

VAKA/YAKHA ZIMBABWE INFRASTRUCTURE BONDS

ZWL 2 Billion Domestic Infrastructure Bonds Programme



19 JUNE 2020

Prepared and Issued in Terms of the Requirements
of the Public Finance Management Act [Chapter 22:19],
Public Debt Management Act [Chapter 22:21], and
Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14]



NATIONAL GROWTH AND TRANSFORMATION ENABLERS

A development finance institution established in terms of section 3 of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14]

Issuer and Lead Arranger

Government of the Republic of Zimbabwe



Guarantor



Bond Trustee
and Receiving Bank



Co-Arranger



Legal Advisor




Independent Auditors and
Reporting Accountants



Transfer Secretaries, Calculation
Agent and Paying Agent



Debt Sponsor



Under this ZWL 2 Billion Infrastructure Bond Programme (the “Programme”), the Infrastructure Development Bank of Zimbabwe (the “Issuer”) may from time to time issue secured Infrastructure Bonds of any kind (the “Bonds”) pursuant to this Prospectus dated 19 June 2020 (“the Prospectus”), as amended and/or supplemented from time to time.

The Bonds issued under the Programme shall constitute direct, unconditional and secured obligations of the Issuer. Any Bonds issued under the Programme by the completion of the Applicable Pricing Supplement on or after the date of this Prospectus are issued subject to the provisions hereof.

This Prospectus does not affect any Bonds issued before the date of this Prospectus.

It is the intention of the Issuer to list the Bonds issued under the Programme on the Zimbabwe Stock Exchange (“ZSE”) or the Financial Securities Exchange (“FINSEC”) post issuance to enhance tradability.

Unless otherwise defined in this Prospectus or, in relation to a Series of Bonds, the Applicable Pricing Supplement, capitalised terms used in this Prospectus shall bear the meanings ascribed to them in the section of this Prospectus headed “Definitions”.

A Series of Bonds will be issued on, and subject to, the Terms and Conditions set out under the section of this Prospectus headed “Terms and Conditions of the Bonds”, as replaced, amended and/or supplemented by the terms and conditions of that Series of Bonds set out in the Applicable Pricing Supplement (the “Applicable Terms and Conditions”).

The Issuer will, prior to the issue of a Series of Bonds, complete and sign an Applicable Pricing Supplement based on the relevant pro-forma Applicable Pricing Supplement included in this Prospectus, setting out details of such Bonds. A Series of Bonds may comprise Fixed Rate Bonds, Floating Rate Bonds, Indexed Bonds, Mixed Rate Bonds, Instalment Bonds, Zero Coupon Bonds, Partly Paid Bonds, Exchangeable Bonds or such combination of any of the foregoing or such other type of Bonds as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

The maximum aggregate nominal amount of all Bonds from time to time outstanding under the Programme will not exceed ZWL 2 billion, unless such amount is increased as described herein.

Table Of Contents

	Page
1. CORPORATE INFORMATION AND ADVISORS.....	5
2. IMPORTANT NOTICE	7
3. RESPONSIBILITY STATEMENT.....	9
4. FORWARD-LOOKING STATEMENTS	11
5. DEFINITIONS	14
6. DOCUMENTS INCORPORATED BY REFERENCE AND SUPPLEMENTARY DOCUMENTS	28
7. SALIENT FEATURES AND CREDIT STRUCTURE.....	31
8. PROGRAMME SUMMARY	36
9. PRO FORMA APPLICABLE PRICING SUPPLEMENT.....	44
10. RISK FACTORS.....	58
11. DESCRIPTION OF THE ISSUER	65
12. INFORMATION ON THE GUARANTOR.....	74
13. TERMS AND CONDITIONS OF THE BONDS.....	76
14. FINANCIAL AND LEGAL INFORMATION.....	99
15. TAXATION.....	101
16. EXCHANGE CONTROL.....	104
17. GENERAL INFORMATION	106
18. ENQUIRIES.....	110
ANNEXURE 1: REPORT OF THE INDEPENDENT AUDITORS ON SUMMARY FINANCIAL INFORMATION..	112
ANNEXURE 2: APPLICATION FORM.....	121

1. Corporate Information And Advisors

Issuer and Lead Arranger

Infrastructure Development Bank of Zimbabwe
IDBZ House
99 Rotten Row
Harare, Zimbabwe
Tel: +263 242 750171-8

Co-Arranger

ZB Capital (Private) Limited
21 Natal Road
Avondale
Harare, Zimbabwe
Tel: +263 867 700 2001

Legal Advisor

Honey & Blanckenberg Legal Practitioners
200 Herbert Chitepo Avenue
Harare, Zimbabwe
Tel: +263 242 762552

Independent Auditors and Reporting Accountants

Baker Tilly Chartered Accountants (Zimbabwe)
8 Fletcher Road, Mount Pleasant
Harare, Zimbabwe
Tel: +263 242 369730

Guarantor

The Government of the Republic of Zimbabwe
C/o Ministry of Finance and Economic Development
New Government Complex
Cnr. Fourth Street/Samora Machel Avenue
Harare, Zimbabwe
Tel: +263 242 797759

Bond Trustee

ZB Bank Limited
21 Natal Road
Avondale
Harare, Zimbabwe
Tel: +263 867 700 2001

Registrar and Transfer Agent

Corpserve Registrars (Private) Limited
2nd Floor, ZB Centre
Cnr. First Street/Kwame Nkrumah Avenue
Harare, Zimbabwe
Tel: +263 242 758193

Debt Sponsor

MMC Capital (Private) Limited
(Member of the ZSE)
Block D, Smatsatsa Office Park
Borrowdale Road
Harare, Zimbabwe
Tel: +263 242 783069-71



**IMPORTANT
NOTICE**

2. Important Notice

THIS OFFER IS AVAILABLE TO (i) INSTITUTIONAL AND CORPORATE INVESTORS, (ii) HIGH NETWORTH INDIVIDUALS AND RETAIL INVESTORS, AND (iii) ANY OTHER PERSONS TO WHOM THE OFFER OR INVITATION TO INVEST IN THE BONDS ISSUED UNDER THE PROGRAMME IS LAWFUL.

No person has been authorised to give any information or to make any representation in connection with the Programme and any offering of the Bonds under this Programme, other than those contained in this Prospectus, and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Advisors. Neither the delivery of this Prospectus nor the offering of any Bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date of the Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date. This Prospectus may only be used for the purpose for which it has been published.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Bonds is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Bonds. Each investor contemplating purchasing Bonds should make its own independent investigation of the financial condition and affairs of the Issuer and make its own appraisal of the creditworthiness of the Issuer.

Neither the Issuer nor its Advisors undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Bonds of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference in this Prospectus when deciding whether or not to purchase any Bonds.

The Bonds issued under this Programme may not be offered or sold, directly or indirectly, and neither this Prospectus nor any form of application, advertisement, other offering material or other information relating to the Issuer or the Bonds may be issued, distributed or published in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. The Bonds have not been registered under any securities legislation whether in Zimbabwe or any other country. The Issuer intends to list the Bonds on the Zimbabwe Stock Exchange ("ZSE") or the Financial Securities Exchange post issuance to enhance tradability.

The distribution of this Prospectus in or into certain countries may constitute a violation of the laws of such countries. Accordingly, this Prospectus does not constitute an offer for the sale or the solicitation of an offer to buy Bonds in any jurisdiction in which such offer or solicitation is unlawful.

This Prospectus has not been registered in any jurisdiction under any applicable securities legislation. Accordingly, this Prospectus is, and the persons receiving it confirm that it is, issued and being distributed only to persons who are of a kind to whom this Prospectus may lawfully be issued under any applicable securities legislation and/or any other applicable laws and regulations in the relevant country, territory or jurisdiction.

In making an investment decision in relation to the Bonds, investors are advised to seek independent advice (from their professional advisers) on the Issuer and the terms of the Bonds, including the merits and risks involved. An investment in the Bonds involves risks including, but not necessarily limited to, those set out under the section of this Prospectus headed "Risk Factors".



RESPONSIBILITY STATEMENT

3. Responsibility Statement

The Issuer accepts full responsibility for the information contained in this Prospectus and the Applicable Pricing Supplement for each Series of Bonds issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import.

The opinions, assumptions, intentions, projections and forecasts expressed in this Prospectus with regard to the Issuer are honestly held by the Issuer, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

None of the Advisors to the Programme have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Advisors as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme. No Advisor accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.

Where any term is defined within the context of any particular Condition or Section in this Prospectus, the term so defined, unless it is clear from the Condition or Section in question that the term so defined has limited application to the relevant Condition or Section, shall bear the meaning ascribed to it for all purposes in this Prospectus, unless qualified by the Terms and Conditions of any particular Series of Bonds as set out in the Applicable Pricing Supplement or unless the context otherwise requires.

This Prospectus must be read in conjunction with all documents which are incorporated by reference (see Section 6 of this Prospectus headed "Documents Incorporated by Reference"). This Prospectus must be read and construed on the basis that such documents are incorporated into and form part of this Prospectus.



**FORWARD
LOOKING STATEMENTS**

4. Forward-Looking Statements

Some statements in this Prospectus as well as written and oral statements that the Issuer, the Guarantor or their respective representatives make from time to time in reports, filings, news releases, conferences, teleconferences, web postings or otherwise, may be deemed to be “forward-looking statements”.

Forward-looking statements include statements concerning the Issuer’s or Guarantor’s plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. Throughout this Prospectus, the Issuer uses words such as “should”, “may”, “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “will”, “seeks”, “projections”, “future”, “likely” and any similar expressions to identify forward-looking statements.

The Issuer and Guarantor have based these respective forward-looking statements on the current views of their respective officials with respect to future events and financial performance. These views reflect the best judgment of the Issuer’s and Guarantor’s respective officials but involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the Issuer’s and Guarantor’s forward-looking statements and from past results, performance or achievements. Although the Issuer and Guarantor believe that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Issuer and Guarantor have identified in this Prospectus, or if any of the Issuer’s or Guarantor’s underlying assumptions prove to be incomplete or incorrect, the Issuer’s or Guarantor’s actual results of operations may vary from those expected, estimated or projected. These forward-looking statements speak only as at the date of this Prospectus. Neither the Issuer nor the Guarantor are obliged to, and neither the Issuer nor the Guarantor intends to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer or the Guarantor, or persons acting on either the Issuer’s or the Guarantor’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective investor in the Bonds should not place undue reliance on these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. These factors include but are not limited to the following:

- the Issuer’s ability to refinance its indebtedness on reasonable terms or at all, if necessary, regard being had to prevailing market conditions;
- the Issuer’s ability to timeously recover subsequent loans extended to beneficiary projects from the proceeds of the Bonds;
- the Issuer’s ability to maintain its liquidity levels above the minimum holding of liquid assets in compliance with the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14] and Banking Act [Chapter 24:20] as read with its Regulations;
- changes in the Issuer’s Establishing Act;
- changes in the Issuer’s shareholding;
- fluctuations in inflation, interest rates and other economic conditions in Zimbabwe;
- the effects of, and changes in, the fiscal and monetary policy of the Zimbabwean government as announced from time to time by the Ministry of Finance and Economic Development and the Reserve Bank of Zimbabwe;
- the effects of changes in laws, regulations, taxation or accounting standards or practices in Zimbabwe;
- global, regional and domestic socio-political and economic developments;
- such other factors as discussed in the section of this Prospectus titled “Risk Factors”, and
- the Issuer’s ability to manage the risks associated with the aforementioned factors.

Forward-Looking Statements

When relying on forward-looking statements, prospective investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Issuer and the Guarantor operate. The Issuer and the Guarantor do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario and/or outcome.

A close-up photograph of an open book. A magnifying glass is held over the pages, focusing on a specific area. A pen is also visible, resting on the page. The image is overlaid with a green and yellow geometric design in the bottom right corner.

DEFINITIONS

5. Definitions

In this Prospectus the following definitions apply, unless the context indicates otherwise, the words in the first column hereunder have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa, and words in the masculine shall import both the feminine and neuter.

