3.12                   (Transaction Documents)**
- 6.3.12.1                         cancel or amend any Transaction Documents;
- 6.3.12.2                         grant a waiver in respect of any Transaction Document;
- 6.3.12.3                         discharge or release any person from their obligations under any Transaction Document if that person has not performed its obligations in full;
- 6.3.12.4                         novate or assign any Transaction Document; or
- 6.3.12.5                         cede any of its rights or delegate any of its obligations under any Transaction Document; or
- 6.3.13                   **(other transactions)** enter into any document, agreement or arrangement other than in terms of the Transaction Documents.
- 6.4                    In giving any consent to the foregoing, the Security SPV may require the Issuer to make such modifications or additions to the Conditions and/or to the provisions of any of the Transaction Documents (subject to Condition 18) or may impose such other conditions or requirements as the Security SPV may deem expedient (in its absolute discretion) in the interests of the Secured Creditors, including the Noteholders; provided that the Rating Agency is furnished with at least 5 (five) Business Days prior written notice of the proposed action.

## **7. REDEMPTION AND PURCHASES**

### **7.1 No Redemption during the Revolving Period**

Unless and until a Post-Enforcement Event has occurred (in which, even the provisions of Conditions 7.3.3 or 7.7 below shall apply), the Issuer shall not be obliged to redeem any portion of the Principal Amount Outstanding during the Revolving Period.

## **7.2 Maturity**

7.2.1 Unless all the Notes have been redeemed in accordance with Condition 7.3 below, the Notes shall mature and shall be redeemed at their Principal Amount Outstanding (together with interest accrued thereon) on the Final Redemption Date.

7.2.2 The Issuer shall not be entitled or obliged to redeem the Notes in whole or in part prior to the Final Redemption Date, except as provided in Conditions 7.3, 7.4, 7.5, 7.6, and 7.7 below.

## **7.3 Mandatory Redemption in part**

7.3.1 During the Pre-Enforcement Period the Issuer shall, with effect from the termination of the Revolving Period, apply all Available Funds, after payment of all prior ranking payments in accordance with the corresponding Pre-Enforcement Priority of Payments, so as to pay the Principal Amount Outstanding in respect of all the Notes.

7.3.2 The amounts payable to the Noteholders in terms of Condition 7.3.1 above shall be subject to the following -

7.3.2.1 unless and until the Cumulative NPL Trigger Event has occurred, the Available Funds shall be applied by the Issuer after payment of all prior ranking payments in the Pre-Enforcement Priority of Payments (One), to proportionally repay the Principal Amount Outstanding in respect of each Note, such that the percentage of Principal Amount Outstanding in respect of each Class of Notes remains the same;

7.3.2.2 upon the occurrence of the Cumulative NPL Trigger Event the Available Funds shall be applied by the Issuer, after payment of all prior ranking payments to the Pre-Enforcement Priority of Payments (Two), to sequentially repay the Principal Amount Outstanding in respect of each Class of Notes in the order they appear in the Pre-Enforcement Priority of Payments (Two).

7.3.2.3 during the Post-Enforcement Period the Available Funds shall be utilised to pay the amounts due for payment under the Post-Enforcement Priority of Payments. Accordingly, during that period, no amount shall be paid under a Class of Notes (whether in respect of the Principal Amount, the Interest Amount or otherwise) unless and until the prior ranking Classes of Notes (including the Outstanding Principal Amount, the Interest Amount, and any other amounts owing thereon) have been redeemed in full.

## **7.4 Optional redemption pursuant to a Clean-Up Call**

On any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes is equal to or less than 25% of the aggregate Principal Amount of the Notes that have been issued and upon giving not more than 30 (thirty) nor less than 20 (twenty) days' notice to the Security SPV and the Noteholders in accordance with Condition 17 (which notice shall be irrevocable), the

Issuer may redeem all, but not some only, of the Notes at their Principal Amount Outstanding (together with accrued interest thereon) provided that the Issuer shall deliver to the Security SPV, a certificate signed by two directors of the Issuer, to the effect that it has sufficient funds to redeem all of the Notes and the Notes may only be redeemed subject to settlement of all amounts in accordance with the Priority of Payments.

## **7.5 Optional redemption for tax reasons**

7.5.1 If the Issuer immediately prior to the giving of the notice referred to below satisfies the Security SPV that either –

7.5.1.1 (i) payments of principal or interest in respect of any of the Sold Claims cease to be receivable (whether or not actually received) by the Issuer, or are or will necessarily be reduced by virtue of any withholding or deduction for or on account of any present or future Taxes, as the case may be, and (ii) the Instalment Purchasers in respect of such Sold Claims are not obliged to pay such additional amounts as shall be necessary in order that the net amounts received by the Issuer after such withholding or deduction are equal to the respective amounts of principal or interest which would otherwise have been receivable in the absence of such withholding or deduction; and each of (i) and (ii) cannot be avoided by the Issuer taking reasonable measures available to it; or

7.5.1.2 as a result of any change in, or amendment to, the laws or regulations of Namibia or any political sub-division of, or any authority in, or of, Namibia having power to tax becoming effective after the Issue Date the Issuer is or would be required to deduct or withhold from any payment of principal or interest on the Notes any amounts as provided or referred to in Condition 10, and such requirements cannot be avoided by the Issuer taking reasonable measures available to it,

then, on any Interest Payment Date, the Issuer may at its option, having given not more than 30 (thirty) and not less than 20 (twenty) days' notice to the Security SPV and Noteholders in accordance with Condition 17 (which notice shall be irrevocable), redeem all, but not some only of the Notes, at their Principal Amount Outstanding (together with interest accrued thereon) provided that no notice of redemption shall be given earlier than 90 (ninety) days before the earliest date on which the Issuer would incur the obligation to make such deduction or would necessarily receive such lesser amount for interest.

7.5.2 Prior to giving such notice of redemption, the Issuer shall have provided to the Security SPV -

7.5.2.1 a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person, to redeem all the Notes as set out above; and

7.5.2.2 a legal opinion (in form and substance satisfactory to the Security SPV) from a firm of lawyers in Namibia (approved in writing by the Security SPV) opining on the relevant event.

## **7.6 Mandatory redemption following delivery of an Enforcement Notice**

Upon delivery of an Enforcement Notice following the occurrence of an Event of Default and if required to do so by the Security SPV or requested to do so by Noteholders by Special Resolution to that effect, the Issuer shall be obliged to redeem the Notes in accordance with Condition 11.

## **7.7 Procedures for redemption**

7.7.1 The redemption of Notes issued in uncertificated form shall take place in accordance with the Applicable Procedures relating to the redemption of debt securities.

7.7.2 Certificated Notes which are to be redeemed shall be delivered to the Transfer Secretary at least 6 (six) days prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), by the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be). This will enable the Transfer Secretary to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

7.7.3 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued interest, shall be paid to the Security SPV to be retained by it for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

7.7.4 Documents required to be presented and/or surrendered to the Transfer Secretary in accordance with the Conditions will be so presented and/or surrendered at the specified office of the Transfer Secretary.

7.7.5 Payments in respect of the redemption of Notes shall be made in accordance with Condition 9.

## **7.8 Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled, having given:

- (a) not less than 15 and not more than 30 days' notice to the Noteholders in accordance with Condition 17; and
- (b) not less than seven days before giving the notice referred to in (a) above, notice to the Transfer Agent,

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

Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as indicated in

the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemable Notes**”) will be selected in accordance with the Applicable Procedures not more than 30 days prior to the date fixed for redemption (the “**Selection Date**”).

In the case of Redeemable Notes represented by Definitive Certificates, a list of the serial numbers of such Redeemable Notes will be published in accordance with Condition 17 not less than 15 days prior to the date fixed for redemption. The aggregate principal amount of Redeemable Notes represented by Definitive Certificates shall bear the same proportion to the aggregate nominal amount of all Redeemable Notes as the aggregate nominal amount of Definitive Certificates outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination.

Holders of Redeemable Notes shall surrender the Definitive Certificates representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated in paragraph (a) above. Where only a portion of the Notes represented by the Definitive Certificates are redeemed, the Transfer Agent shall deliver new Definitive Certificates to such Noteholders in respect of the balance of the Notes.

#### **7.9 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 restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, surrendered to the Transfer Agent for cancellation.

#### **7.10 Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. All Notes so cancelled, shall be held by the Transfer Agent and cannot be re-issued or resold. The Issuer shall notify the NSX of any cancellation or partial redemption of the Notes so that such entities can record the reduction in the aggregate Principal Amount of the Notes in issue.

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

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to the paragraphs under Condition 9 above headed "Method of Payment", "Surrender of Notes", "Payment Day", or "Interpretation of Principal and Interest" or upon it becoming due and repayable, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated under the Condition headed "Early Redemption Amounts", above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date on which all amounts due in respect of such Zero Coupon Notes have been paid.

### **8. INTEREST**

#### **8.1 Interest Rate**

Each Note shall bear interest on the aggregate Principal Amount Outstanding, at the rate per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding the Final Redemption Date.

## **8.2 Interest Payment Dates**

- 8.2.1 The interest due in respect of each Interest Period shall, be payable in arrears on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the First Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

## **8.3 Determination of Interest Rate and calculation of Interest Amount**

- 8.3.1 The Calculation Agent will, on each Rate Determination Date, determine the Interest Rate applicable to the Notes for the Interest Period commencing on that Rate Determination Date and calculate the Interest Amount payable in respect of each Note for that Interest Period. The Interest Amount will be determined by multiplying the Interest Rate by the Principal Amount Outstanding of such Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365 irrespective of whether it is a leap year or not. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards

## **8.4 Publication of Interest Rate and Interest Amount by the Calculation Agent**

- 8.4.1 The Calculation Agent will cause the Interest Rate for each Tranche of the Notes determined upon each Rate Determination Date to be notified to the Noteholders in the manner set out in Condition 17, the Issuer and, if the Servicer is not the Calculation Agent, then also to the Servicer as soon as practicable after such determination but in any event not later than the Rate Determination Date; and
- 8.4.2 The Calculation Agent will, in relation to each Tranche of the Notes, at least 3 (three) Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be announced on the NSX Daily Report and to be notified to the Noteholders (in the manner set out in Condition 17), the Issuer and, if the Servicer is not the Calculation Agent, then also to the Servicer.

## **8.5 Calculations final and binding**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Conditions and the Transaction Documents and all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Servicer pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Conditions and the Transaction Documents, will, in the absence of wilful deceit, bad faith, or manifest error, be binding on the Issuer, the Security SPV and all Secured Creditors (including Noteholders), and no liability to the Issuer, the Security SPV or the Secured Creditors (including Noteholders) will attach to the Calculation Agent and/or the Servicer in connection therewith.

## 8.6 **Interest on Fixed Rate Notes**

Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a quarterly basis, on the Interest Payment Dates.

Each Fixed Rate Note bears interest on its Principal Amount from (and including) the Interest Commencement Date to (but excluding) the Maturity Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate(s) of Interest specified in the Applicable Pricing Supplement. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) specified in the Applicable Pricing Supplement in each year and on the Maturity Date specified in the Applicable Pricing Supplement, if such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

Unless otherwise specified, the interest in respect of any three-month period shall be calculated by multiplying the Fixed Rate of Interest by the Principal Amount and by dividing the product by 2, provided that:

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

### **Accrual of Interest on Fixed Rate Notes**

Each Note (or in the case of the redemption of only part of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the interest rate applicable to such Note until whichever is the earlier of:

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

## 8.7 **Interest on Floating Rate Notes**

### **General**

Floating Rate Notes will bear interest (i) on the same basis as the floating rate note under a notional interest rate swap transaction in Namibia Dollars governed by an agreement incorporating the ISDA Definitions and as amended and updated as at the issue date of the first Tranche of the notes of the relevant Series, or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or, (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the Applicable Pricing Supplement).



### **Interest Payment Dates**

Each Floating Rate Note bears interest on its Principal Amount from (and including) the Interest Commencement Date at the rate equal to the rate of interest payable in arrear on the Interest Payment Date(s) specified in the Applicable Pricing Supplement.

### **Rate of Interest**

The rate of interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the Applicable Pricing Supplement.

### **ISDA Determination**

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the rate of interest is to be determined, the rate of interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under an 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 as specified in the Applicable Pricing Supplement.

For the purposes of this sub-paragraph "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

When this sub-paragraph (headed "ISDA Determination") applies, in respect of each relevant Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 8 (sub-paragraph headed "Determination of Rate of Interest and Calculation of Interest Amount") in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph.

### **Minimum and/or Maximum Rate of Interest**

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

### **Determination of Rate of Interest and Calculation of Interest Amount**

The Calculation Agent, in the case of Floating Rate Notes will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount for the relevant Interest period, in the case that the Agent and the

Calculation Agent are separate persons or entities, then the Calculation Agent shall notify the Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

**"Day Count Fraction"** means, in respect of the calculation of an Interest Amount for any Interest Period:

- (a) if **"Actual/365"** is specified in the Applicable Pricing Supplement, the actual number of elapsed days in the Interest Period divided by 365; or
- (b) such other calculation method as is specified in the Applicable Pricing Supplement.

#### **Notification of Rate of Interest and Interest Amount**

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent (if the Paying Agent is not the Calculation Agent), the Calculation Agent and any exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 17, as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 17 or individually.

#### **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error) be binding on the Issuer, the Paying Agent or, if applicable, the Calculation Agent, as the case may be, and all Noteholders, and in the absence as aforesaid, no liability to the Issuer or the Noteholders shall attach to the Paying Agent or Calculation Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **Accrual of Interest of Floating Rate Notes**

Each Note (or in the case of the redemption of only part of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the rate specified in the Applicable Pricing Supplement until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the moneys payable has been received by the Paying Agent and notice to that effect has been given in accordance with Condition 17 or individually.

## 8.8 **Business Day Convention**

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

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

## 9. **PAYMENTS**

Only Noteholders reflected in the Register on the close of business on the Last Date to register (as specified in the Applicable Pricing Supplement) shall be entitled to payments of interest and/or principal.

The Principal Amount and interest on the Notes shall be paid by the Issuer in Rand. The Issuer shall not be obliged to make payment of, and Noteholders shall not be entitled to receive payment of, any amount due and payable under the Notes by the Issuer, except in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be, unless and until all sums required to be paid or provided for in terms of the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be, in priority thereto have been paid or discharged in full. Should the Issuer fail to pay all or part of any interest or other amount due and payable by it to the Noteholders on any Interest Payment Date as a result of lack of funds available for that purpose in terms of the Priority of Payments, the Issuer shall not be in default of its obligations under the Conditions, the unpaid amount shall not bear penalty interest and payment of the unpaid amount shall be deferred to the following Interest Payment Date that funds are available to make such payment in terms of the Priority of Payments applicable on such Interest Payment Date.

### 9.1 **Method of Payment**

Subject to the provisions set out below, payments of interest and principal to holders of Definitive Certificates will be made by electronic funds transfer and shall constitute a full and final discharge of the obligations of the Issuer in terms of such payments.

On written request by a registered holder of a Definitive Certificate to the Paying Agent, payment of interest or principal will be made by cheque. All payments made by cheque shall be sent by post to the address as may be specified in the request sent by the Noteholder to the Paying Agent. All such written requests for payment by cheque by a holder of a Definitive Certificate shall reach the Paying Agent at least 14 days prior to the relevant date for payment. Payments sent by cheque shall be posted, in the case of interest payments, at least 7 days prior to the Interest Payment Date, and in the case of principal, at least 7 days prior to the relevant Redemption Date. Payments by cheque shall be posted by ordinary mail, unless otherwise stipulated by the Noteholder, and neither the Issuer nor the Paying Agent shall accept liability for any loss in transmission or mail and the post authorities shall be deemed to be the Agent of the payees for the purpose of such transmission of cheques.

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

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

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 9.1.

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

## 9.2 **Surrender of Notes**

The Definitive Certificate in respect of the Note to be redeemed shall be surrendered to the Paying Agent 5 Business Days prior to the redemption date. Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the office of the Paying Agent specified in the Applicable Pricing Supplement.

### 9.3 **Payment Day**

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

### 9.4 **Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal;
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Zero Coupon Notes, the amortised face amount (which shall be an amount equal to the sum of (i) the reference price; and (ii) the product of the accrual yield (as set out in the Applicable Pricing Supplement) (compounded semi-annually) being applied to the reference price from (and including) the issue date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable, or such other amount as is provided for in the Applicable Pricing Supplement; and
- (e) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11.

## 10. TAXATION

As at the date of issue of this Programme Memorandum, all payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges (“**Taxes**”) of whatever nature imposed or levied by or on behalf of the Republic of Namibia or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. The payment of any Taxes by the Issuer as an agent or representative tax payer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 10. In the event of any such withholding or deduction in respect of Taxes being levied or imposed on interest or principal payments on Debt Instruments, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:

- (a) held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of it having some connection with the Republic of Namibia other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- (b) held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the Taxable Income (as defined in section 1 of the Income Tax Act No.24 of 1981) of any Noteholder; or
- (d) where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Definitive Certificate in accordance with these Terms and Conditions) the relevant Definitive Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Definitive Certificate for payment on such thirtieth day; or
- (e) if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
- (f) held by or on behalf of any Noteholder, who is liable for such taxes in respect of such Note by reason of the source of any income earned thereon being in, or deemed to be in, the Republic of Namibia; or
- (g) where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect of such withholding or deduction in terms of the Noteholder’s domestic tax laws or applicable double tax treaty.

## 11. EARLY AMORTISATION EVENTS AND EVENTS OF DEFAULT

- 11.1 An Early Amortisation Event shall occur if -

- 11.1.1 the Issuer fails to pay any amount whether in respect of interest, principal or otherwise, due and payable in respect of any of the Notes, within 2 (two) Business Days of the due date for the payment in question; or
- 11.1.2 the Issuer breaches any representation or warranty made in terms of these Conditions and fails to remedy such breach within 10 (ten) Business Days of such breach coming to its attention; or
- 11.1.3 the Issuer fails duly to perform or observe any other obligation binding on it under the Notes, these Conditions or any of the other Transaction Documents (irrespective of the materiality of such breach or obligation), which breach is not remedied within 20 (twenty) Business Days after receiving written notice from either the Security SPV or the counterparty to the relevant agreement requiring such breach to be remedied; or
- 11.1.4 any procedural step is taken by the Issuer (including application, proposal or convening a meeting) with a view to a compromise or arrangement with its creditors generally or any significant class of its creditors (other than as contemplated in these Conditions); or
- 11.1.5 the Servicer fails to comply with its obligations under the Servicing Agreement and the Issuer is either unwilling or unable to enforce its rights against the Servicer or fails to replace the Servicer with a Back-Up Servicer within 30 (thirty) Business Days after receiving written notification from the Security SPV to do so, which notification the Security SPV shall provide to the Servicer within 10 Business Days of obtaining knowledge of the Issuer's failure to replace the Servicer or enforce its rights against the Servicer following the Servicer's failure to comply with its obligations under the Servicing Agreement; or a Cumulative NPL Trigger Event occurs.
- 11.2 If an Early Amortisation Event occurs -
  - 11.2.1 the Issuer or the Servicer, as the case may be, shall forthwith inform the Security SPV, The Dealer/Arranger, the NSX and the Rating Agency thereof;
  - 11.2.2 the Transaction shall switch Pre-Enforcement Priority of Payments (One) to the Pre-Enforcement Priority of Payments (Two) and thereafter no payment may be made by the Issuer other than in accordance with the Pre- Enforcement Priority of Payments (Two).
- 11.3 If the Early Amortisation Event arises pursuant to Condition 11.1, the Security SPV shall, as soon as that Early Amortisation Event comes to its notice (whether as a result of having been informed thereof by the Issuer or the Servicer, as the case may be, pursuant to the previous clause or otherwise), forthwith call a meeting of the Controlling Class and at such meeting the Controlling Class shall, by special resolution –
  - 11.3.1 reinstate the Servicer to its rights, functions and duties, with immediate effect or after a specified period or the occurrence of a specified event; or
  - 11.3.2 dismiss the Servicer and appoint the Back-Up Servicer to assume the role of Servicer in accordance with the provisions of the Servicing Agreement.
- 11.4 An Event of Default shall occur if -

- 11.4.1 the Issuer fails to redeem a Note by the Legal Maturity Date; or
- 11.4.2 an Issuer Insolvency Event occurs; or
- 11.4.3 the Security Interests in favour of the Security SPV become unenforceable for any reason whatsoever or cease to confer on the Security SPV a first priority Security Interest, or should the Security SPV Guarantee be or become unenforceable; or
- 11.4.4 it is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and the Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or
- 11.5 If an Event of Default occurs -
  - 11.5.1 the Issuer or the Servicer, as the case may be, shall forthwith inform the Security SPV, the Dealer/Arranger, the NSX and the Rating Agency thereof;
  - 11.5.2 the Security SPV shall, as soon as such Event of Default comes to its notice (whether as a result of having been informed by the Issuer or the Servicer, as the case may be, thereof pursuant to the previous sub-clause or otherwise), forthwith call a meeting of the Controlling Class; and
  - 11.5.3 all the Notes shall become immediately due and payable if, at such meeting, the Controlling Class so decide, by Special Resolution.
- 11.6 If the Controlling Class decide that the Notes shall become immediately due and payable, such Noteholders shall notify the Issuer and the Security SPV accordingly.
- 11.7 If the Notes become immediately due and payable in terms of Condition 11.5.3, the Security SPV shall, by written notice to the Issuer and the Administrator (an "**Enforcement Notice**") declare the Notes, and any amounts owing under any other Transaction Document, to be immediately due and payable, and require the Principal Amount Outstanding of the Notes, together with accrued interest thereon, and the amounts owing under any other Transaction Document, to be forthwith repaid, to the extent permitted by and in accordance with the Post- Enforcement Priority of Payments. The Administrator, acting on behalf of the Issuer shall forthwith do this, failing which the Security SPV may take all necessary steps, including legal proceedings, to enforce the rights of the Noteholders and other Secured Creditors set out in, and the Security given therefor in terms of, these Conditions and the other Transaction Documents, subject always to the provisions of the Post-Enforcement Priority of Payments.
- 11.8 The Security SPV shall not be required to take any steps to ascertain whether any Event of Default has occurred and until the Security SPV has actual knowledge or has been served with express notice thereof it shall be entitled to assume that no such Event of Default has taken place.
- 11.9 If the Notes become redeemable as contemplated above, they will be redeemed strictly in accordance with the Post-Enforcement Priority of Payments.
- 11.10 It is recorded that as security for the due, proper and timeous fulfilment by the Issuer of all its obligations under these Notes, the Security SPV shall furnish Noteholders with the Security SPV



Guarantee. Each Noteholder expressly accepts the benefits of the Security SPV Guarantee and acknowledges the limitations on its rights of recourse in terms of such Security SPV Guarantee.