“Advisors”	Collectively, the Bond Trustee, Co-Arranger, Legal Advisor, Registrar and Transfer Agent, Debt Sponsor, Independent Auditors and Reporting Accountants or such persons or entities specified in the Applicable Pricing Supplement as the Advisors or such other parties that might be appointed as such from time to time, as detailed in the Applicable Pricing Supplements.
“Applicant”	A person who applies to purchase the Bonds of the Issuer pursuant to the Programme and in accordance with the terms and conditions of the Applicable Pricing Supplement.
“Application Form”	The application form substantially in the form as set out in Annexure 2 of this Prospectus which has to be completed by the Applicant or prospective Bondholder(s) in order to subscribe for the Bonds under the Programme.
“Applicable Laws”	In relation to the Issuer (or any other person), all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, directives, codes of practice, circulars, guidance notices, judgements and decisions of any competent authority, or any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and other similar provisions, from time to time, compliance with which is mandatory for that person, including but not limited to the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14], Public Finance Management Act [Chapter 22:19], Public Debt Management Act [Chapter 22:21], and Debt Listings Requirements of the ZSE or Income Board Listings Requirements of FINSEC.
“Applicable Pricing Supplement”	In relation to a Series of Bonds, the pricing supplement completed and signed by the Issuer in relation to the issue of that Series of Bonds, setting out such additional and/or other terms and conditions as are applicable to that Series of Bonds, based upon the “Pro Forma Applicable Pricing Supplement” as set out in this Prospectus.
“Applicable Procedures”	In relation to Bonds which are listed on the ZSE or FINSEC, the clearing and settlement rules for the time being of the Chengetedzai Depository Company Limited (CCDL) or FINSEC Clearing and Settlement System (FCSS).
“Applicable Terms and Conditions”	In relation to any Series of Bonds, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions set out in the Applicable Pricing Supplement relating to that Series of Bonds.
“Authorisation”	An authorisation, consent, approval, resolution, license, exemption, filing, registration or notarisation.
“Board” or “Board of Directors”	Collectively, the Directors of the Issuer as specified under the section of this Prospectus headed “Description of the Issuer”.
“Bondholder”	Any person who is for the time being a holder of the Bonds (being a person whose name is entered in the register of Bondholders as the holder thereof) and the words “holder” and “holders” and related expressions shall, where appropriate, be construed accordingly.

Definitions

“Bonds”	The Bonds of any kind issued or to be issued by the Issuer under the Programme, pursuant to the Prospectus.
“Books Closed Period”	Twenty one (21) calendar days prior to each Interest Payment Date and/or Redemption Date, or such other period(s) as the Issuer may determine in the Applicable Pricing Supplement and during which period the Registrar and Transfer Agent will not record any transfer or exchange of Bonds in the Register, as specified in the Applicable Pricing Supplement.
“Business Day”	A day (other than a Saturday or Sunday or public holiday in Zimbabwe) which is a day on which commercial banks settle payments in Zimbabwe.
“Business Day Convention”	In relation to the Bonds (where applicable), the convention for adjusting any Interest Payment Date if it would otherwise fall on a day that is not a Business Day, as further provided under the section headed “Terms and Conditions of the Bonds”.
“Calculation Agent”	In relation to the Bonds, Corpserve Registrar (Private) Limited or such person or entity specified in the Applicable Pricing Supplement as the Calculation Agent, whose responsibility is to compute the interest/coupon entitlements due to Bondholders at the applicable settlement dates.
“Calculation Period”	This relates to the time for which interest is payable to the Bondholder.
“Call Option”	In relation to the Bonds (where applicable), the option of the Issuer to redeem that Series of Bonds, in whole or in part, prior to its maturity, in terms of the Applicable Pricing Supplement.
“CDCL”	Chengetedzai Depository Company Limited, a company with limited liability duly incorporated in accordance with the laws of Zimbabwe, licensed as a central depository by the Securities and Exchange Commission of Zimbabwe in terms of the Securities and Exchange Act [Chapter 24:25].
“Central Securities Depository”	The securities depository operated by Chengetedzai Depository Company Limited or Financial Securities Exchange (Private) Limited, which are licensed by the Securities and Exchange Commission of Zimbabwe in terms of the Securities and Exchange Act [Chapter 24:25].
“Class of Bondholders”	The holders of a Series of Bonds or, where appropriate, the holders of different Series of Bonds.
“Change in Law”	In relation to a Series of Bonds, an event where, as a result of (a) the adoption of or any change in any applicable law or regulation or (b) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under the Applicable Terms and Conditions of any Series of Bonds (including, without limitation, as a result of any increase in tax liability, decrease in tax benefit or other adverse effect on the Issuer’s tax position) which adoption, change or promulgation is announced on or after the Issue Date of the first Tranche of Bonds in that Series.
“Change of Control”	A change of control of the Issuer as provided in Condition 7.4.5.2 (Change of Control).
“Change of Control Event”	An event that constitutes a Change of Control as provided in Condition 7.4.2 (Change of Control Event).

“Change of Control Notice”	A notice to the effect that a Change of Control Event has occurred as provided in Condition 7.4.3 (Change of Control Notice).
“Class of Bondholders”	The holders of a Series of Bonds or, where appropriate, the holders of different Series of Bonds.
“Concurrent Claims”	All unsubordinated, secured claims of creditors of the Issuer.
“Condition”	The terms and conditions of the Bonds as set out in Section 13 of this Prospectus headed “Terms and Conditions of the Bonds”. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Bonds of any Series of Bonds issued.
“Cross-Default”	An Event of Default as set out in Condition 9.1.2 (Cross Default).
“Currency”	Zimbabwe Dollar, ZWL or any other lawful currency as specified in the Applicable Pricing Supplement.
“Day Count Fraction”	In relation to a Series of Bonds (where applicable) and the calculation of an amount for any period of time (the “Calculation Period”), the day count fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and: <ul style="list-style-type: none"> (a) if “Actual/365”, “Act/365”, “Actual/Actual” or “Act/Act” is so specified, means the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); (b) if “Actual/365 (Fixed)”, “Act/365 (Fixed)”, “A/365 (Fixed)” or “A/365F” is so specified, means the actual number of days in the Interest Period in respect of which payment is being made divided by 365; (c) if “Actual/360”, “Act/360” or “A/360” is so specified, means the actual number of days in the Interest Period in respect of which payment is being made divided by 360; (d) if “30/360”, “360/360” or “Bond Basis” is so specified, means the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

- “D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and
 “D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;
- (e) if “30E/360” or “Eurobond Basis” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31, in which case D2 will be 30.

- (f) if “30E/360 (ISDA)” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D2 will be 30.

“Dealer”

A dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject

Debt Sponsor"	to the Issuer's right to terminate the appointment of any Dealer. MMC Capital (Private) Limited, a member of the ZSE acting as the Debt Sponsor to the Programme, or such other party whom might be appointed from time to time.
"Default Rate"	The default rate as specified in the Applicable Pricing Supplement.
"Denomination of Bonds"	Bonds will be issued at any time, subject to a minimum denomination (as determined in the Applicable Pricing Supplement), in consistent and equal denominations as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement.
"Director(s)"	A Director or Directors of the Issuer as specified under the section of this Prospectus headed "Description of the Issuer".
"Disposal"	A sale, transfer, grant, lease or other disposal (whether voluntary or involuntary).
"Early Redemption Amount"	In relation to the Bonds, the amount, as set out in Condition 7.5 (Early Redemption Amounts), at which the Bonds will be redeemed by the Issuer, pursuant to the provisions of Conditions 7.2 (Redemption for Regulatory and/or Tax Reasons), Condition 7.3 (Redemption at the Option of the Issuer), Condition 7.4 (Redemption in the event of Change of Control) and/or Condition 9 (Events of Default).
"Early Redemption Event"	An event in which the Bonds will be redeemed by the Issuer pursuant to the provisions of Conditions 7.2 (Redemption for Regulatory and/or Tax Reasons), Condition 7.3 (Redemption at the Option of the Issuer), Condition 7.4 (Redemption in the event of Change of Control) and/or Condition 9 (Events of Default).
"Encumbrances"	Any mortgage, pledge, lien, hypothecation, assignment, cession in securitatem debiti, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law.
"Event of Default"	Any event of default by the Issuer as set out in Condition 9 (Events of Default).
"Exchange Control Authorities"	The Minister of Finance and Economic Development; or the Reserve Bank of Zimbabwe or any authorised dealer that is so declared by order.
"Exchange Control Regulations"	Exchange Control Regulations, 1996 (Statutory Instrument 109 of 1996), promulgated in terms of the Exchange Control Act [Chapter 22:05], as amended from time to time.
"Exchangeable Bonds"	Bonds which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to Bondholders of cash or of so many of the Exchangeable Securities as is determined in accordance with the Applicable Pricing Supplement.
"Exchange Period"	In relation to a Series of Exchangeable Bonds to which the Bondholders' Exchange right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which

Exchangeable Price"	such right may be exercised. In relation to a Series of Exchangeable Bonds, the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchangeable Securities which may be delivered in redemption of Exchangeable Bonds will be determined.
"Exchangeable Securities"	In relation to a Series of Exchangeable Bonds, the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of the Exchangeable Bonds to the value of the Exchangeable Price.
"Extraordinary Resolution"	A resolution passed at a meeting (duly convened) of the Bondholders or a Class of Bondholders, as the case may be, as contemplated in Condition 14 (Trust, Trustee and Meetings of Bondholders) by a majority consisting of not less than 75% (seventy-five percent) votes at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75% (seventy-five percent) of the votes given on such poll by Bondholders present in person or by proxy.
"Final Broken Amount"	In relation to the Bonds (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement.
"Final Redemption Amount"	In relation to Bonds which are to be redeemed on the Maturity Date, (i) the Principal Amount or the relevant unredeemed portion thereof plus accrued interest (if any) to the Maturity Date or (ii) such other amount as may be specified in, or determined in accordance with the Terms and Conditions or the Applicable Pricing Supplement.
"FINSEC"	Financial Securities Exchange (Private) Limited, a company incorporated in Zimbabwe, licensed by the Securities and Exchange Commission as a Securities Exchange in terms of Section 30 of the Securities and Exchange Act [Chapter 24:25] as read with the Securities (Alternative Trading Platform) Rules S.I. 100 of 2016.
"First Interest Payable"	The first amount of interest payable in respect of the Principal Amount of the Bonds as specified in the Applicable Pricing Supplement.
"First Interest Payment Date"	In relation to the Bonds (where applicable), the date specified as such in the Applicable Pricing Supplement.
"Fiscal Agent"	The collective term used for the Calculation and Paying Agent.
"Fixed Interest Rate"	The fixed interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement.
"Fixed Rate Bonds"	Bonds which will bear interest at a Fixed Interest Rate, as specified in the Applicable Pricing Supplement.
"Fixed Interest Period"	The period in which interest is payable on Fixed Rate Bonds as specified in the Applicable Pricing Supplement.
"Floating Interest Rate"	In relation to the Bonds (where applicable), the floating interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement.

“Floating Rate Bonds”	Bonds which will bear interest at a Floating Interest Rate, as specified in the Applicable Pricing Supplement.
“Floating Rate Business Day Convention”	The Business Day Convention on the Interest Payment Date in respect of the Floating Rate Bonds as provided in Condition 5.3.1 (Floating Rate Business Day Convention).
“Following Business Day Convention”	The following day after the Business Day Convention as provided in Condition 5.3.2 (Following Business Day Convention).
“Governing Law”	The laws of the Republic of Zimbabwe in force from time to time.
“Government”	The Government of the Republic of Zimbabwe.
“Guarantee”	The irrevocable and unconditional guarantee by the Government of the Republic of Zimbabwe, in favour of the Bondholders, for sums owing by the Issuer in respect of the Bonds issued under the Programme.
“Guarantor”	The Government of the Republic of Zimbabwe.
“Higher Redemption Amount”	In relation to the Bonds, the higher redemption amount specified as such in the Applicable Pricing Supplement.
“IDBZ Act”/“Establishing Act”	Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14].
“Indebtedness”	In respect of the Issuer, any indebtedness in respect of monies borrowed and guarantees given, whether present or future, actual or contingent, which includes, but is not limited to, any bond, bilateral loan or any other financial arrangement that qualifies as debt.
“Indexed Bonds”	Indexed Interest Bonds and/or Indexed Redemption Amount Bonds, as applicable.
“Indexed Interest Bonds”	Bonds in respect of which the Interest Amount is calculated by reference to such index and/or formula as is specified in the Applicable Pricing Supplement.
“Indexed Redemption Amount Bonds”	Bonds in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula, as specified in the Applicable Pricing Supplement.
“Initial Broken Amount”	In relation to the Bonds (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement.
“Instalment Amount”	In relation to Instalment Bonds, the amount expressed (in the Applicable Pricing Supplement) as a percentage of the Nominal Amount of an Instalment Bond, being an instalment of principal (other than the final instalment) on an Instalment Bond.
“Instalment Bonds”	Bonds redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement.
“Instalment Dates”	In relation to Instalment Bonds, the dates specified as such in the Applicable Pricing Supplement.