- 11.11 The rights of Noteholders against the Issuer will be limited to the extent that the Noteholders will not be entitled to take any action or proceedings against the Issuer to recover any amounts payable by the Issuer to them under the Notes (including not levying or enforcing any attachment or execution upon the assets of the Issuer), and all rights of enforcement shall be exercised by lodging a claim under the Security SPV Guarantee, provided that -
- 11.11.1 if the Security SPV is entitled and obliged to enforce its claim against the Issuer pursuant to the Issuer Indemnity but fails to do so within 60 (sixty) Business Days of being called upon to do so by a Special Resolution of the Controlling Class of Noteholders; or
- 11.11.2 if the Security SPV is wound-up, liquidated, de-registered or placed under judicial management (whether voluntarily or compulsorily, provisionally or finally) or if the Security SPV Guarantee and Issuer Indemnity are not enforceable (as finally determined by a judgment of a court of competent jurisdiction after all rights of appeal and review have been exhausted or as agreed by the Security SPV, Noteholders and other Secured Creditors),
- then Noteholders shall be entitled to take action themselves to enforce their claims directly against the Issuer if an Event of Default occurs.
- 11.12 The Noteholders will not, until 1 (one) year and 1 (one) month following the payment of all amounts outstanding and owing by the Issuer under the Notes and all the other Transaction Documents, institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up, liquidation, de-registration, judicial management or any compromise or scheme of arrangement or related relief in respect of, or any other proceedings having a similar effect -
- 11.12.1 in respect of the Issuer or for the appointment of a liquidator, judicial manager or similar officer of the Issuer, provided that nothing in this clause will limit the Security SPV from taking such action, in the event that the Security SPV is unable (whether due to practical or legal impediments which in the reasonable opinion of the Security SPV are not of a temporary nature) to enforce the Security Agreements; or
- 11.12.2 in respect of the Security SPV or for the appointment of a liquidator, judicial manager or similar officer of the Security SPV.
- 11.13 Without prejudice to the foregoing provisions of this Condition, each Noteholder undertakes to the Issuer and the Security SPV that if any payment is received by it other than in accordance with the Priority of Payments in respect of sums due to it by the Issuer and/or the Security SPV, the amount so paid shall be received and held by such Noteholder as agent for the Issuer and/or the Security SPV and shall be paid to the Issuer and/or the Security SPV immediately on demand.
- 11.14 The Security SPV acknowledges that it holds the Security created pursuant to the Security Agreements to be distributed, on enforcement, in accordance with the provisions of the Post-Enforcement Priority of Payments.

- 11.15 Each Noteholder undertakes that it will not set-off or claim to set off any amounts owed by it to the Issuer or the Security SPV against any liability owed to it by the Issuer or the Security SPV, respectively.
- 11.16 Notwithstanding the provisions of the preceding sub-clauses of this Condition 11, in the event of a liquidation or a winding-up of the Issuer or of the Issuer being placed under judicial management, Secured Creditors ranking prior to others in the Post-Enforcement Priority of Payments shall be entitled to receive payment in full of amounts due and payable to them, before other Secured Creditors that rank after them in the Post-Enforcement Priority of Payments receive any payment on account of amounts owing to them.
- 11.17 In order to ensure the fulfilment of the provisions regarding Post-Enforcement Priority of Payments, each Noteholder agrees that in the event of a liquidation or winding-up of the Issuer or of the Issuer being placed under judicial management, it will lodge a claim against the Security SPV arising out of the Security SPV Guarantee. The Security SPV will, in turn, make a claim in the winding-up, liquidation or judicial management proceedings of the Issuer pursuant to the Issuer Indemnity and, out of any amount recovered in such proceedings, pay the Secured Creditors in accordance with the Post-Enforcement Priority of Payments.
- 11.18 In the event that the Security SPV fails, for whatever reason, to make a claim in the liquidation or winding-up or judicial management proceedings of the Issuer pursuant to the Issuer Indemnity or should the liquidator or judicial manager not accept a claim tendered for proof by the Security SPV pursuant to the Issuer Indemnity, then, in order to ensure the fulfilment of the provisions regarding Post-Enforcement Priority of Payments, each Noteholder shall be entitled to lodge such claims itself but each Noteholder agrees that –
- 11.18.1 any claim made or proved by a Noteholder in the liquidation, winding-up or judicial management proceedings in respect of amounts owing to it by the Issuer shall be subject to the condition that no amount shall be paid in respect thereof to the extent that the effect of such payment would be that the amount payable to the Secured Creditors that rank prior to it in terms of the Post-Enforcement Priority of Payments would be reduced; and
- 11.19 if the liquidator or judicial manager does not accept claims proved subject to the condition contained in the preceding sub-clause of this Condition 11.18, then each Secured Creditor shall be entitled to prove its claims against the Issuer in full, on the basis that any liquidation dividend payable to it is paid to the Security SPV for distribution in accordance with the Post-Enforcement Priority of Payments.

## 12. **PRESCRIPTION**

Any claim for payment of principal and interest will prescribe 3 (three) years after the date on which such payment first becomes due and payable in accordance with the Priority of Payments, except that in relation to monies payable to the Central Securities Depository in accordance with these Conditions, the claim in respect of any payment under the Notes will prescribe 3 (three) years after the date on which (i) the full amount of such monies have been received by the Central Securities Depository, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures.

### **13. TRANSFER AGENT, PAYING AGENT AND CALCULATION AGENT**

- 13.1 The names of the initial Transfer Agent, Paying Agent and Calculation Agent and their specified offices are set out on the last page of this Programme Memorandum.
- 13.2 The Issuer is entitled to vary or terminate the appointment of either Transfer Agent and/or the Paying Agent and/or to appoint additional or other agents, subject to and in accordance with the terms and conditions of the Agency Agreement.
- 13.3 If the Issuer elects to appoint another entity as Transfer Agent that other entity, on execution of an appropriate agreement or an appropriate accession letter, as the case may be, shall serve in that capacity in respect of the Programme.
- 13.4 If 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 that other entity, on execution of an Agency Agreement, shall serve in that capacity in respect of those Notes. The Issuer is entitled to vary or terminate the appointment of a Calculation Agent, subject to and in accordance with the terms and conditions of the Agency Agreement.
- 13.5 If the Issuer elects to appoint another entity as Paying Agent that other entity, on execution of (i) an agreement substantially in the form of the Agency Agreement (insofar as the provisions of the Agency Agreement are applicable to the Paying Agent) or (ii) an accession letter in terms of which such entity would take transfer of all rights and obligations in terms of the Agency Agreement of the Paying Agent, as the case may be, shall serve in that capacity in respect of the Notes.
- 13.6 If the Issuer elects to appoint another entity as Transfer Agent and/or Calculation Agent and/or Paying Agent in terms of this Condition 17, the Issuer shall notify the NSX and the Noteholders (in the manner set out in Condition 17.1) of such appointment(s).
- 13.7 There will at all times be a Calculation Agent, a Paying Agent and a Transfer Agent with a Specified Office in such place as may be required by the Applicable Procedures.
- 13.8 Each Transfer Agent, the Paying Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.
- 13.9 Each holder of Notes and each holder of a Beneficial Interest in Notes, upon its subscription for such Notes and the issue of such Notes to it, or upon the transfer of such Notes to it, as the case may be, is entitled to the benefits of, and is deemed to have notice of, the Agency Agreement, and such holder shall be deemed to have accepted such benefits and shall be bound by all of those provisions of the Agency Agreement which confers rights and/or imposes obligations on the Noteholders.
- 13.10 Each holder of Notes and each holder of a Beneficial Interest in Notes undertakes in favour of each of the Paying Agent and each Transfer Agent that such holder shall perform all obligations imposed on the Noteholder in terms of 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 either Transfer Agent may reasonably require to enable the Paying Agent and/or that Transfer Agent to carry out, exercise or discharge its/their powers, rights, authorities, provisions and/or obligations contained in the Agency Agreement.

## **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 (stamp duty payable of N\$2 per 1000 (value on consideration) unless purchased on stock exchange) 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.
- 14.1.9 In the event of a partial redemption of Notes under Condition 7, the Issuer and the Agent or Transfer Secretary (as applicable) shall not be required:
  - 14.1.9.1 to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive); or
  - 14.1.9.2 to register the transfer of any Note, or part thereof, called for partial redemption

## **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 shall be kept at the offices of the Transfer Agent. 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 shall 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.. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall be closed from the Last Day to register until each Payment Date of principal and interest in respect of the Notes, as the case may be.
- 16.2 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.
- 16.3 No holder of a Beneficial Interest or any other beneficial owner of any Note shall be entitled to apply for rectification of the Register to reflect such person as the Noteholder in respect of the relevant Note and it shall be a condition of the acquisition of such Beneficial Interest or beneficial ownership that no right of rectification as such shall exist.

## 17. NOTICES

All notices regarding the Notes shall be published in the English language and in two daily newspapers for general circulation in the Republic of Namibia;

### 17.1 Notice to Noteholders

- 17.1.1 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).
- 17.1.2 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 17.1.1, 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).
- 17.1.3 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).
- 17.1.4 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 17.1, 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 17.1 above, all notices of meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be published on NENS.

### 17.2 Notice by Noteholders

- 17.2.1 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 that Transfer Agent, as the case may be. Each such notice shall be deemed to have been received by the Issuer or that 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).

- 17.2.2 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.