Definitions

“Interest Amount”	In relation to the Bonds, the amount of interest payable in respect of the Nominal Amount of Bonds as specified in the Applicable Pricing Supplement.
“Interest Commencement Date”	The first date from which interest on the Bonds (where applicable) will accrue, as specified in the Applicable Pricing Supplement.
“Interest Determination Date”	In relation to the Bonds, the date specified as such in the Applicable Pricing Supplement.
“Interest Payment Date”	The date(s) specified as such in the Applicable Pricing Supplement, or if no such date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding date upon which Interest Amounts are due and payable (such period as specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
“Interest Period”	The period(s) in respect of which interest accrues on the Bonds and falls due for payment on the applicable Interest Payment Date.
“Interest Rate”	The rate of interest applicable to the relevant Bonds, as set out in the Applicable Pricing Supplement.
“ISDA”	International Swaps and Derivatives Association Inc.
“ISDA Definitions”	In relation to interest-bearing Bonds (where applicable), the 2006 ISDA Definitions (as amended and updated as at the Issue Date) as published by the International Swaps and Derivatives Association Inc.
“ISIN”	The ISIN number allocated to Uncertificated Bonds.
“Issuer” or “IDBZ” or “the Bank”	The Infrastructure Development Bank of Zimbabwe.
“Issue Date”	The date of issuance of a Series of Bonds, as specified in the Applicable Pricing Supplement.
“Issue Price”	In relation to the Bonds, the price specified as such in the Applicable Pricing Supplement.
“Last Day to Register”	With respect to a particular Series of Bonds (as reflected in the Applicable Pricing Supplement), the last date preceding a Relevant Date on which the Registrar and Transfer Agent will accept Transfer Forms and record the transfer of Bonds in that Series of Bonds in the Register and whereafter the Register is closed for further transfers or entries until the Relevant Date. Bondholders reflected in the Register on the relevant Last Day to Register shall be entitled to payments of interest and principal.
“Legal Advisor”	Honey & Blanckenberg Legal Practitioners or such party whom might be appointed from time to time.
“Listings Requirements”	The Debt Listings Requirements of the ZSE or the Fixed Income Board Listings Requirements of FINSEC, as applicable and as amended from time to time.
“Margin”	In relation to the Bonds (where applicable), the margin specified as such in the Applicable Pricing Supplement.

“Mandatory Exchange”	If indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Bonds on the Maturity Date by delivery of Exchange Securities to the relevant Bondholders of Exchangeable Bonds.
“Material Change”	A change in the business, operations or capital of the Issuer that would reasonably be expected to have a significant effect on the Issuer’s ability to meet its obligations under the Programme, including but not limited to, any change in Applicable Laws.
“Maturity Date”	In relation to any Series of Bonds, the date specified as such in the Applicable Pricing Supplement.
“Maturity Period”	In relation to any Series of Bonds, the period from (and including) the Issue Date to (but excluding) the Maturity Date.
“Maximum Redemption Amount”	In relation to a Series of Bonds (where applicable), the maximum redemption amount specified as such in the Applicable Pricing Supplement.
“Minimum Denomination”	The minimum denomination in which the Bonds shall be issued, as specified in the Applicable Pricing Supplement.
“Minimum Redemption Amount”	In relation to a Series of Bonds (where applicable), the minimum redemption amount specified as such in the Applicable Pricing Supplement.
“Minimum Subscription Amount”	The aggregate Issue Price of a Series of Bonds subscribed by a Bondholder for every single purchase of Bonds, as specified in the Applicable Pricing Supplement.
“Ministry” or “MoFED”	Ministry of Finance and Economic Development.
“Mixed Rate Bonds”	Bonds which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Bonds, Floating Rates Bonds, Index-Linked Bonds or Other Bonds, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 5.2.8 (Mixed Rate Bonds).
“Nominal Amount”	In relation to the Bonds, the total amount, excluding interest and any adjustment on account of any formula, owing by the Issuer under the Bonds.
“Optional Redemption Amount”	In relation to the Bonds, the optional redemption amount specified as such in the Applicable Pricing Supplement.
“Optional Redemption Date”	In relation to the Bonds, the optional redemption date specified in the Applicable Pricing Supplement.
“Ordinary Resolution”	A resolution passed at a meeting (duly convened) of the Bondholders or a Class of Bondholders, as the case may be, as contemplated in Condition 14 (Trust, Trustee and Meetings of Bondholders) holding in the aggregate not less than 50%+1 (fifty percent plus one) of the votes as defined herein at such meeting upon a show of hands or if a poll be duly demanded then by 50%+1 (fifty percent plus one) of the votes given on such poll.
“Outstanding Principal Amount”	In relation to any Series of Bonds, the Principal Amount of the Bonds less, on each occasion on which that Series or Series is partially redeemed in terms of Condition 7, that portion of the Principal Amount of that Series

of Bonds which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate outstanding Principal Amount of all the Bonds in issue under the Programme at that time.

“Party”	A Party or any other person includes that person’s permitted successor, transferee, cessionary and/or delegate.
“Paying Agent”	In relation to the Bonds, Corpserve Registrar (Private) Limited or such person or entity specified in the Applicable Pricing Supplement as the Paying Agent.
“Permitted Encumbrances”	<p>Means:</p> <ul style="list-style-type: none">(a) any Encumbrance existing as at the date of the Applicable Pricing Supplement; or(b) any Encumbrance with regard to receivables of the Issuer which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness is limited to the value of such receivable; or(c) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary; or(d) any Encumbrance created over any asset owned, acquired, developed or constructed, provided that the Indebtedness so secured shall not exceed the bona fide market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two; or(e) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or(f) any Encumbrance created in the ordinary course of business, which includes construction guarantees, or guarantees over stock-in-trade, inventories, accounts receivable or deposit accounts; or(g) any Encumbrance subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset (but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased, save in the ordinary course of business as set out in sub-clauses (a) to (f) above; or(h) in addition to any Encumbrance referred to in (a) to (g) above, any other Encumbrance which when aggregated provides a security interest to creditors in an aggregate value of not more than USD 50,000,000, in respect of any foreign debt, or its ZWL equivalent.
“Person”	Any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.
“PDMA”	Public Debt Management Act [Chapter 22:21], as amended from time to time.
“PFMA”	Public Finance Management Act [Chapter 22:19], as amended from time to time.

“Placing Agents”	Banks and other non-banking institutions appointed by the Issuer to receive and process Bond applications from investors.
“Programme”	The ZWL 2 Billion Infrastructure Bonds Programme established in terms of this Prospectus, as amended from time to time, under which the Issuer may from time to time issue Bonds to fund infrastructure projects.
“Programme Amount”	The maximum aggregate Outstanding Principal Amount of all of the Bonds that may be in issue under the Programme at any one point in time, being, as at the Programme Date, ZWL 2 Billion, or such increased amount as is determined by the Issuer from time to time, as set out in Section 7 of this Prospectus headed “Salient Features and Credit Structure”.
“Programme Date”	The date of this Prospectus, being 19 June 2020.
“Prospectus”	This prospectus prepared by the Issuer in connection with the Programme as such document is amended, revised or supplemented from time to time.
“Rating”	As at the Programme Date, both the Issuer and this Programme have not been rated by any professional rating agency. However, the Issuer may, at any time, obtain a rating by a rating agency for this Programme or any Series of Bonds issued pursuant to this Programme.
“RBZ”	Reserve Bank of Zimbabwe.
“Redemption Amount”	As appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the provisions of the Applicable Pricing Supplement;
“Redemption Date”	In relation to a Series of Bonds, the date upon which the Bonds are redeemed by the Issuer, whether by way of Maturity Condition 7.1 (At Maturity) or pursuant to the provisions of Condition 7.2 (Redemption for Regulatory and/or Tax Reasons), Condition 7.3 (Redemption at the Option of the Issuer), Condition 7.4 (Redemption at the Change of Control) and/or Condition 9 (Events of Default).
“Reference Banks”	In relation to a Series of Bonds (where applicable), the banks specified as such in the Applicable Pricing Supplement or, if none, three (3) major banks in the Zimbabwe inter-bank market selected by the Calculation Agent and approved by the Issuer.
“Reference Rate”	In relation to Floating Rate Bonds (where applicable), the rate specified as such in the Applicable Pricing Supplement.
“Register”	The register of Certificated Bonds maintained by the Registrar and Transfer Agent and the electronic register maintained by the Central Securities Depository in respect of Uncertificated Bonds and which such registers shall be reconciled and updated on a quarterly basis.
“Registrar and Transfer Agent”	In relation to the Bonds, Corpserve Registrar (Private) Limited or such person or entity specified in the Applicable Pricing Supplement as the Registrar and Transfer Agent.
“Relevant Date”	In respect of any payment relating to the Bonds, the date on which such payment first becomes due.

“Requisition Notice”	A notice requisitioned in writing by Bondholders holding at least 25% (twenty-five percent) of the aggregate Outstanding Principal Amount of the Bonds calling upon a meeting to be convened.
“Relevant Screen Page”	In relation to a Series of Bonds (where applicable), the page, section or other part of a particular information service specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.
“Securities Exchange”	In relation to listed Bonds, the ZSE, FINSEC or such other (or additional) securities exchange(s) as may be determined by the Issuer subject to Applicable Laws, as specified in the Applicable Pricing Supplement.
“SECZ”	Securities Exchange Commission of Zimbabwe.
“Series” or “Series of Bonds”	All Bonds which are identical in all respects (including as to listing, interest payment dates, interest rates and dates of redemption) and in respect of which the same Applicable Pricing Supplement applies.
“Specified Currency”	Zimbabwe Dollar (ZWL) or, subject to all Applicable Laws, such currency as is specified in the Applicable Pricing Supplement.
“Subordinated Indebtedness”	In the event of the dissolution of the Issuer or if the Issuer is wound-up or placed in liquidation or is subject to business rescue proceedings, any indebtedness of 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.
“Supplementary Documents”	The documents to be incorporated in and to form part of the Prospectus as provided in Section 6 of this Prospectus headed “Documents Incorporated by Reference and Supplementary Documents”.
“Taxes”	Any present or future taxes, duties, assessments, or government charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Zimbabwe or any authority therein or thereof having power to tax.
“Tax Event”	In relation to the Bonds, an event where, as a result of a Tax Law Change, (i) the Issuer has paid or will pay or would on the next Interest Payment Date be required to pay additional amounts as provided for in Condition 7.2 and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.
“Tax Law Change”	In relation to the Bonds, a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the Republic of Zimbabwe, or any authority thereof or therein having power to tax, or any change or proposed change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change, proposed change, amendment or proposed amendment is announced on or after the Issue Date of the Bonds.

"Terms and Conditions"	The terms and conditions of the Bonds as set out in Section 13 of this Prospectus headed "Terms and Conditions of the Bonds". The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation of any Series of Bonds issued.
"Trust"	The Trust established by the Trust Deed, appointing the Trustee, with the aim of providing for the protection and enforcement of the rights and entitlements of Bondholders.
"Trustee"	ZB Bank Limited or any other Trustee appointed from time to time.
"Trust Deed"	The Trust Deed entered into between the Issuer and the Trustee.
"Underwriting"	The Programme is currently not underwritten, however in the event that a Series of Bonds or a Tranche in a Series of Bonds is underwritten, particulars of such underwriting agreement shall be indicated in the Applicable Pricing Supplement.
"Zero Coupon Bonds"	Bonds which will be offered and sold at a discount to their Principal Amount and which will not bear interest other than in the case of late payment, as specified in the Applicable Pricing Supplement.
"Zimbabwe Dollar" or "ZWL"	The Issue currency being the lawful currency of the Republic of Zimbabwe.
"ZIMRA"	Zimbabwe Revenue Authority established in terms of the Revenue Authority Act [Chapter 23:11].
"ZSE"	The Zimbabwe Stock Exchange Limited, a securities exchange regulated in terms of the Securities and Exchange Act [Chapter 24:25] to provide for the listing and trading of securities.