## **18. AMENDMENT OF THE TRANSACTION DOCUMENTS**

- 18.1 Subject to Condition 18.7, the Issuer and the Security SPV may effect, without the consent of any Noteholder, any amendment to these Conditions, the Security Agreements and/or the Priority of Payments which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of Namibia. Any such amendment will be binding on Noteholders and will be submitted to the NSX and announced on the NSX Daily Report (including a summary of the amendments and details of where the amended Issuer documents or supplements to the Issuer documents will be available for inspection) as soon as practicable thereafter.
- 18.2 Save as set out in 18.1 above, the Issuer and the Security SPV may amend these Conditions, the Security Agreements and/or the Priority of Payments by written agreement, subject to the following provisions of this Condition 18.
- 18.3 Save as set out in Condition 18.1, any amendment to these Conditions, the Security Agreements and/or the Priority of Payments may be made only with the prior approval of the NSX and -
- 18.3.1 the prior authorisation of a Special Resolution of the Noteholders or of the particular Class (or Classes) of Noteholders, as the case may be; or
- 18.3.2 the prior written consent of Noteholders or the particular Class (or Classes) of Noteholders, as the case may be, holding not less than 75% of the Principal Amount Outstanding of the Notes, received by not later than the 20<sup>TH</sup> Business Day after notice of the proposed amendment was distributed to the applicable Noteholders.
- 18.4 Accordingly, upon any such amendment the Security SPV will call a meeting of all of the Noteholders or a meeting of that Class of Noteholders or separate meetings of each of those Classes of Noteholders, as the case may be. Such meeting or meetings will be regulated by the provisions set out in Condition 22 and no proposed amendment (save as referred to in Condition 18) will be made to these Conditions until such amendment has been approved by Special Resolution at such meeting or meetings.
- 18.5 If there is any conflict between the Special Resolution(s) passed or not passed, as the case may be, by any Class of Noteholders in terms of Condition 18.3, the Special Resolution(s) passed by the Controlling Class Noteholders will prevail and all other Classes of Noteholders will be bound by the Special Resolution(s) passed by the Controlling Class Noteholders.
- 18.6 Any amendment to a Transaction Document (save for the Conditions, the Security Agreements and/or the Priority of Payments) may be made only with —
- 18.6.1 the prior authorisation of a Special Resolution of all of the Noteholders; or
- 18.6.2 the prior written consent of all of the Noteholders.

- 18.7 Any amendment to the Transaction Documents (save for the Conditions, the Security Agreements and/or the Priority of Payments) which, in the reasonable opinion of the Security SPV, may amend the rights, under the Transaction Documents (save for the Conditions) and/or the Priority of Payments, of a Secured Creditor (other than a Noteholder) may be made only with the prior written consent of such Secured Creditor.
- 18.8 No amendment to these Conditions and/or any of the other Transaction Documents may be made unless the Security SPV grants its prior written approval for such amendment, provided that such approval shall not be withheld if an amendment to the Conditions has been approved by a Special Resolution of the Noteholders or a particular Class of Noteholders in accordance with Condition 18.3, and the Rating Agency is furnished with at least 10 (ten) Business Days prior written notice of the proposed amendment.
- 18.9 The Issuer shall, in accordance with Condition 17, notify each Class or Classes of Noteholders, as the case may be, of any amendment made to these Conditions, the Security Agreements and/or the Priority of Payments which did not require the prior authorisation of any Class or Classes of Noteholders, as the case may be, in terms of Condition 18.3.
- 18.10 The Rating Agency must be notified of any amendment made to the Transaction Documents.

## **19. CONSENT OF THE SECURITY SPV**

- 19.1 Where in any Transaction Document provision is made for the consent to be given by the Security SPV, unless expressly stated otherwise, such consent -
- 19.1.1 may be given (conditionally or unconditionally) or withheld in the discretion of the Security SPV, provided that, in exercising such discretion, the Security SPV shall act in what it reasonably believes to be in the best interests of Secured Creditors and, if (in giving or withholding the consent) the interests of any one category of Secured Creditors conflict with those of another category of Secured Creditors, the Security SPV shall act in what it reasonably believes to be in the interests of the Controlling Class Noteholders (or failing any Noteholders, in the best interests of the category of Secured Creditors ranking highest in the Priority of Payments); or
- 19.1.2 shall be given or withheld within a reasonable period of time and, if not given or withheld within such reasonable period of time, shall be deemed to have been withheld.
- 19.2 Where in any Transaction Document it is provided that the Issuer and/or the Security SPV is required to act, form an opinion, give consent, or exercise a right or discretion "reasonably" or to not act "unreasonably" (collectively "acted"), or is constrained by words to similar effect, and any other party disputes that the Issuer or the Security SPV, as the case may be, has acted reasonably or asserts that it has acted unreasonably, then, pending a final resolution of such dispute, all parties (including the party which-raised the dispute) shall nevertheless in all respects continue to perform their obligations under the relevant Transaction Document, and/or to give effect to its provisions, including provisions relating to the termination thereof, as if the Issuer or the Security SPV, as the case may be, had acted reasonably or had not acted unreasonably as the case may be.
- 19.3 Without derogating from any express provision in any Transaction Document and without limiting any of the rights, powers and/or discretions of the Security SPV, the Security SPV will not be required to exercise any right, power or discretion in terms of the Transaction Documents without

the specific written instructions of a Special Resolution of the Controlling Class Noteholders or, if there are no Noteholders, then without the specific written instructions of the Secured Creditors ranking highest in the Priority of Payments at that time.

## **20. LIQUIDATION OF THE SECURITY SPV**

The Noteholders shall not, until 1 (one) year and 1 (one) month following the payment of all amounts outstanding and owing by the Issuer under the Notes and all the other Transaction Documents, be entitled, directly or indirectly, to institute, or join with any person in instituting, any proceedings for the winding-up, liquidation, de-registration or judicial management of the Security SPV or any compromise or scheme of arrangement or any related relief in respect of the Security SPV or for the appointment of a liquidator, judicial manager or similar officer of the Security SPV, in any court in Namibia or elsewhere.

## **21. NO VOTING RIGHTS ON NOTES HELD BY ISSUER**

If, notwithstanding the prohibition against a repurchase of Notes, the Issuer does acquire or hold any Notes, it shall not have any voting rights on those Notes which it holds.

## **22. Governing law**

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of the Republic 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 (subject to Condition 21) 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 18;
- 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 Security SPV or the Issuer may at any time convene a meeting of Noteholders or separate meetings of each Class of Noteholders ("a meeting" or "the meeting") which meeting must comply fully with the sections in the Companies Act that relate to notice of meetings, conduct of meetings and meeting quorums and adjournment, notwithstanding that the Companies Act refers to meetings of shareholders and that the Issuer may not be regulated under the Companies Act.
- 23.2.2 The meeting must be announced on NENS and the announcement must state the date that the Security SPV or Issuer has selected to determine which holders of Notes or debt securities recorded in the register will receive the notice of meeting and the last date by which proxy forms must be submitted.
- 23.2.3 The Security SPV shall convene a meeting upon the requisition in writing of the holders of at least 10% of the aggregate Principal Amount Outstanding of the Notes or Class of Notes, as the case may be, upon being given notice of the nature of the business for which the meeting is to be held.
- 23.2.4 Whenever the Issuer wishes to convene a meeting, it shall forthwith give notice in writing to the Security SPV of the place; day and hour of the meeting and of the nature of the business to be transacted at the meeting and the Security SPV shall give notice thereof to the Noteholders.
- 23.2.5 Whenever the Security SPV wishes or is obliged to convene a meeting it shall forthwith give notice in writing to the Noteholders and the Issuer in the manner prescribed in Condition 17, of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- 23.2.6 All meetings of Noteholders shall be held in Windhoek and notifications of all meetings shall be published on NENS.

## **23.3 Requisition**

- 23.3.1 A requisition notice referred to in Condition 23.2.2 above shall state the nature of the business for which the meeting is to be held and shall be deposited at the office of the Security SPV.

- 23.3.2 The Security SPV shall notify the Issuer of the deposit of a requisition notice forthwith.
- 23.3.3 A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

#### **23.4 Convening of meetings by requisitionists**

If the Security SPV does not proceed to cause a meeting to be held within 30 (thirty) Business Days of the deposit of a requisition notice, requisitionists who together hold not less than 10% of the aggregate Principal Amount Outstanding of the Notes or the Class of Notes, as the case may be, for the time being, may themselves convene the meeting, but the meeting so convened shall be held within 90 (ninety) Business Days from the date of such deposit and shall be convened as nearly as possible in the same manner as that in which meetings may be convened by the Security SPV. Notice of the meeting shall be required to be given to the Issuer and the Security SPV.

#### **23.5 Notice of meeting**

- 23.5.1 Unless the holders of at least 90% of the aggregate Principal Amount Outstanding of the Notes or the Class of Notes, as the case may be, agree in writing to a shorter period, at least 21 (twenty one) days' written notice specifying the place, day and time of the meeting and the nature of the business for which the meeting is to be held shall be given by the Security SPV to each Noteholder and to the Issuer.
- 23.5.2 The accidental omission to give such notice to any Noteholder or the Security SPV or the non-receipt of any such notice, shall not invalidate the proceedings at a meeting.

#### **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 aggregate Principal Amount Outstanding of the Notes or each Class of Notes, as the case may be; and
- 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 not less than a clear majority of the aggregate Principal Amount Outstanding of the Notes or each Class of Notes, as the case may be.
- 23.6.2 No business shall 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 minutes from the time appointed for the meeting, a quorum is not present, the meeting shall, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting shall stand adjourned to the same day in the third 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 shall constitute a quorum for the purpose of considering any resolution, including a Special Resolution.

### **23.7 Chairman**

The Security SPV or its representative shall preside as chairman at a meeting. If the Security SPV or its representative is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present shall choose one of their own number to preside as chairman.

### **23.8 Adjournment**

23.8.1 Subject to the provisions of this Condition, the chairman may, with the consent of, and shall on the direction of, the meeting adjourn the meeting from time to time and from place to place.

23.8.2 No business shall 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 10 (ten) days' written notice of the place, day and time of an adjourned meeting shall be given by the Security SPV to each Noteholder and the Issuer. In the case of a meeting adjourned in terms of Condition 23.5.3, the notice shall state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

### **23.9 How resolutions are decided**

23.9.1 At a meeting, a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairman or by any one of the Noteholders present in person or by proxy.

23.9.2 Unless a poll is demanded, a declaration by the chairman that on a show of hands a resolution has been carried, or carried by a particular majority, or lost, shall be conclusive evidence of that fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

23.9.3 A poll demanded on the election of a chairman or on the question of the adjournment of a meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs and the result of such poll shall be deemed to be the resolution of the meeting.

23.9.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

### **23.10 Votes**

Each Note shall confer on the Noteholders, whether on a show of hands or a poll, that number of votes equal to the Principal Amount Outstanding. In respect of joint holders of Notes the vote may be exercised only by that holder present whose name appears first on the register of holders of Notes in the event that more than one of such joint holders is present in person or by proxy at the meeting.

### **23.11 Proxies and representatives**

- 23.11.1 On a poll votes may be given either in person or by proxy. A proxy shall be authorised in writing under any usual common form of proxy under the hand of the Noteholder or of his authorised agent and, if the Noteholder is a company, other body corporate or association, signed by its authorised officer or agent. The proxy forms must be in compliance with the Companies Act (notwithstanding that the Companies Act refers to shareholders and that the Issuer may not be regulated under the Companies Act).
- 23.11.2 A person appointed to act as proxy need not be a Noteholder. The proxy form shall be deposited at the registered office of the Issuer or
- 23.11.3 at the office where the Register of Noteholders is kept 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, and in default, the proxy shall be invalid.
- 23.11.4 No proxy form shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.
- 23.11.5 A proxy shall have the right to demand or join in demanding a poll.
- 23.11.6 Notwithstanding Condition 23.11.4, a proxy form shall be valid for any adjourned meeting, unless the contrary is stated thereon.
- 23.11.7 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Secretary more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 23.11.8 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders. Any reference in these Conditions to a Noteholder present in person includes such a duly authorised representative of a Noteholder.