**DOCUMENTS INCORPORATED BY
REFERENCE AND SUPPLEMENTARY
DOCUMENTS**

6. Documents Incorporated By Reference And Supplementary Documents

1. The documents listed below shall be deemed to be incorporated into, and to form part of, this Prospectus (hereinafter called the "Supplementary Documents"):
 - 1.1 all amendments and/or supplements to this Prospectus circulated by the Issuer from time to time;
 - 1.2 The Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14];
 - 1.3 Authority granted by the Minister of Finance and Economic Development for the IDBZ to undertake the Programme;
 - 1.4 IDBZ Board Resolution to undertake the Programme;
 - 1.5 Guarantee issued by the Government of the Republic of Zimbabwe in favour of Bondholders under the Programme;
 - 1.6 Authority from the Ministry of Finance and Economic Development conferring Prescribed Asset Status and Tax Exemption Status on the Bonds issued under the Programme;
 - 1.7 Authority from the Reserve Bank of Zimbabwe conferring Liquid Asset Status and Overnight Accommodation Collateral Status on the Bonds issued under the Programme;
 - 1.8 Letters of Consent from the Advisors below:
 - Co-Arranger;
 - Bond Trustee;
 - Legal Advisor;
 - Registrar and Transfer Agent;
 - Debt Sponsor; and
 - Reporting Accountant and Independent Auditor.
 - 1.9 the published annual financial statements (incorporating audited financial statements and other reports thereto) of the Issuer for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019, incorporated as Annexure 1 to this Prospectus and also available free of charge at the registered office or principal place of business of the Issuer – IDBZ House, 99 Rotten Row, Harare, Zimbabwe; and on the website of the Issuer which is <http://www.idbz.co.zw/> ;
 - 1.10 the published annual financial statements (incorporating audited financial statements and other reports thereto) of the Issuer in respect of all financial years after the Programme Date;
 - 1.11 the Applicable Pricing Supplement relating to any Series of Bonds issued under the Programme and all information pertaining to the Issuer which is relevant to the Programme and/or this Prospectus which will be submitted to the ZSE and/or FINSEC;
 - 1.12 each supplement to this Prospectus circulated by the Issuer from time to time;
 - 1.13 the Trust Deed dated 12 May 2020 which establishes the Trust and appoints the Trustee to administer the Trust for the benefit of the Bondholders.
2. Any statement contained in this Prospectus or in a Supplementary Document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any Supplementary Documents which are deemed to be incorporated by reference herein modify or supersede such earlier statement (whether expressly, by implication or otherwise).
3. The Issuer will electronically provide, without charge, for inspection to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Registrar and Transfer Agent at their registered offices as set out in this Prospectus under the section headed "Corporate Information and Advisors" and/or as

Documents Incorporated By Reference And Supplementary Documents

provided in the Applicable Pricing Supplement.

4. The Prospectus, any amendments and/or supplements thereto, and the documents referred to in paragraphs 1.1 to 1.13 above will be available on the Issuer's website, <http://www.idbz.co.zw/>.
5. Website and internet addresses in this Prospectus are included for reference only and the contents of any such websites and internet sites are not incorporated by reference into, and do not form part of, this Prospectus.
6. Whilst any Bonds remain outstanding and listed on the ZSE or FINSEC, the Issuer will publish a Supplementary Prospectus or a prospectus substantially on the same terms as this Prospectus, as the case may be, if:
 - 6.1 there is a change in the condition (financial or otherwise) of the Issuer which is material in the context of the Bonds; or
 - 6.2 an event has occurred which affects any matter contained in this Prospectus, the disclosure of which would reasonably be required by the Issuer to the Bondholders and/or potential investors in the Bonds; or
 - 6.3 any of the information contained in this Prospectus becomes outdated in material respect; or
 - 6.4 this Prospectus no longer contains all the information required by the Applicable Laws.

Provided that, in the circumstances set out in paragraphs 6.1 to 6.4 above, no new Prospectus or supplement to this Prospectus, as the case may be, is required in respect of the Issuer's annual financial statements if such annual financial statements are incorporated by reference into this Programme and such annual financial statements are published within six months after the financial year end of the Issuer.

An aerial photograph of a river delta with a large waterfall and a bridge. The top half shows a wide river with many small islands of green vegetation. The bottom half shows a large waterfall cascading over a cliff, with a bridge crossing the river below. The text "SALIENT FEATURES AND CREDIT STRUCTURE" is overlaid in white on a semi-transparent yellow and red background.

SALIENT FEATURES AND CREDIT STRUCTURE

7. Salient Features And Credit Structure

Capitalised terms used in this section headed “Salient Features and Credit Structure” shall bear the same meanings as used in the section headed “Definitions”, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

7.1 OVERVIEW OF THE PROGRAMME

Subject to the applicable provisions of the Public Finance Management Act [Chapter 22:19], Public Debt Management Act [Chapter 22:21] and the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14], the Issuer may, at any time and from time to time (without the consent of any Bondholder), issue one or more Series of Bonds under the Programme, pursuant to this Prospectus, provided that the aggregate Outstanding Principal Amount of all the Bonds in issue under the Programme from time to time does not exceed the Programme Amount.

The applicable terms of the Bonds will be determined by the Issuer prior to the issue of the Bonds and will be set out in the Terms and Conditions incorporated by reference into the Bonds, as modified and supplemented by the Applicable Pricing Supplement.

This Prospectus will only apply to Bonds issued under the Programme on or after the Programme Date.

7.2 REGULATION OF THE ISSUER

See Section 11 of this Prospectus headed “Description of the Issuer” under sub-Section 11.2 “Establishment and Regulation of the Issuer” for a description, and regulation, of the Issuer.

7.3 ISSUE OF BONDS

The Issuer may issue Fixed Rate Bonds, Floating Rate Bonds, Indexed Bonds, Instalment Bonds, Mixed Rate Bonds, Zero Coupon Bonds, Exchangeable Bonds or such combination of any of the foregoing or such other type of Bonds as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

Each Series of Bonds will be issued on, and subject to, the Applicable Terms and Conditions. Bonds may be issued in various Tranches within a Series. The Issuer will, prior to the issuance of a Series of Bonds, complete an Applicable Pricing Supplement based on the Pro Forma Applicable Pricing Supplement set out in Section 9 of this Prospectus headed “Pro Forma Applicable Pricing Supplement”.

7.4 LISTING

It is the intention of the Issuer to list some or all of the Bonds issued under the Programme on the ZSE or FINSEC, post issuance, to enhance tradability. Some of the Bonds may, at the Issuer’s discretion, remain unlisted.

The Applicable Pricing Supplement will specify whether or not a Series of Bonds will be listed. A copy of the Applicable Pricing Supplement relating to a Series of Bonds which is to be listed on the ZSE or FINSEC will be delivered to the ZSE or FINSEC by the date on which the Bonds are listed.

7.5 PROGRAMME AMOUNT

As at the Programme Date, the Programme Amount is ZWL2 Billion.

The Issuer may, with the consent of the Guarantor, increase the Programme Amount by delivering a notice thereof to Bondholders in accordance with Condition 12 (Notices) of the Terms and Conditions, and to the ZSE and/or FINSEC. Upon such notice being given to Bondholders and the ZSE and/or FINSEC, all references in this Prospectus (and each agreement, deed or document relating to the Programme and/or this Prospectus) to the Programme Amount will be deemed to be references to the increased Programme Amount set out in such notice.

7.6 RATING

The Issuer and the Programme have not been rated as at the Programme Date, but may be rated by a Rating Agency, on

a national or international scale basis after the Programme Date. A Series of Bonds may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer and/or the Programme and/or a Series of Bonds, as the case may be, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).

7.7 EXCHANGE CONTROL REGULATIONS

The issue of a particular Series of Bonds may, depending on the Specified Currency of the Bonds in that Series, require the prior written consent of Exchange Control Authorities in terms of Exchange Control Regulations (see Section 16 of this Prospectus headed "Exchange Control").

7.8 RISK FACTORS

Investing in the Bonds involves certain risks (see Section 10 of this Prospectus headed "Risk Factors").

7.9 FORM OF BONDS

Bonds will be issued either in certificated (materialized) form or in uncertificated (dematerialized) form as specified in the Applicable Pricing Supplement.

7.9.1 Bonds issued in certificated (materialized) form

Bonds issued in certificated form will be represented by individual Certificates in registered form. Bonds represented by Certificates will be registered in the Register in the name of the individual Bondholders and as such will not be issued in bearer form.

Title to Bonds represented by Certificates will pass upon registration of transfer in accordance with Condition 10.3 (Transfer of Certificated Bonds).

7.9.2 Bonds issued in uncertificated (dematerialized) form

Bonds issued in uncertificated (dematerialized) form will not be represented by any certificate or written instrument. Such Bonds will be held in the Central Securities Depository and will be indicated in the relevant Register as being owned or held by the Bondholder thereof.

7.10 PAYMENTS TO BONDHOLDERS

Payments of all amounts due and payable in respect of the Bonds will be made in accordance with Condition 6 (Payments) to the person reflected as the registered holder of such Bonds in the Register on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

7.11 USE OF PROCEEDS

The Issuer is a national Development Finance Institution and has a statutory mandate to mobilise resources for infrastructure development in Zimbabwe. Capital mobilised through the Programme will be deployed to fund the development and implementation of targeted priority infrastructure projects as will be agreed between the Issuer and the Guarantor.

The Government of Zimbabwe's 2020 Infrastructure Investment Programme, which builds on the 2019 Infrastructure Investment Plan, identifies priority infrastructure investments in various sectors, drawing from projects identified under the Transitional Stabilisation Programme (TSP) as well as those that address emerging issues.

The following are identified infrastructure projects that will be earmarked for support from the proceeds of the Bonds:

- Harare-Beitbridge Road Upgrading Project;
- Sumben Housing Project (Harare);
- Willsgrove Park Housing Project (Bulawayo);
- Victoria Ranch Housing Project (Masvingo);

- Urban Renewal and Housing Projects;
- National Railways of Zimbabwe Recapitalisation Programme;
- Hwange Power Station Rehabilitation Works (Life Extension) for Units 1-6 (existing Units); and
- Repowering of small thermal power stations (Munyati, Bulawayo and Harare II).

The Applicable Pricing Supplement for each Series of Bonds will indicate the infrastructure projects to which the proceeds of that Series will be applied.

7.12 CREDIT STRUCTURE

7.12.1 Mechanics of the Credit Structure

To support the Bond Programme, multiple Sinking Fund Accounts will be established into which identifiable project cash flows will be ring-fenced for purposes of meeting interest and capital repayments. Additionally, the credit structure provides for a top-up mechanism where Government will provide fiscal resources to cover any cash flow gaps and ensure adequate resources to service debt obligations under the Bonds.

The Sinking Fund Accounts will be overseen by an independent Bond Trustee who will ensure adequacy of cash flows to meet repayment obligations under the Bonds in accordance with the terms and conditions of the Bonds. All capital and interest repayments to Bondholders will be made from the Sinking Fund Accounts.

The Bonds are guaranteed by the Government of Zimbabwe (“the Guarantor”). The Guarantor has irrevocably guaranteed to the Bondholders remittance of all scheduled principal and interest payments which may from time to time become due and payable by the Issuer in respect of the Bonds upon default by the Issuer and on provision of satisfactory proof that all available legal channels for recovering any outstanding debt from the Issuer have been exhausted.

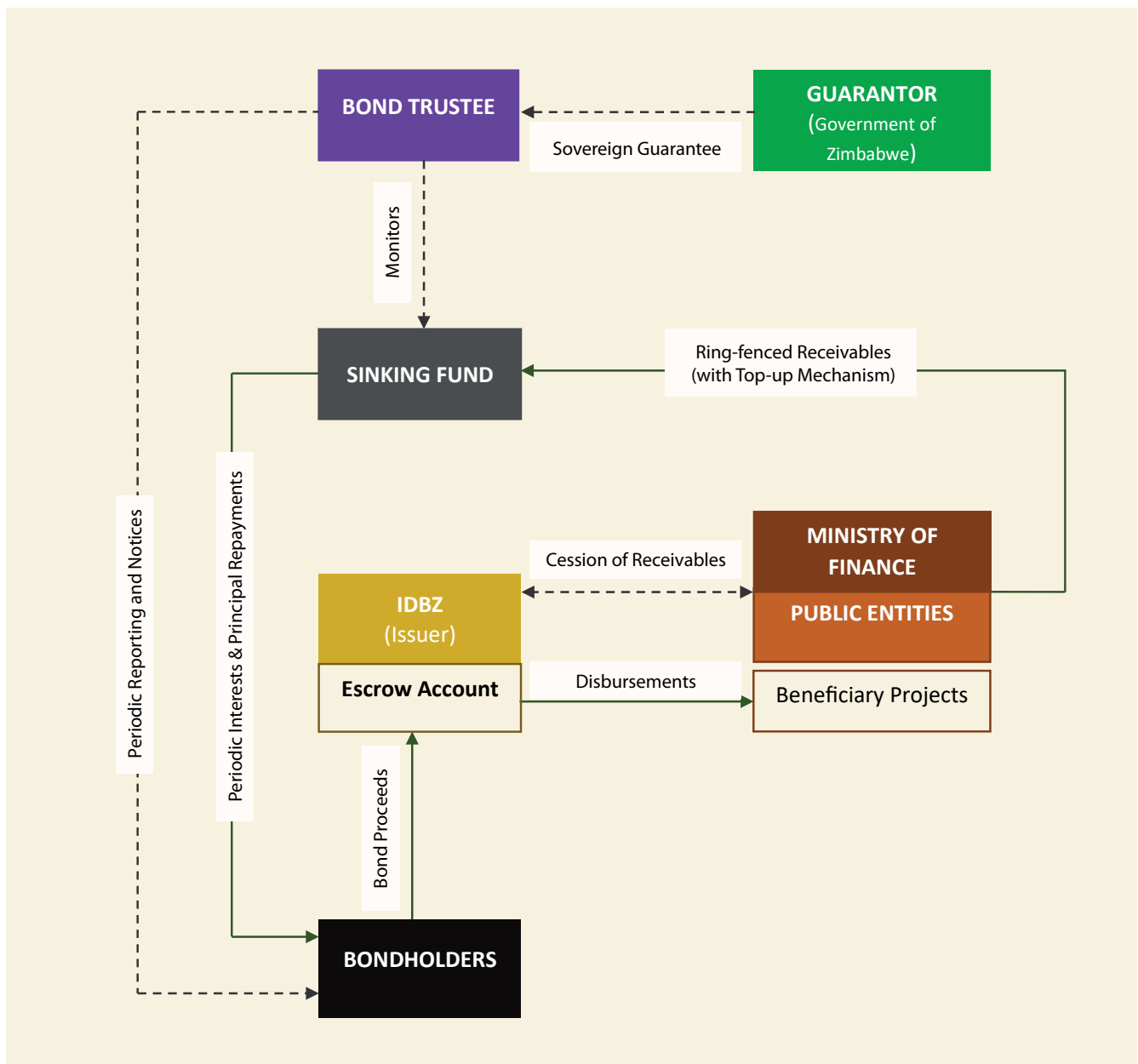
The Guarantee constitutes a direct and irrevocable obligation of the Guarantor. The Guarantee is only enforceable by the Bondholders indirectly through the Bond Trustee.

In accordance with the provisions of Section 300 of the Constitution of the Republic of Zimbabwe, 2013, and Section 18(2) of the Public Debt Management Act [Chapter 22:21], the terms of the Guarantee will be published in the Government Gazette within 60 days of conclusion thereof.

Salient Features And Credit Structure

7.12.2 Overview of the Credit Structure

Below is a schematic overview of the credit structure for the Bond Programme.





PROGRAMME SUMMARY

8. Programme Summary

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Prospectus and, in relation to any particular Series of Bonds, the Applicable Pricing Supplement.

TRANSACTION PARTIES	
Issuer and Lead Arranger	Infrastructure Development Bank of Zimbabwe.
Co-Arranger	ZB Capital (Private) Limited.
Guarantor	Government of the Republic of Zimbabwe.
Registrar and Transfer Agent	Corpserve Registrars (Private) Limited or such person or entity specified in the Applicable Pricing Supplement as the Registrar and Transfer Agent.
Calculation Agent	Corpserve Registrars (Private) Limited or such person or entity specified in the Applicable Pricing Supplement as the Calculation Agent.
Paying Agent	Corpserve Registrars (Private) Limited or such person or entity specified in the Applicable Pricing Supplement as the Paying Agent.
Legal Advisor	Honey & Blanckenberg Legal Practitioners.
Trustee	ZB Bank Limited.
Independent Auditors	Baker Tilly Chartered Accountants (Zimbabwe).
Debt Sponsor	MMC Capital (Private) Limited, a member of the ZSE acting as the Debt Sponsor to the Programme, or such other party whom might be appointed as such from time to time.
ZSE	Zimbabwe Stock Exchange Limited, licensed as a securities exchange in terms of the Securities and Exchange Act [Chapter 24:25] or any exchange which operates as a successor exchange to the ZSE in terms of the Securities and Exchange Act [Chapter 24:25].
FINSEC	Financial Securities Exchange (Private) Limited, licensed as a securities exchange in terms of the Securities and Exchange Act [Chapter 24:25] or any exchange which operates as a successor exchange to FINSEC in terms of the Securities and Exchange Act [Chapter 24:25].
THE PROGRAMME	
Description of the Programme	Domestic Infrastructure Bonds Programme.

Programme Summary

Programme Amount	As at the Programme Date, the Programme Amount is ZWL2 Billion. The aggregate Outstanding Principal Amount of Bonds in issue under the Programme may not exceed ZWL2 Billion, unless such amount is increased by the Issuer, as set out in Section 7 of this Prospectus headed "Salient Features" under sub-Section 7.5 titled "Programme Amount".
THE BONDS	
Applicable Pricing Supplement	<p>The Issuer will, prior to the issue of a Series of Bonds, complete an Applicable Pricing Supplement based on the Pro Forma Applicable Pricing Settlement set out in Section 9 of this Prospectus headed "Pro Forma Applicable Pricing Supplement".</p> <p>The Applicable Pricing Supplement will set out, among other things, the type of Bonds in that Series, the Specified Denomination, the Specified Currency, the aggregate Principal Amount of that Series of Bonds, the Issue Date, the Issue Price, the Interest Rate (where applicable), the Interest Payment Date(s) (where applicable), and the Maturity Date.</p>
Cross Default	Bonds issued under the Programme will have the benefit of a cross default as described in Condition 9.1.2.
Description of the Bonds	Secured Bonds of any kind issued by the Issuer, under the Programme, pursuant to this Prospectus.
Events of Default	An Event of Default in respect of a Series of Bonds is deemed to have happened upon the occurrence of any of the events set out in Condition 9.
Form of Bonds	Bonds will be issued in the form of Registered Bonds, either in certificated (materialized) form or in uncertificated (dematerialized) form, as described under Section 7 of this Prospectus headed "Salient Features and Credit Structure" under sub-Section 7.9 titled "Form of Bonds".
Issue Price	Bonds may be issued on a fully-paid or partly-paid basis and at a discount or premium to its Principal Amount, as specified in the Applicable Pricing Supplement.
Principal Amount and Outstanding Principal Amount	The Principal Amount of each Bond will be the Nominal Amount of that Bond (being the amount equivalent to the Specified Denomination). The outstanding Principal Amount of a Bond from time to time will be the Principal Amount of that Bond less (on each occasion, if any, on which that Bond is partially redeemed in terms of Condition 7) such portion of the Principal Amount of that Bond which has been so partially redeemed.
Specified Currency	Zimbabwe Dollar (ZWL) or, subject to all Applicable Laws, any other currency specified as such in the Applicable Pricing Supplement.

Programme Summary

Specified Denomination	The denomination of each Bond in a Series of Bonds will be the amount specified as such in the Applicable Pricing Supplement.
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and will rank pari passu without any preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least pari passu with all other present and future secured and unsubordinated obligations of the Issuer, as described in Condition 4.
Terms and Conditions	<p>The terms and conditions of the Bonds are set out in Section 13 of this Prospectus headed "Terms and Conditions of the Bonds".</p> <p>The applicable Terms and Conditions of a Series of Bonds are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Series of Bonds set out in the Applicable Pricing Supplement.</p>
Type of Bonds	A Series of Bonds may comprise Fixed Rate Bonds, Floating Rate Bonds, Instalment Bonds, Indexed Bonds, Mixed Rate Bonds, Zero Coupon Bonds, Exchangeable Bonds or such combination of any of the foregoing or such other type of Bonds as may be determined by the Issuer and specified in the Applicable Pricing Supplement.
Special Features	<ul style="list-style-type: none"> • Prescribed Asset Status • Tax exemption • Liquid Asset Status • Acceptable as collateral for overnight accommodation by the Reserve Bank of Zimbabwe
Security	<ul style="list-style-type: none"> • Dedicated Sinking Fund towards debt service; and • Guaranteed by the Government of the Republic of Zimbabwe.
PAYMENTS UNDER THE BONDS AND REDEMPTION	
Interest	<p>Bonds may be interest-bearing or non-interest bearing as specified in the Applicable Pricing Supplement.</p> <p>Interest (if any) may accrue at a fixed rate or floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Final Redemption Date.</p>
Interest Terms	The Interest Rate, Interest Commencement Date, Interest Payment Date(s) and Interest Period(s) applicable to a Series of interest-bearing Bonds will be specified in the Applicable Pricing Supplement.

Programme Summary

Interest Payments	Interest on a Series of interest-bearing Bonds will be payable in arrears, in respect of the Interest Period(s) specified in the Applicable Pricing Supplement, on the Interest Payment Date(s) specified in the Applicable Pricing Supplement.
Maturity Date	The Maturity Date of a Series of Bonds will be specified in the Applicable Pricing Supplement.
Redemption Amount	A Series of Bonds may be redeemed at par or at such other redemption amount (detailed in a formula, index or otherwise) as may be specified in the Applicable Pricing Supplement. Bonds may also be redeemed in two or more instalments on such dates and in such manner as may be specified in the Applicable Pricing Supplement.
Redemption Date	<p>Redemption at Maturity: Subject to the Applicable Terms and Conditions, and unless previously redeemed or purchased and cancelled pursuant to Condition 7, the Issuer will redeem a Series of Bonds on the Maturity Date, at the Final Redemption Amount, as described in Condition 7.1.</p> <p>Redemption at the option of the Issuer: If a Call Option is applicable to a Series of Bonds, the Issuer may, at its option, redeem that Series of Bonds, in whole or in part (as specified in the Applicable Pricing Supplement), on the Optional Redemption Date, at the Optional Redemption Amount, as fully described in Condition 7.3.</p> <p>Redemption for Regulatory and/or Tax Reasons: If changes in regulation and/or tax law occur which will make it unlawful for the Issuer to perform or to comply with any of its obligations under the Applicable Terms and Conditions for a Series of Bonds, the Issuer may at its option, redeem that Series of Bonds (in whole but not in part), on the Optional Redemption Date, at the Optional Redemption Amount, as described in Condition 7.2.</p> <p>Redemption following a Change of Control Event: Following the occurrence of a Change of Control Event, any Class of Bondholders may, by way of an Extraordinary Resolution, request the Issuer to redeem Bonds held by such Bondholders, and the Issuer shall redeem all of the Bonds of that Class of Bondholders within thirty (30) days on which such Extraordinary Resolution is passed, at the Early Redemption Amount, as more fully described in Condition 7.4.</p>