## **23.12 Binding effect of resolutions**

- 23.12.1 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**

- 23.13.1 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**

23.14.1 The Security SPV shall cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose.

23.14.2 Any such minutes as aforesaid, 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, shall be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

**23.15 General**

23.15.1 The provisions of this Condition 23 will apply, mutatis mutandis, to any separate meetings of each Class of Noteholders.

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

23.15.3 Subject to Condition 18.5, the meeting of Noteholders shall have power, in addition to all powers specifically conferred elsewhere in these Conditions —

23.15.3.1 by Ordinary Resolution of the Controlling Class to give instructions to the Security SPV or the Issuer in respect of any matter not covered by these Conditions or the Transaction Documents (but without imposing obligations on the Issuer or the Security SPV not imposed or contemplated by these Conditions or otherwise conflicting with or inconsistent with the provisions of the Transaction Documents);

23.15.3.2 by Special Resolution -

23.15.3.2.1 of the Controlling Class to bind the Noteholders to any compromise or arrangement; and

23.15.3.2.2 of the particular Class of Noteholders to agree to any variation or modification of any of the rights of the relevant Class of Noteholders, in each case subject to the consent of the Issuer.

23.15.4 Unless otherwise specified, resolutions of Noteholders or Noteholders of the relevant Class will require an Ordinary Resolution to be passed. Subject to the above provisions of this Condition 23, if there is any conflict between the resolutions passed by any Class of Noteholders, the resolutions passed by the Controlling Class will prevail.

23.15.5 The Security SPV shall be entitled, before carrying out the directions of Noteholders in terms of this Condition, to require that it be indemnified against all expenses and liability



which may be incurred and that it be provided from time to time, so far as the Security SPV may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

## **24. BENEFITS**

- 24.1.1 The Conditions, insofar as they confer benefits on any Secured Creditor (other than a Noteholder), comprise a stipulation for the benefit of such Secured Creditor and will be deemed to be accepted by each such Secured Creditor upon execution of the Common Terms Agreement by each such Secured Creditor.
- 24.1.2 Each Noteholder, upon its subscription for Notes and the issue of Notes to it, or upon the transfer of Notes to it, as the case may be, accepts the benefits of those provisions of the Common Terms Agreement which confer benefits on the Noteholders.
- 24.1.3 It is recorded that the Security SPV, upon signing the Security SPV Guarantee, is deemed to have notice of the Conditions, and the Security SPV shall be bound by those provisions of the Conditions which confer rights and/or impose obligations on the Security SPV.

## **25. MULTIPLE ROLES**

The Noteholders acknowledge and agree that where any party acts in a number of different capacities in relation to the transactions envisaged in the Transaction Documents, then notwithstanding such different roles -

- 25.1.1 information; knowledge or notification obtained by that party in any one such capacity shall not be attributed to it, whether constructively or otherwise, in any other capacity; and
- 25.1.2 any payments made by the Issuer in accordance with the Transaction Documents to that party in one capacity shall be construed as a payment to that party only in such capacity and not in any other capacity.

Any administrative party (and any of its directors, officers and employees) may become the owner of, or acquire any interest in any Notes with the same rights that it or they would have had if not a party to a Transaction Document, and may engage or be interested in any financial or other transaction with the Issuer, provided it is a transaction disclosed in any Transaction Document, and may act on, or as depository, trustee or agent for, any committee or body of Noteholders in connection with any other obligation of the Issuer as freely as if it were not a party to any Transaction Document

## **26. CALCULATION AGENT**

### **26.1 Determinations and Notifications**

- 26.1.1 The Calculation Agent will, in accordance with the Terms and Conditions and (where applicable) the Agency Agreement:
  - 26.1.1.1 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

17.1) 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;

26.1.1.2 calculate the relevant Payment Amount due and payable by the Issuer to the relevant Noteholders on the relevant Payment Date;

26.1.1.3 at least 7 (seven) days before the relevant Payment Date:

26.1.1.3.1 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;

26.1.1.3.2 notify the Issuer and the relevant Noteholders (in the manner set out in Condition 17.1) 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

26.1.2 For the purposes of this Condition 26.1:

"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.

## **26.2 Certificates of determinations, calculations and quotations**

26.2.1 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.

## **26.3 Failure to make determinations**

26.3.1 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.

**26.4 Good faith**

26.4.1 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.

**27. FURTHER ISSUES**

The Issuer shall be at liberty from time to time, without the consent of any Noteholder, but subject thereto that rating of the existing notes will not be effected and that the Rating Agency was informed, 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.

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## SECURITY

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Security" shall bear the same meanings as used in the section headed "Terms and Conditions of the Notes", 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. Notes will be obligations of the Issuer only.
2. The Programme Memorandum sets out the various Pre-Enforcement Priority of Payments in accordance with which certain creditors of the Issuer will be paid prior to delivery of an Enforcement Notice by the Security SPV, declaring the Notes to be immediately due and payable. The Programme Memorandum also sets out the Post-Enforcement Priority of Payments applicable after delivery of an Enforcement Notice. Amounts payable at any time to any Secured Creditor which rank in the Priority of Payments after other Secured Creditors, will be paid only to the extent that funds are available at such time after payment has been made in full to creditors ranking higher in the applicable Priority of Payments.
3. The Security SPV will bind itself under a Security SPV Guarantee to each Secured Creditor. The Security SPV Guarantee will be effective from the Initial Issue Date. Pursuant to such Security SPV Guarantee, the Security SPV will irrevocably and unconditionally undertake in favour of each Secured Creditor to pay to it the full amount then owing to it by the Issuer if an Event of Default should occur under the Notes or the respective Transaction Documents and, at the meeting convened by the Security SPV in terms of Condition 11.5.2, the Controlling Class decides by Special Resolution that the Notes shall become immediately due and payable. Once the Controlling Class have decided that the Notes will become immediately due and payable, such Noteholders shall notify the Issuer and the Security SPV accordingly. The Security SPV shall thereafter deliver an Enforcement Notice in terms of which it declares the Notes, and any amounts owing under the Transaction Documents, to be immediately due and payable and shall require the Principal Amount Outstanding, together with accrued interest thereon, to be paid forthwith in accordance with the provisions of the Post-Enforcement Priority of Payments. Unless payment is made forthwith the Security SPV shall take all necessary steps, including legal proceedings, to enforce the rights of the Noteholders and other Secured Creditors in terms of the Security, and shall pay to each Noteholder and other Secured Creditor the full amount owing to it under the Security SPV Guarantee, in accordance with the provisions of the Post-Enforcement Priority of Payments.
4. The liability of the Security SPV pursuant to the Security SPV Guarantee will, however, be limited in the aggregate to the amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity referred to below. Payment of amounts due by the Security SPV pursuant to the Security SPV Guarantee will be made strictly in accordance with the Post-Enforcement Priority of Payments after delivery of an Enforcement Notice. Performance by the Security SPV of its obligations under the Security SPV Guarantee is subject to the provisions of the Security SPV Guarantee, which provisions do not provide that the Security SPV Guarantee is revocable.

5. The Issuer will give the Issuer Indemnity to the Security SPV in respect of the claims that may be made against it arising out of the Security SPV Guarantee. The obligations of the Issuer in terms of this Issuer Indemnity are secured by -
  - 5.1 security cessions in favour of the Security SPV of the Issuer's right, title and interest in and to -
    - 5.1.1 each Sold Claim owned by the Issuer from time to time; and
    - 5.1.2 the Bank Account, Permitted Investments, Insurance Proceeds and Transaction Documents;
6. The Originator (as mortgagor) will register a Surety Bond directly in favour of the Security SPV (as mortgagee) in respect of the Issuer Indemnity given by the Issuer in favour of the Security SPV in terms of which the Issuer indemnifies and agrees to hold the Security SPV harmless in respect of any amount paid or to be paid by the Security SPV, under the Security SPV Guarantee provided or to be provided by the Security SPV to and in favour of the holders of Notes issued or to be issued by the Issuer and to and in favour of other Secured Creditors of the Issuer from time to time in terms of the Programme.
7. Each Class of Notes will share the same Security.
8. The Security SPV was incorporated as a ring-fenced, insolvency remote vehicle with the main purpose of, among other things, issuing the Security SPV Guarantee, entering into the Transaction Documents and exercising its rights and performing its obligations in terms of the Transaction Documents.
9. The Security SPV Guarantee will be lodged with the Administrator and shall be held by the Administrator for and on behalf of the Secured Creditors.
10. The Security SPV Guarantee and the Security Agreements may not be amended without the approval of a Special Resolution.

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## **PRIORITY OF PAYMENTS**

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Priority of Payments" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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 Priority of Payments stipulate the basis on which the Available Funds will be disbursed on each Interest Payment Date. During the Pre-Enforcement Period, and prior to the occurrence of an Early Amortisation Event occurs (which includes a Cumulative NPL Trigger Event), the Pre- Enforcement Priority of Payments (One) would be applicable and all Available Funds would be disbursed in accordance with the provisions of paragraph 1 below. Thereafter, the Pre-Enforcement Priority of Payments (Two) would apply until the end of the Pre-Enforcement Period and all payments would be made in accordance with the provisions of paragraph 2 below. After delivery of an Enforcement Notice pursuant to an Event of Default, the Post- Enforcement Priority of Payments would apply, and all payments would thereafter be made in accordance with the provisions of paragraph 2 below.