Programme Summary

GENERAL	
Approval and Listing	<p>Application will be made after the Issue Date for the listing of the Bonds on the Zimbabwe Stock Exchange (ZSE) or Financial Securities Exchange (FINSEC).</p> <p>A Series of Bonds under the Programme may be listed on the ZSE or FINSEC as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Bonds may also be issued under the Programme.</p> <p>The Applicable Pricing Supplement relating to a Series of Bonds will specify whether or not the Bonds in that Series will be listed and, if so, on which securities exchange.</p>
Applicable Procedures	<p>In relation to a Series of Bonds which is listed on the ZSE or FINSEC, the clearing and settlement rules and operating procedures of the respective securities exchange.</p>
Books Closed Period	<p>The Register will, in respect of a Series of Registered Bonds, be closed during the Books Closed Period.</p> <p>The Books Closed period will be from 16:00hrs (Zimbabwean time) on the Last Day to Register until 16:00hrs (Zimbabwean time) on the day preceding each Interest Payment Date (where applicable) and the Redemption Date.</p> <p>The Last Day to Register will be until 16:00hrs (Zimbabwean time) on the 21st calendar day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Redemption Date falling in the same calendar month.</p>
Clearing and Settlement	<p>Bonds which are listed on the ZSE or FINSEC in certificated or uncertificated form will be cleared and settled in accordance with the rules and settlement procedures of the applicable securities exchange and held in the applicable Central Securities Depository (CSD). Bonds held in the CSD will be indicated in the relevant Register as being owned or held by the Bondholder thereof.</p>
Distribution	<p>A Series of Bonds may be offered by way of private placement, public auction, public offer or any other means permitted by law as determined by the Issuer, and as specified in the Applicable Pricing Supplement.</p>

Programme Summary

<p>Exchange Control</p>	<p>This Prospectus and the issue of Bonds under the Programme do not require the prior written approval of Exchange Control Authorities in terms of existing Exchange Control Regulations.</p> <p>However, under certain circumstances (and if so indicated in the Applicable Pricing Supplement), the issue of a particular Series of Bonds may require the prior written approval of the Exchange Control Authorities in terms of Exchange Control Regulations (see the section of this Prospectus headed “Exchange Control”).</p>
<p>Governing Law</p>	<p>This Prospectus, the Bonds and the Applicable Terms and Conditions will be governed by, and construed in accordance with, the laws of the Republic of Zimbabwe.</p>
<p>Rating</p>	<p>The Issuer and the Programme are not rated as at the Programme Date, but may be rated by a Rating Agency on a national or international scale basis after the Programme Date. A Series of Bonds may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer and/or the Programme and/or a Series of Bonds, as the case may be, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).</p>
<p>Register</p>	<p>Each Series of Bonds issued in certificated form will be represented by individual Certificates and will be registered in the Register in the name of the individual Bondholders.</p> <p>Payments of all amounts due and payable in respect of Bonds represented by Certificates will be made in accordance with Condition 6 (Payments) to the person reflected as the registered holder of such Bonds in the Register on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.</p> <p>Bonds issued in uncertificated (dematerialized) form will not be represented by any certificate or written instrument. Each Series of Bonds which is listed on the ZSE or FINSEC in uncertificated form will be held in the applicable Central Securities Depository (CSD). Bonds held in the CSD will be indicated in the relevant Register as being owned or held by the Bondholder thereof.</p> <p>The CSD will hold each Series of Bonds subject to the Applicable Laws and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Bonds held in the CSD will be paid to and may be exercised by the Bondholders.</p>
<p>Regulation of the Issuer</p>	<p>See Section 11 of this Prospectus headed “Description of the Issuer” under sub-Section 11.2 “Establishment and Regulation of the Issuer” for a description of the establishment and regulation of the Issuer.</p>

Programme Summary

Risk Factors	Investing in the Bonds involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are set out in Section 10 of this Prospectus headed "Risk Factors".
Selling Restrictions	The distribution of this Prospectus and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Series of Bonds may be restricted by law in certain jurisdictions. Persons who come into possession of this Prospectus and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
Use of Proceeds	The Issuer has a statutory mandate to mobilise resources for infrastructure development in Zimbabwe. Funds mobilised through the Programme will be deployed to fund the implementation of various priority national infrastructure projects as will be agreed between the Issuer and the Guarantor. The Applicable Pricing Supplement for each Series of Bonds will indicate the infrastructure projects to which the proceeds of that Series will be applied.



**PRO FORMA APPLICABLE
PRICING SUPPLEMENT**

9. Pro Forma Applicable Pricing Supplement

The form of Applicable Pricing Supplement which will be completed for each Series of Bonds under the Programme will be substantially in the form set out below, adapted, as applicable, in such manner as determined by the Issuer.



Issuer and Lead Arranger

ZWL 2 Billion Domestic Infrastructure Bonds Programme

Issue of ZWL [Amount] Secured [Type of Bonds] due [Date]
[Series Name]

This document constitutes the Applicable Pricing Supplement relating to the issue of Bonds described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated [] [and the supplemental Prospectus dated []].

This Applicable Pricing Supplement contains the final terms of the Bonds and must be read in conjunction with such Prospectus [as so supplemented]. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Prospectus, the provisions of this Applicable Pricing Supplement shall prevail.

The Issuer represents that it has taken all reasonable care to ensure that the information contained in this Applicable Pricing Supplement is true and accurate in all material respects as of the date hereof and that there are no other material facts in relation to the Issuer the omission of which would make misleading any statement herein, whether of fact or of opinion.

Government of the Republic of Zimbabwe



Guarantor



Bond Trustee
and Receiving Bank



Co-Arranger



Legal Advisor



Independent Auditors and
Reporting Accountants



Transfer Secretaries, Calculation
Agent and Paying Agent



Debt Sponsor

Pro Forma Applicable Pricing Supplement

A. DESCRIPTION OF THE BONDS

1. Issuer and Lead Arranger	Infrastructure Development Bank of Zimbabwe
2. Guarantor	Government of the Republic of Zimbabwe
3. Tranche number	[]
4. Series number	[]
5. Special Features	<ul style="list-style-type: none"> · Prescribed Asset Status · Tax Exemption · Liquid Asset Status · Reserve Bank of Zimbabwe Overnight Accommodation Collateral Status.
6. Status of Bonds	The Bonds constitute registered, direct, general, secured and unconditional obligations of the Issuer, which will at all times rank pari passu without any preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least pari passu with all other present and future secured and unsubordinated obligations of the Issuer.
7. Form of Bonds	Registered [Certificated/Uncertificated] Bonds The Bonds in this Series are issued in registered [certificated/uncertificated] form and will be held in the Central Securities Depository upon listing (delete if inapplicable)
8. Type of Bonds	[Fixed Rate Bonds] [Floating Rate Bonds] [Mixed Rate Bonds] [Indexed Interest Bonds] [Indexed Redemption Amount Bonds] [Instalment Bonds] [Zero Coupon Bonds] [Partly Paid Bonds] [Exchangeable Bonds] [specify other]
9. Opening Date of Offer	[]
10. Closing Date of Offer	[]
11. Issue Date	[]
12. Issue Price	[100% of the Principal Amount] [Fully paid up basis at par] [specify other]
13. Interest	[Interest-bearing] [Non-interest bearing]
14. Automatic/Optional Conversion from one Interest/Redemption payment basis to another	[Not Applicable] [specify details of any applicable provisions]
15. Specified Currency	[ZWL] [specify other]

Pro Forma Applicable Pricing Supplement

16. Specified Denomination (Nominal Amount per Bond)	Principal Amount of ZWL [Amount] and integral multiples of ZWL [Amount] thereof.
17. Minimum Subscription Amount	<ul style="list-style-type: none"> · Institutional - ZWL [Amount] · Individuals - ZWL [Amount] · Mobile Money Subscribers - ZWL [Amount]
18. Business Day Convention	[Following Business Day Convention] [Preceding Business Day Convention] [specify other]
19. Day Count Fraction	[Actual/365] [Actual/360] [Actual/Actual] [30/360] as defined in the Prospectus [specify other]

B. PROGRAMME AMOUNT

1. Programme Amount as at the Issue Date	[ZWL2 Billion] [specify other]
2. Aggregate outstanding Principal Amount of all of the Bonds in issue under the Programme as at the Issue Date	[Amount], excluding the Aggregate Principal Amount of this Tranche/Series.
3. Issuer confirmation as to Programme Amount	The Issuer confirms that the issuance of this Tranche/Series will not cause the Issuer to exceed the Programme Amount.

C. FIXED RATE BONDS

1. Rate of Interest	[]% per annum for the period from and including the Interest Commencement Date to but excluding the Redemption Date/Maturity Date
2. Interest Commencement Date	[Issue Date]
3. Interest Payment Date(s)	Semi-annually in arrears on [] and [] of each year until the Maturity Date. [specify other]
4. First Interest Payment Date	[]

Pro Forma Applicable Pricing Supplement

5. Interest Periods	<p>The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date.</p> <p>Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Maturity Date.</p>
6. Default Rate	<p>[()% per annum over the Fixed Rate of Interest] [specify other] [Not Applicable]</p>
7. Other terms relating to the method of calculating interest for the Fixed Rate Bonds.	<p>Not Applicable [specify other terms]</p>

D. FLOATING RATE BONDS

1. Rate of Interest	<p>The Bonds will bear interest at the Floating Interest Rate per annum equal to the sum of the [Reference Rate] plus [the Margin] for the period from and including the Issue Date to but excluding the Maturity Date [specify other]</p>
2. Interest Commencement Date	<p>[Issue Date]</p>
3. Interest Payment Date(s)	<p>Semi-annually in arrears on [] and [] of each year until the Maturity Date. [specify other]</p>
4. First Interest Payment Date	<p>[]</p>
5. Interest Periods	<p>The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date.</p> <p>Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Maturity Date.</p>

Pro Forma Applicable Pricing Supplement

6. Rate Determination Date/s	<p>[The first day of each Interest Period; provided that the Rate Determination Date for the first Interest Period shall be [Issue Date or date before Issue Date]]</p> <p>If any such date is not a Business Day, the Rate Determination Date will be the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Rate Determination Date will be brought forward to the first preceding Business Day.</p>
7. Manner in which the Floating Interest Rate is to be determined	<p>[Screen Rate Determination] [ISDA Determination] [Other Determination - specify]</p>
8. If Screen Rate Determination applicable: (*delete if not applicable)	<p>[Applicable] [Not Applicable]</p>
<p>(a) Reference Rate</p> <p>(b) Interest Determination Dates</p> <p>(c) Relevant Screen Page and Reference Code</p> <p>(d) Relevant Time</p>	<p>[]</p> <p>[The first day of each Interest Period; provided that the first Interest Rate Determination Date shall be [Issue Date or date before Issue Date]]</p> <p>If any such date is not a Business Day, the Interest Determination Date will be the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Interest Determination Date will be brought forward to the first preceding Business Day.</p> <p>[]</p> <p>[]</p>
9. If ISDA Determination applicable: (*delete if not applicable)	<p>[Applicable] [Not Applicable]</p>
<p>(a) Floating Rate</p> <p>(b) Floating Rate Option</p> <p>(c) Designated Maturity</p> <p>(d) Reset Date(s)</p> <p>(e) ISDA Definitions to Apply</p>	<p>[]</p> <p>[]</p> <p>[]</p> <p>[]</p> <p>[]</p>
10. If Other Determination applicable: (*delete if not applicable)	<p>[Applicable] [Not Applicable] (if the Floating Interest Rate to be calculated otherwise than by reference to Screen Rate Determination or ISDA Determination, insert basis for determining the Floating Rate Interest)</p>

Pro Forma Applicable Pricing Supplement

11. Margin	[()% per annum to be added to the [ISDA Rate / Reference Rate] [Not Applicable] [specify other]
12. Minimum Rate of Interest	[Not Applicable] [specify Minimum Interest Rate: ()% per annum]
13. Maximum Rate of Interest	[Not Applicable] [specify Maximum Interest Rate: ()% per annum]
14. Default Rate	[()% per annum over the Floating Rate of Interest] [specify other]
15. Other terms relating to the method of calculating interest for the Floating Rate Bonds	Not Applicable [specify other terms]