### **1. Pre-Enforcement Priority of Payments (One)**

On each Interest Payment Date during the Pre-Enforcement Period, until the date of the occurrence of an Early Amortisation Event occurs (which includes a Cumulative NPL Trigger Event), the Available Funds as of the immediately preceding Determination Date shall, after making payment of or providing for amounts owing in respect of the Excluded Items, be transferred from the Bank Account in accordance with the Pre-Enforcement Priority of Payments (One) set out below, on the basis that a Secured Creditor which ranks subsequent to any other creditors in the Pre-Enforcement Priority of Payments (One) will not be paid unless and until all the creditors which rank prior to it in the Pre- Enforcement Priority of Payments (One) have been paid all the amounts then due and payable to them by the Issuer (each clause below being referred to as a successive "item" in the Pre-Enforcement Priority of Payments (One)) -

1.1. first, to pay or provide for the Issuer's liability or potential liability for Taxes;

1.2. second, to pay or provide for *pari passu* and *pro rata* –

1.2.1. the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Agreements and/or any of the Transaction Documents and/or the Notes;

1.2.2. the remuneration due and payable to the Owner Trustee and the Security SPV Owner Trustee, as the case may be, (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses

(inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed and the Security SPV Owner Trust Deed, as the case may be, the Security Agreements and/or any of the Transaction Documents and/or the Notes; and

- 1.2.3. all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable or expected to become due and payable by the Issuer on or after such Interest Payment Date (prior to the next Interest Payment Date) to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency, the NSX, the Dealer/Arranger, audit fees and company secretarial expenses),
- 1.3. third, to pay or provide for the Senior Servicer Fees due and payable to the Servicer (or the Back-Up Servicer once appointed) and the fees and charges of the Administrator, together with costs and expenses which are due and payable or expected to become due and payable to the Servicer (or the Back-Up Servicer once appointed) and the Administrator under the Servicing Agreement and the Administration Agreement, as the case may be, prior to the next Interest Payment Date,
- 1.4. fourth, to pay all amounts of interest and other expenses due and payable in respect of the Classes of Notes, in the sequence from Class A to Class D, limited to the use of the monthly instalments (plus interest earned on this amount) paid by the End User Purchasers and specifically excluding the use of the principal collections;
- 1.5. fifth, to pay or provide for the purchase price of any additional Claims purchased during the revolving period by the Issuer in terms of the Sale of Instalment Claims Agreement up to the Base Portfolio Amount, limited to the use of principal collections to purchase the claims;
- 1.6. sixth, (other than during the Revolving Period when no payments of principal will be made), to pay or provide for pari passu and pro rata principal in respect of all the Classes of Notes, in the sequence from Class A to Class D provided that in respect of the pro-rata amount allocated to settle the Principal Amount in respect of the Class of Notes, that amount shall be allocated sequentially to settle the Principal Amount Outstanding in respect of each Tranche of the Class of Notes in the order in which they are numbered, such that the Class A1 Notes shall be fully redeemed before any amount is allocated to the Class A2 Notes, and so on and so forth;
- 1.7. seventh, to pay if due and payable or provide for, any amounts (whether actual or contingent) outstanding to Secured Creditors;
- 1.8. eighth, to pay if due and payable or provide for, any amounts (whether actual or contingent) outstanding to Secured Creditors to pay or provide for any amount due and payable to the Preference Shareholder, net of Taxes; and;
- 1.9. ninth, to pay if due and payable or provide for all interest or capital amounts due and payable to the Subordinated Lender in accordance with the provisions of the Subordinated Loan Agreement;
- 1.10. Tenth, to pay or provide for, common expenses under any Tranche of Notes or any Programme Document in relation to the Transaction, which have not previously been paid
- 1.11. Eleventh, while any obligations (whether actual or contingent) remain outstanding to Secured

Creditors, to invest the surplus, if any, in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer by way of dividends, net of Taxes.

In regard to the Notes, any reference in the Pre-Enforcement Priority of Payments One to a pro rata allocation of funds in respect of principal payments shall be determined with reference to the then Principal Amount Outstanding of the relevant Notes or Class of Notes.

## **2. Pre-Enforcement Priority of Payments (Two)**

On each Interest Payment Date during the Pre-Enforcement Period, after the date of the occurrence of an Early Amortisation Event occurs (which includes a Cumulative NPL Trigger Event) occurrence of an a Cumulative NPL Trigger Event, the Available Funds as of the immediately preceding Determination Date shall, after making payment of or providing for amounts owing in respect of the Excluded Items, be transferred from the Bank Account in accordance with the Pre-Enforcement Priority of Payments (Two) set out below, on the basis that a Secured Creditor which ranks subsequent to any other creditors in the Pre-Enforcement Priority of Payments (Two) will not be paid unless and until all the creditors which rank prior to it in the Pre-Enforcement Priority of Payments (Two) have been paid all the amounts then owing to them by the Issuer (each clause below being referred to as a successive "item" in the Pre-Enforcement Priority of Payments (Two)) -

- 2.1. first, to pay or provide for the Issuer's liability or possible liability for all Taxes;
- 2.2. second, to pay or provide for pari passu and pro rata -
  - 2.2.1. the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any costs, fees, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Agreements and/or any of the Transaction Documents and/or the Notes;
  - 2.2.2. the remuneration due and payable to the trustees of the Owner Trustee and the Security SPV Owner Trust (inclusive of VAT, if any) and any costs, fees, charges, liabilities and expenses (inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed and the Security SPV Owner Trust Deed, as the case may be, the Security Agreements and/or any of the Transaction Documents and/or the Notes; and
  - 2.2.3. all fees, costs, charges, liabilities and expenses incurred by the Issuer and which are due and payable or expected to become due and payable by the Issuer to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency, the NSX the fees of the directors of the Issuer, the Dealer/Arranger, audit fees and company secretarial expenses),
- 2.3. third, to pay or provide for the Senior Servicer Expenses due and payable to the Servicer (or the Back-Up Servicer once appointed) and the fees and charges of the Administrator together with costs and expenses which are payable or expected to become due and payable to the Servicer (or the Back-Up Servicer once appointed) and the Administrator under the Servicing Agreement and the Administration Agreement, as the case maybe,



- 2.4. fourth, to pay all interest owing in respect of the Classes of Notes in the sequence from Class A to Class D, limited to the use of the monthly instalments (plus interest earned on this amount) paid by the End User Purchasers and specifically excluding the use of the principal collections;
- 2.5. fifth, to pay principal and all other amounts owing on the Classes of Notes in the sequence from Class A to Class D;
- 2.6. sixth, to pay all other amounts due and payable in respect of third party claims;
- 2.7. Seventh, to pay if due and payable or provide for, any amounts (whether actual or contingent) outstanding to Secured Creditors
- 2.8. eight, to pay the amounts owing to the Preference Shareholder, net of Taxes
- 2.9. ninth, to pay if due and payable or provide for all interest or capital amounts due and payable to the Subordinated Lender in accordance with the provisions of the Subordinated Loan Agreement;
- 2.10 tenth, while any obligations (whether actual or contingent) remain outstanding to Secured Creditors, to invest the surplus, if any, in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer by way of dividends, net of Taxes.

### **3. Post-Enforcement Priority of Payments**

After the Security SPV has given notice to the Issuer or the Administrator pursuant to an Event of Default, declaring the Notes to be due and payable, the Administrator shall, after making payment of or providing for Excluded Items, use the money received in respect of the Claims including proceeds of the enforcement of the Security and monies standing to the credit of the Bank Account, to make payments in the following order of priority and on the basis that a Secured Creditor which ranks subsequent to any other creditors in the Post-Enforcement Priority of Payments will not be paid unless and until all creditors which rank prior to it in the Post-Enforcement Priority of Payments have been paid all the amounts then owing to them by the Issuer -

- 3.1. first, to pay or provide for the Issuer's liability or possible liability for all Taxes;
- 3.2. second, to pay or provide for pari passu and pro rata -
  - 3.2.1. the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any costs, fees, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Agreements and/or any of the Transaction Documents and/or the Notes;
  - 3.2.2. the remuneration due and payable to the trustees of the Owner Trustee and the Security SPV Owner Trust (inclusive of VAT, if any) and any costs, fees, charges, liabilities and expenses (inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed and the Security SPV Owner Trust Deed, as the case may be, the Security Agreements and/or any of the Transaction Documents and/or the Notes; and

- 3.2.3.all fees, costs, charges, liabilities and expenses incurred by the Issuer and which are due and payable or expected to become due and payable by the Issuer to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency, the NSX, the fees of the directors of the Issuer, the Dealer, audit fees and company secretarial expenses),
- 3.3. third, to pay or provide for the Senior Servicer Expenses due and payable to the Servicer (or the Back-Up Servicer once appointed) and the fees and charges of the Administrator together with costs and expenses which are payable or expected to become due and payable to the Servicer (or the Back-Up Servicer once appointed) and the Administrator under the Servicing Agreement or the Administration Agreement, as the case maybe,
- 3.4. fourth, to pay all interest owing in respect of the Classes of Notes in the sequence from Class A to Class **D**;
- 3.5. fifth, to pay principal and all other amounts owing on the Classes of Notes in the sequence from Class A to Class **D**;
- 3.6. sixth, to pay all other amounts due and payable in respect of third-party claims;
- 3.7. seventh, to pay if due and payable or provide for, any amounts (whether actual or contingent) outstanding to Secured Creditors ; and
- 3.8 eight, to pay the amounts owing to the Preference Shareholder, net of Taxes;
- 3.9 ninth, to pay if due and payable or provide for all interest or capital amounts due and payable to the Subordinated Lender in accordance with the provisions of the Subordinated Loan Agreement;
- 3.10 Tenth, while any obligations (whether actual or contingent) remain outstanding to Secured Creditors, to invest the surplus, if any, in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer by way of dividends, net of Taxes.

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## DESCRIPTION OF THE ORIGINATOR

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Description of the Originator" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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. Corporate Name**

RTO HOUSING NAMIBIA (Proprietary) Limited ("**RTO**") was registered and incorporated in 2015 under Namibian company registration number 2015/0735 as a private company in accordance with the provisions of the Companies Act. RTO is now duly registered and incorporated in Namibia as a limited liability private company.

### **2. Shareholding**

RTO is a wholly owned Subsidiary of Ongos Valley Development (Proprietary) Limited, registration number 2015/05350

### **3. Registered Address**

The registered office of RTO is at -

Crn of Thorer and Feld Street,

Windhoek,

Namibia

### **4. Description and Business Activities**

RTO homes have been designed with the Namibian buyer in mind. The modular framework means that homeowners will have the ability to extend their homes over time as your needs or income increases. This fit-for-pocket approach allows more and more people to afford their own home.

Instalment Purchasers can choose from three types of housing: Apartment, Sectional Title and Single Residential.

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## DESCRIPTION OF THE ISSUER

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Description of the Issuer" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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..*

### **("Issuer SPV" or "the Issuer")**

#### **1. Introduction and Corporate Name**

Rainy Day Investments Eighteen (Proprietary) Limited (the "Issuer") was incorporated and registered in Namibia in 2019, under registration number 2019/1115, under the Companies Act as a private company with limited liability.

#### **2. Share Capital and Shareholding**

The issued share capital of the Issuer comprises —

- i. 100 no par value ordinary shares held by the Owner Trust; and
- ii. 1000 cumulative redeemable preference shares held by the Preference Shareholder.

#### **3. Directors**

The Directors of the Issuer are

- i. Candy Ngula
- ii. Natasha Bassingwaighte

#### **4. Secretary and registered office**

The company secretary of the Issuer is Dr Weder Kauta Hoveka Inc. The registered office of Dr Weder Kauta Hoveka Inc is at -

WKH House,  
Ausspannplatz,  
Jan Jonker Road,  
Windhoek,  
Namibia

The registered office of Issuer SPV is at -

Crn Thorter & Feld Street,

Windhoek,

Namibia

## **5. Auditor**

PricewaterhouseCoopers Inc are the present auditors of the Issuer and the Security SPV

## **6. Activities**

On the Transfer Date, the Issuer will acquire from the Originator a portfolio of Claims. The activities of the Issuer will be restricted by the Transaction Documents and will be limited to the issue of the Notes, the ownership of the Sold Claims and other assets referred to in this Programme Memorandum, the exercise of related rights and powers, and other activities referred to in this Programme Memorandum and the Transaction Documents or reasonably incidental to such activities.

Substantially all of the above activities will be carried out by RTO, as agent for and on behalf of the Issuer, under the Servicing Agreement, subject to the rights of the Issuer or the Security SPV to revoke the agency upon the occurrence of certain events of default or insolvency or similar events in relation to RTO, but subject to the appointment of the substitute Servicer.

As at the date of this Programme Memorandum, the Issuer has no loan capital outstanding, no term loans outstanding and no other borrowings or indebtedness in the nature of borrowings nor any contingent liabilities or guarantees (save as contemplated in the Transaction Documents).

The Issuer has not traded at all since the date of its incorporation, being 2019, and no transactions have occurred during this period from the date of incorporation to the date of this Programme Memorandum.

The Issuer is subject to Applicable Laws which may change at any time, such as the Companies Act. The Issuer shall do all things required to comply with all such Applicable Laws from time to time. The activities of the Issuer shall be confined to those contemplated in this Programme Memorandum.

The directors of the Issuer support the Code of Governance Principles set out in the King IV Report (the "Code") and recognise the need to conduct the affairs of the Issuer with integrity and accountability.

The Issuer is an insolvency remote entity operating in accordance with Transaction Documents, with no employees and no administrative infrastructure of its own. The Issuer's affairs are managed, by RTO.

## **7. Material Legal Proceedings**

As at the Signature Date, there are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Issuer is aware, that have or may have had in the recent past, being at least the previous 12 months, a material effect on the Issuer's financial position.

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## THE SERVICER AND THE SERVICING AGREEMENT

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "The Servicer and the Servicing Agreement" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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*

RTO Housing Namibia (Proprietary) Limited ("**RTO**") will be appointed as Servicer in terms of the Servicing Agreement. The registered office of the Servicer is at Crn of Thorher and Feld Street, Windhoek, Namibia.

RTO is a specialist provider of residential finance and in the course of conducting its business has developed a sophisticated instalment sale/loan collection process. Instalment sale collections are automated, with the majority of Instalment Purchasers paying by means of debit order and a deduction code.

Instalment sale defaults are closely managed by means of a real time update of all outstanding instalments.

Missed payments constitute a breach of contract and a default management case is created which is notified to the relevant loan officer as a payment return (indicating a payment default) is received. A penalty payment determined by RTO from time to time and included in the Instalment Agreement is charged on all late payments.

The Servicer is required to administer the Portfolio as the agent of the Issuer under and in accordance with the terms of the Servicing Agreement. The duties of the Servicer include, without limitation, the right and obligation to -

- i. manage the relationship between the Issuer and Instalment Purchasers;
- ii. implement a collections procedure and arrears procedure in respect of Sold Claims; and
- iii. provide computer and information systems management services to the Issuer,

all on the terms and conditions set out in the Servicing Agreement. Payments under the Sold Claims are in the majority of cases collected from Instalment Purchasers under a direct debiting system(deduction code).

The Servicer is entitled to charge fees for its services under the Servicing Agreement payable on each Interest Payment Date, such fees to be equal to such amount as set out in a separate Fee Letter concluded or to be concluded between the Issuer and the Servicer.

The appointment of RTO as Servicer may be terminated by the Issuer (with the consent of the Security SPV) on the happening of certain events of default or insolvency on the part of RTO or pursuant to a breach by the Servicer of its obligations. If the Servicer's appointment as Servicer is terminated a Back-up Servicer must be appointed. The Servicer is entitled to resign on not less than 12 (twelve) months' written notice and shall remain the Servicer until a suitable Servicer has been appointed.

The Servicer has disaster recovery systems and back up arrangements in place. The current arrangements include nightly backups of all data to a secure offsite location. In the event of a "disaster" (for these purposes, any event which disrupts on-line availability for more than 48 consecutive hours), the Servicer software will be loaded on one or more computers in a secure offsite location. The completion of recovery is to take place within 48 hours.

The Servicer undertakes to use its reasonable endeavours to maintain those arrangements without material alteration. Any replacement arrangements which are materially different may not be entered into unless the Security SPV has provided the Servicer with its written consent (not to be unreasonably withheld or delayed).

Neither the Servicer nor the Back-Up Servicer, in their capacity as such, is under any obligation to fund payments owed in respect of the Programme, absorb losses incurred in respect of the Sold Claims transferred to the Issuer or otherwise to recompense investors for losses incurred in respect of the Programme.



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## THE ADMINISTRATOR AND THE ADMINISTRATION AGREEMENT

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "The Administrator and the Administration Agreement" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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.*

Simonis Storm Securities will be appointed as Administrator in terms of the Administration Agreement.

The registered office of the Administrator is at 4 Koch Street, Klein Windhoek, Windhoek, Namibia.

The duties of the Administrator include, without limitation, the right and obligation to —

- i. administer the Priority of Payments;
- ii. make arrangements for the payment by the Issuer of interest and principal in respect of the Notes subject to terms of the Notes and the availability of funds;
- iii. provide cash management services to the Issuer;
- iv. provide general administrative services to the Issuer; and
- v. procure that the Issuer complies with all obligations imposed on it in terms of the Transaction Documents,

all on the terms and conditions set out in the Administration Agreement.

For so long as the Administrator continues to be the Issuer's agent for the administration of the Issuer's business, it will be authorised to operate the Bank Account for these purposes, as agent for and on behalf of the Issuer, subject to the constraints set out in the Administration Agreement.

The Administrator is entitled to charge fees for its services under the Administration Agreement payable on each Interest Payment Date, such fees to be equal to such amount as set out in a separate Fee Letter concluded or to be concluded between the Issuer and the Administrator.

The Administrator is entitled to resign only if the Administrator has found a suitable replacement (and an adequate handover takes place).

The Administrator is under no obligation to fund payments owed in respect of the Programme or otherwise recompense investors for losses incurred in respect of the Programme.

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## DESCRIPTION OF THE SECURITY SPV

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Description of the Issuer" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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**

RAINY DAY INVESTMENTS NINETEEN (Proprietary) Limited, (the "Security SPV") was incorporated and registered in Namibia in 2019, under Registration Number 2019/1116, under the Companies Act as a private company with limited liability.

### **2. Share Capital**

The issued share capital of the Security SPV comprises 100 no par value ordinary shares held by the Security SPV Owner Trust.

### **3. Director**

The Directors of the Security SPV are J C Cronje and Damoline Muruko.

### **4. Secretary and registered office**

The company secretary of the Security SPV is Dr Weder Kauta Hoveka Inc. The registered office of Dr Weder Kauta Hoveka Inc is at -

WKH House,  
Ausspannplatz,  
Jan Jonker Road,  
Windhoek,  
Namibia

The registered office of Security SPV is at -

Crn of Thorer & Feld Street,  
Windhoek,  
Namibia.

## **5. Activities**

The Security SPV will bind itself under a Security SPV Guarantee to each Secured Creditor. The Security SPV Guarantee will be effective from the Initial Issue Date. Pursuant to such Security SPV Guarantee, the Security SPV will irrevocably and unconditionally undertake in favour of each Secured Creditor to pay to it the full amount then owing to it by the Issuer if an Event of Default should occur under the Notes or the respective Transaction Documents and, at the meeting convened by the Security SPV in terms of Condition 11.5.2, the Controlling Class decides by Special Resolution that the Notes shall become immediately due and payable. Once the Controlling Class have decided that the Notes will become immediately due and payable.

The liability of the Security SPV pursuant to the Security SPV Guarantee will, however, be limited in the aggregate to the amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity referred to below. Payment of amounts due by the Security SPV pursuant to the Security SPV Guarantee will be made strictly in accordance with the Post-Enforcement Priority of Payments after delivery of an Enforcement Notice. Performance by the Security SPV of its obligations under the Security SPV Guarantee is subject to the provisions of the Security SPV Guarantee, which provisions do not provide that the Security SPV Guarantee is revocable.

## **6. Material Legal Proceedings**

None.

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## THE OWNER TRUST AND THE SECURITY SPV OWNER TRUST

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "The Owner Trust and the Security SPV Owner Trust" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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. Corporate Name**

KARL-STEFAN ALTMANN will be appointed as the Owner Trustee and Iyaloo Hamutumwa as the Security SPV Owner Trustee.

### **2. Business Address**

The business address of Mr. Altmann is **Business Centre | Business Centre | 55 Rehobother Road, Snyman Circle, Ausspannplatz .**

### **3. Description and Business Activities**

Mr. Altmann is an Executive in CIB and Treasury at Nedbank, Namibia.

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## **THE PORTFOLIO**

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "The Portfolio" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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.*

### **Nature of Claims**

The Claims arise under Instalment Agreements (which are instalment sale agreements originated by the Originator) advanced to the Instalment Purchasers for the purpose of financing the acquisition of residential property in Namibia. The Instalment Agreements are concluded in writing, and usually include a debit order authorisation to facilitate the collection of the Claims.

### **Level of Concentration**

The Portfolio comprises approximately 1500 Claims originated while the precise concentration of the Portfolio will change from time to time.

### **Eligibility Criteria**

The general criteria that each Claim must satisfy in order to qualify for acquisition by the Issuer include, inter alia, the following -

- i. the amount under a single Instalment Agreement shall not exceed N\$1.8 million;
- ii. the aggregate amount of an Instalment Agreement by Instalment Purchasers controlled by a single natural person or group of natural persons shall not exceed N\$1.8 million;
- iii. the original term of the Instalment Agreement shall not exceed 60 months;
- iv. the Instalment Agreement must have been originated by the Originator in accordance with the Originator's credit criteria;
- v. the interest rate on the loan must not be greater than the rate prescribed by the Minister of Finance by regulation from time to time in terms of the Sale of Land on Instalments Act, Act 72 of 1971;
- vi. no amounts are overdue in respect of the Instalment Agreement as at the date of purchase;
- vii. the relevant property must be insured under an insurance policy;
- viii. all security contemplated in the applicable Instalment Agreements must be in place and of full force and effect;
- ix. there must be no obligation on the Issuer, after transfer of the Sold Claim.

- x. the Instalment Agreement must have monthly capital repayments, must be fully amortising over the remaining term, and at least one instalment must have been paid;
- xi. if there is a construction phase, the Instalment Agreement must be outside of construction phase and have been certified complete by the Originator;
- xii. the Claim must constitute an unconditional, irrevocable, valid, binding and enforceable obligation of the Instalment Purchaser;
- xiii. the loan must be NAD based;
- xiv. the relevant property must be located in Namibia;
- xvi. Written confirmation by RTO Credit board of the approval of Purchasers on the following criteria:
  - (a) The Purchaser should not be listed on any credit bureau;
  - (b) The Purchaser must be able to afford the monthly instalments payable from date of occupation in terms of the sales agreement;
  - (c) The Purchaser must be able to pay the 4(four) month deposit payable prior to occupation of the unit. Affordability shall be determined by utilizing the approval process used by Nedbank when assessing a client for a home loan;
  - (d) The Purchaser must have the ability to obtain a home loan from a Financial Institution for the balance purchase price, taking into consideration a 5% increase in his salary over the 5(five) year period. (Home loan approval for: Purchase price less deposit and capital payments) within 5(years) from date of occupation of the Unit;

### **Title to the Portfolio**

The Portfolio consists of Claims originated by the Originator. All Claims are governed by Namibian law. Legal title to all the Claims in the Portfolio will be vested in the Issuer pursuant to the provisions of the Sale of Instalment Claims Agreement.