E. MIXED RATE BONDS

1. Interest Period(s) during which the Interest Rate for the Mixed Rate Bonds will be (as applicable) that for:	[Applicable] [Not Applicable]
(a) Fixed Rate Bonds	[]
(b) Floating Rate Bonds	[]
(c) Indexed Bonds	[]
(d) Other Bonds	[]
2. Other terms relating to the method of calculating interest for the Mixed Rate Bonds	Not Applicable [specify other terms]

F. INSTALMENT BONDS

1. Instalment Dates	[]
2. Instalment Amounts	[]

G. ZERO COUPON BONDS

1. Accrual Yield	[()%] [specify other]
2. Reference Price	[]
3. Any other formula/basis of determining amount payable	[Not Applicable] [give details]
4. Default Rate	[]

Pro Forma Applicable Pricing Supplement

H. INDEXED BONDS

1. Type of Indexed Bonds	[Indexed Interest Bonds (that is, Indexed Bonds in respect of which the Interest Amount is calculated by reference to an index and/or a formula) [Indexed Redemption Bonds (that is, Indexed Bonds in respect of which the Redemption Amount is calculated by reference to an index and/or a formula)]
2. Index/Formula by reference to which Interest Amount/Redemption Amount is to be determined	[give details]
3. Manner in which the Interest Rate / Interest Amount / Redemption Amount is to be determined	[give details]
4. Provisions where calculation by reference to Index/Formula is impossible or impracticable	[give details]
5. Interest Commencement Date	[]
6. Interest Payment Date(s)	[]
7. First Interest Payment Date	[]
8. Interest Periods	[]
9. Minimum Rate of Interest	[Not Applicable] [specify Minimum Interest Rate: ()% per annum]
10. Maximum Rate of Interest	[Not Applicable] [specify Maximum Interest Rate: ()% per annum]
11. Other terms relating to the calculation of Interest Rate / Interest Amount / Redemption Amount	[Not Applicable] [give details]

I. EXCHANGEABLE BONDS

1. Mandatory Exchange	[Applicable] [Not Applicable]
2. Bondholders' Exchange Right applicable	[Applicable] [Not Applicable]
3. Exchange Securities	[give details]
4. Manner of determining Exchange Price	[give details]

Pro Forma Applicable Pricing Supplement

5. Exchange Period	[]
6. Other Terms	[Not Applicable] [give details]

J. OTHER BONDS

1. If the Bonds are not Fixed Rate Bonds, Floating Rate Bonds, Mixed Rate Bonds, Partly Paid Bonds, Instalment Bonds, Indexed Bonds, Exchangeable Bonds or Zero Coupon Bonds or if the Bonds are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions applicable to such Bonds	[give details]
---	-----------------

K. REDEMPTION / MATURITY

1. Maturity Date	[]
2. Grace Period	The Bonds have a grace period of twelve (12) months on Principal Repayment from the Issue Date. Interest accruing during the Grace Period will be paid to Bondholders in line with the indicated Interest Payments Dates.
3. Redemption/Principal Repayment	The Principal Amount of the Bonds will be repaid in equal semi-annual payments over the remaining term of the Bonds after the Grace Period. The semi-annual Principal Repayments will be made on the Interest Payment Dates together with the interest payments.
4. Redemption at the Option of the Issuer (Call Option):	[Applicable (see Condition 7.3)] [Not Applicable]
(a) Redemption in whole	[Applicable at the option of the Issuer] [Not Applicable]
(b) Redemption in part	[Applicable at the option of the Issuer (Redemption Notice by the Issuer to specify the percentage of the aggregate Outstanding Principal Amount of this Series which will be redeemed on each Optional Redemption Date)] [Not Applicable]
(c) Optional Redemption Amount(s)	[The aggregate Outstanding Principal Amount (or the relevant portion thereof) of this Series plus accrued interest (if any) to the Optional Redemption Date] [specify other method, if any, of calculating the Optional Redemption Amount(s)]

Pro Forma Applicable Pricing Supplement

(d) Optional Redemption Determination Date(s)	[The Interest Payment Date stipulated as the date for redemption of this Series of Bonds in the notice of redemption given by the Issuer in terms of Condition 7.3] [specify other Optional Redemption Date(s) the Issuer will redeem this Series or the relevant portion thereof]
(e) Minimum/Maximum Call Option Notice Period	Not less than 15 days and not more than 30 days (see Condition 7.3).
5. Issuer Optional Early Redemption for Regulatory and/or Tax Reasons	[Applicable (see Condition 7.2)] [Not Applicable]
(a) Redemption in whole	Applicable
(b) Redemption in part	Not applicable
(c) Optional Redemption Date	[The Interest Payment Date (in the case of interest-bearing Bonds) or other date (in the case of non-interest bearing Bonds) stipulated as the date for redemption of this Series of Bonds in the notice of redemption given by the Issuer in terms of Condition 7.2] [specify other]
(d) Optional Redemption Amount	[The aggregate Outstanding Principal Amount of this Series plus interest accrued (if any) to the Optional Redemption Date] [specify other method of calculation of Redemption Amount]
6. Bondholder Optional Early Redemption following a Change of Control Event	[Applicable (see Condition 7.4)] [Not Applicable]
(a) Redemption in whole	Applicable
(b) Redemption in part	Not Applicable
(c) Early Redemption Amount	[The aggregate Outstanding Principal Amount (or the relevant portion thereof) of the Bonds in this Series held by the Bondholder plus accrued interest (if any) to the Mandatory Redemption Date in terms of Condition 7.4] [specify other method, if any, of calculating the Early Redemption Amount]
7. Early Redemption following an Event of Default:	[Applicable (see Condition 9)] [Not Applicable]
(a) Early Redemption Amount	[The aggregate Outstanding Principal Amount (or the relevant portion thereof) of the Bonds in this Series held by the Bondholder plus accrued interest (if any) to the Actual Redemption Date] [specify other method, if any, of calculating the Early Redemption Amount(s)]
(b) Other terms applicable on redemption	[Not Applicable] [give details]

Pro Forma Applicable Pricing Supplement

L. AGENTS AND SPECIFIED OFFICES

1. Co-Arranger	[]
2. Specified Office of the Co-Arranger	[]
3. Bond Trustee	[]
4. Specified Office of the Bond Trustee	[]
5. Legal Advisor	[]
6. Specified Office of Legal Advisor	[]
7. Registrar and Transfer Agent	[]
8. Specified Office of the Registrar and Transfer Agent	[]
9. Calculation Agent	[]
10. Specified Office of the Calculation Agent	[]
11. Paying Agent	[]
12. Specified Office of the Paying Agent	[]
13. Debt Sponsor	[]
14. Specified Office of Debt Sponsor	[]

M. REGISTER CLOSED

1. Last Day to Register	[21 calendar days prior to each Interest Payment Date (where applicable) and the Redemption Date, being in each instance the last date on which the Transfer Secretary will accept Transfer Forms and record in the Register the transfer of Bonds]
2. Books Closed Period	[The Register will be closed for purposes of any transfers, redemptions or payments in respect of the Bonds from the Last Day to Register to the day preceding the Interest Payment Date (where applicable) and the Redemption Date]

N. GENERAL

1. Listing and Trading	[ZSE] [FINSEC] [specify other]
------------------------	--------------------------------

Pro Forma Applicable Pricing Supplement

2. Exchange Control Approval	<p>[Not Applicable] [Applicable]</p> <p>[In general, the issue of a Series of Bonds under the Programme will not require the prior written approval of Exchange Control Authorities in terms of existing Exchange Control Regulations. However, under certain circumstances (and if so indicated in the Applicable Pricing Supplement), the issue of a particular Series of Bonds may require the prior written approval of Exchange Control Authorities in terms of Exchange Control Regulations (see the section of the Prospectus headed "Exchange Control").</p>
3. Securities Exchange Code	[]
4. International Securities Numbering (ISIN)	[]
5. Method of Offering	[Private Placement/Auction/Book build/Public]
6. Listing Date	[give details] [Not Applicable]
7. Governing Law	The Prospectus, the Bonds in this Series and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of the Republic of Zimbabwe
8. Rating assigned to the Issuer as at the Issue Date and date on which such Rating is expected to be reviewed	<p>[], assigned on [] and due for renewal on []</p> <p>[The Issuer is not rated by any Rating Agency as at the Issue Date]</p>
9. Rating (if any) assigned to the Programme as at the Issue Date and date on which such Rating is expected to be reviewed	<p>[], assigned on [] and due for renewal on []</p> <p>[The Programme is not rated by any Rating Agency as at the Issue Date]</p>
10. Rating (if any) assigned to the Series of Bonds as at the Issue Date and date on which such Rating is expected to be reviewed	<p>[], assigned on [] and due for renewal on []</p> <p>[This Series of Bonds is not rated by any Rating Agency as at the Issue Date]</p>
11. Applicable Rating Agency	[]

Pro Forma Applicable Pricing Supplement



<p>12. Use of Proceeds</p>	<p>The Proceeds of this Series of Bonds will be utilised to finance the implementation of the following infrastructure projects:</p> <table border="0"> <thead> <tr> <th style="text-align: left;">Project Name</th> <th style="text-align: right;">Amount (ZWL)</th> </tr> </thead> <tbody> <tr> <td>Project 1</td> <td style="text-align: right;">[Insert Amount]</td> </tr> <tr> <td>Project 2</td> <td style="text-align: right;">[Insert Amount]</td> </tr> <tr> <td>Project 3</td> <td style="text-align: right;">[Insert Amount]</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">[Insert Amount]</td> </tr> </tbody> </table>	Project Name	Amount (ZWL)	Project 1	[Insert Amount]	Project 2	[Insert Amount]	Project 3	[Insert Amount]	Total	[Insert Amount]
Project Name	Amount (ZWL)										
Project 1	[Insert Amount]										
Project 2	[Insert Amount]										
Project 3	[Insert Amount]										
Total	[Insert Amount]										
<p>13. Other Provisions</p>	<p>[Not Applicable] [give details]</p>										

Pro Forma Applicable Pricing Supplement

DISCLOSURE BY THE ISSUER

The Issuer will for as long as any Series of Bonds remains Outstanding, notify the Bondholders of any material change in the financial position of the Issuer.

Any material change in the financial position of the Issuer which is beyond the control of the Issuer, including any change as a result of a change of statute or regulations, shall not constitute an Event of Default.

RESPONSIBILITY

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made.

SIGNED at Harare on this [date] day of [month] [year]

For and on behalf of:

INFRASTRUCTURE DEVELOPMENT BANK OF ZIMBABWE

Signed on original

Signed on original

.....
Name:

.....
Name:

Capacity:

Capacity:

Who warrants his/her authority hereto

Who warrants his/her authority hereto



RISK FACTORS

10 Risk Factors

Investing in the Bonds involves certain risks. The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Bonds. All these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below. The value of the Bonds could decline due to any of these risks, and investors may lose some or all their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts under any Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it as at the Programme Date, or which the Issuer may not be able to anticipate.

The Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. The information set out below is not intended as advice and does not purport to describe all considerations that may be relevant to a prospective subscriber for or purchaser of any Bonds.

Prospective investors should also read the information set out elsewhere in this Prospectus (including all documents incorporated by reference into this Prospectus) and, in relation to any Series of Bonds, the Applicable Pricing Supplement, and consult their own financial, tax and legal advisors as to the risks and investment considerations arising from an investment in the Bonds and reach their own views prior to making any investment decision.

RISKS RELATING TO THE ISSUER

General

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

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

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of commercial risks to which the entity is exposed. There are a number of risks faced by the Issuer, including those that encompass a broad range of economic and commercial risks, many of which are not within its control. The performance of the Issuer's business can be influenced by external market and regulatory conditions, which can have a significant bearing on the Issuer's profitability.

The effective management of risk has been identified as a key imperative for the future sustainability of the Issuer and, accordingly, the achievement of its strategic objectives requires a strong risk management culture. This culture ensures that sound decisions are taken to adequately balance risk and financial/development returns.

The Issuer is not immune to the impact of the economic climate, particularly given its dependence on the financial markets as a source of financing.