The Servicer is required by the Servicing Agreement to ensure the safe custody of the documents relating to the Claims and to provide the Security SPV with access to them at all reasonable times.

### **Warranties and Purchase**

The Sale of Instalment Claims Agreement contains certain warranties given by the Originator(Seller) to the Issuer in relation to, among other things, the Sold Claims transferred to the Issuer pursuant to the Sale of Instalment Claims Agreement as at the Transfer Date. The warranties do not relate to the future credit-worthiness of the Instalment Purchasers in terms of the Instalment Agreements and do not relate to matters that do not fall within the control of the Originator.

No searches, enquiries or independent investigation of title have been or will be made by the Issuer or the Security SPV, each of whom is relying entirely on the warranties set out in the Sale of Instalment Claims Agreement.

If there is an unremedied breach of any of the warranties set out in the Sale of Instalment Claims Agreement, then the Originator (Seller) will be obliged to pay the Issuer such damages as the Issuer may have suffered in connection with such breach of warranty.

The warranties of the Originator (Seller) referred to above include warranties that, prior to making an advance to an Instalment Purchaser, the Instalment Purchaser complied in full with all the Eligibility Criteria.

Save as set out above, the Issuer has no right of recourse against the Originator or any other entity acting in a primary role, in respect of losses incurred in connection with the Sold Claims after the transfer thereof in terms of the Programme.

### **Substitution of Sold Claims**

The Originator (Seller) does not have a general right of substitution in respect of the Sold Claims. However, in certain circumstances the Issuer will be entitled to substitute Sold Claims with other Claims, provided that such substitution does not adversely impact the Portfolio Covenants (based on the Portfolio data as at the immediately preceding Determination Date).

The Issuer enjoys a right of substitution in the following circumstances:

- i. if, pursuant to a breach of warranty in respect of a Sold Claim, the Originator (Seller) is required to repurchase that Sold Claim, the repurchase price may, at the Originator's election, be settled either in cash or by the transfer of a substitute Claim with expected future cash flows equal to or greater than the expected future cash flows of the affected Claim.

If the outstanding balance of a substitute Claim is greater than the repurchase price in respect of the affected Claim the Issuer would not be obliged to pay any amount to the Originator in respect of the difference.

### **Enforcement Procedures**

RTO Namibia (Proprietary) Limited has established procedures for managing Claims which are in arrears, including early contact with Instalment Purchasers in order to find a solution to any financial difficulties they may be experiencing. The procedures permit discretion to be exercised by the appropriate officer of RTO in many circumstances. These same procedures as amended from time to time with the consent of, inter alia, the Security SPV, are required to be used by the Servicer in respect of arrears arising on the Claims.

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## **THE BACK-UP SERVICER**

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "The Back-Up Servicer" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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.*

### **Introduction**

No appointment has been made as at the date of the Programme Memorandum.



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## **TAXATION**

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*The comments below are intended as a general guide to the current position under the laws of the Republic of Namibia as at the date of the Programme Memorandum and is not intended to as comprehensive advice and do not constitute tax advice and persons who are in any doubt as to their tax position should consult their professional advisers.*

*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Taxation" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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.*

### **NATURE OF THE DISCOUNT ON ORIGINAL ISSUE OF THE NOTES**

Insofar as the Notes are issued at a discount (by having regard to the difference between the subscription price and the face value thereof) the discount will be treated for tax purposes, and the discount amount will be deemed to accrue to the Noteholder on a yield to maturity basis until the current Noteholder disposes of the Note or until maturity of the Note. Interest is taxed on the basis of the yield to maturity unless an election has been made to treat the Notes held as trading stock on a mark-to-market basis.

### **GENERAL**

Profits of a capital nature are generally not subject to tax in Namibia.

Withholding tax is applicable on interest earned by individuals and Trusts on instruments issued under this Programme. That withholding tax is calculated at 10% of the interest so receivable and/or accrued.

Stamp Duty is applicable in terms of the Stamp Duties Act, 1993 (Act 15 of 1993), as amended.

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## **EXCHANGE CONTROL**

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Exchange Control" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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.

### **Non-Namibian Resident Noteholders and Emigrants from the Common Monetary Area**

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 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.

### **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".

For the purposes of these paragraphs, the Common Monetary Area includes the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini.

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## SUBSCRIPTION AND SALE

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### 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).

A public auction is not an offer of the Notes "to the public" for purposes of the Companies Act but a process used in the debt capital markets to place a Tranche of Notes with institutional investors. A public auction (or Dutch auction) is a procedure for placing a Tranche of Notes with institutional investors at a particular price. The relevant Dealer(s) send an indicative term sheet relating to the Tranche of Notes to potential institutional investors who are given from 4 (four) to 7 (seven) days to consider the indicative term sheet. The date of pricing and allocation of the Tranche of Notes (the Book-Build Date) generally falls from 3 (three) to 5 (five) days before the Issue Date. The pricing and allocation of a Tranche of Notes (the Book-Build) is done, on the Book-Build Date, when potential institutional investors are given a specified time limit (generally 5 hours) in which to telephone in their respective bids for a particular Principal Amount of Notes (for example, N\$70,000,000) at a particular rate (for example, Namibian Prime Rate plus 0.25%). Thereafter, the Tranche of Notes is priced and allocated to potential institutional investors on the basis of the outcome of all of the bids, and the Pricing Supplement is completed.

In terms of (and subject to) the Programme Agreement, Simonis Storm Securities (Proprietary) Limited, has been appointed as Arranger AND Sponsor of the Programme.

The Notes will be distributed by Simonis Storm Securities (Proprietary) Limited and/or any person appointed as dealer by the Issuer in terms of the Programme Agreement dated **4 September 2020** relating to the Programme (the "**Programme Agreement**").

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.

## **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:

- I. as part of its distribution at any time; and
- II. 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:

- I. 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;
- II. at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- III. 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
- IV. 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**

The Issuer and each Dealer has represented, warranted and agreed that (i) in relation to Notes which have a maturity of one year or more, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part VI of the Financial Services and Markets Act, 2000 (the “FSMA”), except 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 otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995 or the FMSA; (ii) in relation to the Notes which have a maturity of 1 year or more, it has not offered or sold and, prior to the expiry of a period of six months from the issue date, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995; (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the 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:

- I. 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;
- II. 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 on 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.



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## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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*This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Issue, Closing and Settlement" shall bear the meanings as used in the section headed "Terms and Conditions of the Notes" 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 17h00 (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 14.2.

### **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**

Each Tranche of unlisted Notes will be issued in registered certificated form and will be represented by one or more Individual Certificates. Unlisted Notes will be settled by the Paying Agent of all transactions in such Notes) in conjunction with the NSX Broker(s), if applicable.

Where a Tranche of unlisted Notes is to be issued:

- 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, 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 17h00 (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 14.2.

## **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.

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## **GENERAL INFORMATION**

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### **Authorisation**

#### **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.

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 Issuer to enter into and to perform its obligations under the Agency Agreement and the Administration Agreement.

#### **Approval and Listing**

This Programme Memorandum was approved by the NSX on 9 July 2020. 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**

Save as disclosed in this Programme Memorandum, there has been no material adverse change in the financial or trading position of the Issuer since incorporation.

#### **Litigation**

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

#### **Auditors**

PricewaterhouseCoopers Inc are the present auditors of the Issuer and the Security SPV.

#### **Documents**

A copy of this Programme Memorandum and each of the documents referred to in the section of this Programme Memorandum headed "Documents Incorporated by Reference" will be available for inspection, so

long as the Programme Memorandum is registered with the NSX, during normal office hours after the date of this Programme Memorandum, at the offices of the Servicer, situated at 3 Field Street, Windhoek, Namibia. A copy of this Programme Memorandum is available at the Servicer's office and their website <https://www.ongosvalley.com.na/>. Further to the above, RTO will ensure that all information which a public company is required to disclose in terms of the Companies act will be provided to the NSX who will in turn disclose same for the benefit of the Public.

Signed ..... at ..... on  
.....2020

For Rainy Day Investments Eighteen (Proprietary) Limited by ..... who warrants that he/she is duly authorised hereto

Signed ..... at ..... on  
.....2020

for Rainy Day Investments Eighteen (Proprietary) Limited by ..... who warrants that he/she is duly authorised hereto

<p><b>ISSUER</b></p> <p><b>RAINY DAY INVESTMENTS EIGHTEEN(Proprietary) Limited, Registration Number 2019/1115</b>  <b>Windhoek</b>  Namibia</p>	<p><b>ORIGINATOR/SERVICER</b></p> <p><b>RTO HOUSING NAMIBIA (Proprietary) Limited, Registration number 2015/0735</b>  Windhoek  Namibia</p>	<p><b>SECURITY SPV</b></p> <p><b>RAINY DAY INVESTMENTS NINETEEN Proprietary Limited</b>  Registration number 2019/1116  Windhoek  Namibia</p>
<p><b>ARRANGER</b></p> <p><b>Simonis Storm Securities (Proprietary) Limited</b>  4 Koch Street  Windhoek  Namibia</p>	<p><b>DEALER</b></p> <p><b>Simonis Storm Securities (Proprietary) Limited</b>  4 Koch Street  Windhoek  Namibia</p>	<p><b>ADMINISTRATOR</b></p> <p><b>Simonis Storm Securities (Proprietary) Limited</b>  4 Koch Street  Windhoek  Namibia</p>
<p><b>CALCULATION AGENT</b></p> <p><b>Simonis Storm Securities (Proprietary) Limited</b>  4 Koch Street  Windhoek  Namibia</p>	<p><b>TRANSFER AGENT</b></p> <p><b>Transfer Secretaries (Proprietary) Limited</b>  (incorporated under company registration number 93/713)  4 Robert Mugabe Avenue  (Entrance in DR. Theo-Ben Gurirab), Windhoek  P.O. Box 2401, Windhoek,  Namibia</p>	<p><b>PAYING AGENT</b></p> <p><b>Nedbank Namibia Limited</b>  Rehobother Road, Snyman Circle,  Windhoek  Namibia</p>
<p><b>AUDITORS</b></p> <p><b>PricewaterhouseCoopers Inc</b>  Windhoek  Namibia</p>	<p><b>LAWYERS</b></p> <p><b>Dr. Weder, Kauta &amp; Hoveka Inc</b>  WKH House  Jan Jonker Road  Ausspannplatz,  Windhoek  Namibia</p>	<p><b>SETTLEMENT AGENT</b></p> <p><b>Nedbank Namibia Limited</b>  Rehobother Road, Snyman Circle,  Windhoek  Namibia</p>