Risk Categories and Management

The Issuer, in common with other development finance institutions, is exposed to commercial and market risks in the ordinary course of its business, the most significant of which are strategic risk, operational risk, business risk, credit risk, market risk, liquidity risk, interest rate risk and foreign currency risk. See, in addition, the table set out under "Summary of Certain key Risks" below.

Whilst the Issuer believes that it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition of the Issuer.

Strategic Risk

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

The Issuer's Board is responsible for the approval and application of the institution's strategic risk principles. The Board approves the Issuer's strategy, whilst management is responsible for implementation and ensuring that regular reviews are done in line with changes in operating conditions. The Board meets on a quarterly basis and tracks the institution's effectiveness in implementing its approved strategy.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and controls, people and systems or from external events. It also includes risks related to regulatory compliance and legal and business continuity.

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

The Issuer has a defined methodology of quantifying, tracking and reporting on all operational risk issues and this has enhanced the institution's risk awareness. Each functional area within the Issuer's business has a responsibility for identifying inherent risks pertaining to daily operational activities through self-assessments which culminates into an operational risk register.

Business Risk

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

The Issuer sets out principles related to the design, development and management of systems which will provide reliable information for risk management purposes. A consistent approach to risk management is fully embedded in the project identification, preparation, packaging, appraisal, implementation and monitoring processes.

Market Risk

Market risk is the risk that the Issuer's earnings and capital will be adversely affected by movements in the level or volatility of market rates or prices such as interest rates and foreign exchange rates. Market risk includes the risk of exposure to adverse changes in the value of future cash flows and/or financial instruments and/or financial assets and liabilities as a result of changes in market prices or volatility.

Market risk (interest rate and foreign exchange risk) is monitored by the Issuer's Treasury Division with the Issuer's Risk Management Unit being responsible for independent reviews and policy limits.

Interest Rate Risk

Interest rate risk is the susceptibility of the Issuer's balance sheet and income statement to unexpected, adverse movements in interest rates.

Interest rate risk arises from a variety of sources including mismatches between the re-pricing periods of assets and liabilities. Variations in market interest rates impact on the cash flows and income streams of the Issuer through their net effect on interest-rate-sensitive assets and liabilities. At the same time, movements in interest rates impact on the Issuer's capital through their net effect on the market value of assets and liabilities. Interest rate risk in the Issuer arises naturally as a result of its funding and lending operations.

Liquidity Risk

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

The high levels of uncertainty around the level and timing of loan disbursements, coupled with dependence on market funding, exposes the Issuer to the threat of a liquidity squeeze, primarily as it relates to funding asset growth. Therefore, the major form of liquidity risks for the Issuer relates to ensuring access to funding to ensure asset growth, with contractual cash flows typically net positive over the long term (reinvestment risk) – unlike the case with commercial banks where liquidity risk concerns are centred primarily around the risk of liabilities being called (refinance risk).

The Issuer recognises the importance of liquidity management and manages liquidity risk by creating diversified funding sources, monitoring deposit concentration and ensuring stability through the harnessing of a core deposit base. The Issuer continues to refine its internal control processes and contingency plans for managing liquidity risk.

Credit Risk

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

The Issuer is exposed to the risk of economic loss should any of the Issuer's clients or market counterparties fail to fulfil their contractual obligations. Credit risk is inherent mainly in the Issuer's development financing and lending operations as a result of potential counterparty or borrower defaults on debt repayments.

Credit risk is managed through a comprehensive selection process coupled with credit analysis, checking adherence to credit exposure limits and the continuous monitoring of all exposures as espoused in the Issuer's Policy on Exposure Limits. The Issuer also manages credit risk through structures such as Joint Ventures ("JVs") and other Public-Private Partnerships ("PPPs") models by combining debt exposure with equity exposure. The Issuer's lending and investment policies and procedures are guided by domestic regulations as well as international best practice.

Legal and Compliance Risk

Compliance risk is the risk (among other things) that regulatory requirements which are applicable to the Issuer are not complied with. Failure to comply with legal and regulatory requirements which are applicable to the Issuer, including procurement laws and regulations, tax laws and regulations, environmental regulations or Government policies, may have an adverse effect on the Issuer and its reputation among customers, investors/financiers and regulators in the market.

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

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

The Issuer manages this legal and compliance risk through a dedicated Legal Advisory Services Unit which, together with the Risk Management Unit, identifies, assesses and monitors the institution's exposure to legal and compliance risk in its business activities, products, processes, systems and practices.

Regulatory Environment

The Issuer has a policy to comply with all relevant regulations governing its operations. New laws and regulations are introduced from time to time, some of which may be adverse to the operations of the Issuer. Any adverse regulatory changes may impact on the Issuer's trading performance. The Government of Zimbabwe as principal to the Issuer requires the institution to continue to fulfill its mandate and all current and future regulatory interventions are positively influenced by this policy thrust.

Political and Economic Environment

All the earnings of the Issuer are driven from operations and assets located in Zimbabwe. Consequently, the Issuer's financial performance is subject to the vagaries of political, economic and social factors prevailing in Zimbabwe, notwithstanding developments within the SADC Region and global events. Such factors may include exchange rate policies, inflation, interest rates, trade and employment policies, foreign investment restrictions and any change in relevant government policies.

Market Conditions and Funding

Zimbabwe's macro-economic environment has seen periods of volatility and changes which have negatively impacted market liquidity, interest rates and funding availability.

Government is implementing a raft of fiscal, monetary and other economic policy measures which are intended to restore market stability and foster an environment conducive for investment. Despite these initiatives, if the economic environment deteriorates in the future, the Issuer's financial performance, business or strategy may be adversely affected.

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

Capital market volatility may require the Issuer to make write downs of its investments and loan impairment provisions, which would impact the Issuer's financial performance.

Summary of Certain Key Risks

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

RISK	Impact
Strategy and Execution	
Ineffective strategy to deliver on infrastructure investment targets	<ul style="list-style-type: none"> Failure to deliver on disbursement targets and the required developmental impacts
Failure to remain financially sustainable	<ul style="list-style-type: none"> Inability to continue to deliver on mandate May necessitate restructuring of operations Need for capital support from shareholders
Failure to deliver on non-financial mandate	<ul style="list-style-type: none"> Negative impact on relationship and reputation with mandating authorities Non-recovery of costs incurred
Failure to adapt the business model due to changes in the business environment	<ul style="list-style-type: none"> Failure to deliver on infrastructure disbursement targets as well as targeted developmental impacts.
Processes and Staff	
Ineffective and inefficient internal processes	<ul style="list-style-type: none"> Slow turnaround times Possibility of fraud and inaccurate data
Failure to recruit, develop and retain key staff	<ul style="list-style-type: none"> Impairment of the Issuer's ability to implement its strategic objectives
Fraud and corruption	<ul style="list-style-type: none"> Financial losses incurred due to conflict of interest and collusion between staff and counterparties/contractors/service providers
Compliance Risk	
Failure to comply with legislation or regulations	<ul style="list-style-type: none"> Fines and penalties Reputational loss

The Board is responsible for overseeing the Issuer's risk exposure as part of the role it plays in determining a business strategy for generating long term value. The Board approves the Issuer's strategy, selecting its target markets or sectors of intervention, and defining the level of risk acceptable to the institution.

Risk is about uncertainties and how they influence strategic goals and objectives. The Issuer manages risks holistically through the strategy planning process and all this is done within the tenets of the Enterprise Risk Management (ERM) framework. As the adoption of the ERM framework continues to be enhanced, processes are continually streamlined to ensure that the institution remains conscious of, and attends to, existing and emerging risks that could vary expected outcomes.

Shareholder Support

As at the Programme Date, the Government of the Republic of Zimbabwe is the largest shareholder of the Issuer, holding 87.44% of the Issuer's ordinary share capital through the Ministry of Finance and Economic Development, followed by the Reserve Bank of Zimbabwe which holds 12.56%.

Government is supportive of the Issuer's long-term strategic objectives and has guaranteed the Issuer's obligations under the Bonds.

Winding up of the Issuer

In terms of section 32 of the IDBZ Act, the Issuer may not be wound up except in terms of an Act of Parliament.

RISKS RELATING TO THE BONDS

Investment Suitability

Investors should have (either alone or with the help of a financial advisor) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in the Bonds in the context of their particular circumstances.

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

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

Exchange Rate Risk and Convertibility Risk

All payments (whether in respect of principal, interest or otherwise) in respect of Bonds issued under the Programme will be made in the Zimbabwe Dollar (ZWL). Certain risks may arise relating to currency conversions for foreign investors whose financial activities are denominated principally in a currency other than the ZWL. These include the risk that exchange rates may significantly change and convertibility risk which arises mainly due to shortages of foreign exchange in the market. As a result, foreign Bondholders may receive less interest or principal in their currency of investment than originally expected at the time of investment and/or experience delays in repatriating investment proceeds.

Change of Law

This Prospectus, the Bonds and the Applicable Terms and Conditions will be governed by, and construed in accordance with the laws of Zimbabwe. No assurance can be given as to the impact of any possible judicial decision or change to Zimbabwean law or administrative practice in Zimbabwe after the Programme Date.

Rating

As at the Programme Date, both the Issuer and the Programme have not been rated. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer as well as the Rating Agency or Rating Agencies which assigned such Rating.

The Programme and/or a Series of Bonds may, on or before the Issue Date in the case of a Rating of a Series of Bonds, be rated by a Rating Agency on a national scale or international scale basis. Unrated Bonds may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Series of Bonds and/or the Programme as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings.

A Rating of a Series of Bonds is not a recommendation to subscribe for, buy, sell or hold any Bonds, in as much as, among other things, a Rating does not comment on the market price or suitability of the Bonds for a particular investor.

Limited liquidity of the Bonds

The Bonds have no established trading market. While the Issuer intends to submit an application to list the Bonds on the Zimbabwe Stock Exchange (ZSE) and/or Financial Securities Exchange (FINSEC), there is no assurance that such application will be accepted or that an active trading market for the Bonds will develop or, if one does develop, that it will be liquid or maintained. If an active trading market in the Bonds does not develop or is not maintained, the market price and liquidity of the Bonds may be adversely affected.

In addition, if the Bonds 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. As a result of the above factors, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Risks relating to the structure of a particular issue of Bonds

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

Bonds subject to optional redemption by the Issuer

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

Volatility of Index-Linked Bonds

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

- the market price of such Bonds may be volatile;
- the amount of principal payable at redemption may be less than the nominal amount of such Bonds;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Bonds issued at a substantial discount or premium

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

Variable Rate Bonds with a multiplier or other leverage factor

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



DESCRIPTION OF THE ISSUER

11. Description Of The Issuer

11. DESCRIPTION OF THE ISSUER

11.1 Description of Issuer's Business

The Issuer is a national Development Finance Institution (DFI) with a mandate for infrastructure development and financing in Zimbabwe.

The Issuer plays a critical role in mobilising financial resources and providing a technical lead in project preparation and packaging, contract negotiations, and project implementation monitoring. The Issuer's primary sectors of focus are: **Water, Sanitation and Irrigation Infrastructure** (dam construction, water pipelines, water treatment plants, irrigation infrastructure, municipal water and sewer projects); **Transport** (roads, airports, railways, border posts and inland ports); **Energy** (power plants, transmission and distribution grid networks, etc); and **Housing** (on-site and off-site infrastructure, university and tertiary institutions accommodation, etc). Secondary areas of focus include education facilities, health facilities and tourism infrastructure, with ICT as a cross-cutting issue.

11.2 Establishment and Regulation of the Issuer

The Infrastructure Development Bank of Zimbabwe ("IDBZ" or "the Issuer") was established by the Government of Zimbabwe in 2005 through an Act of Parliament, the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14] ("the IDBZ Act"), as a successor institution to the then Zimbabwe Development Bank. The IDBZ is a development finance institution and a "Public Entity" as defined under Section 2 of the Public Finance Management Act [Chapter 22:19] and is thus subject to the provisions of the Public Finance Management Act and the Public Debt Management Act [Chapter 22:21]. The objectives and mandate of the Bank are provided for under Section 16 of the IDBZ Act as follows:

- to promote economic development and growth, and to improve the living standards of Zimbabweans, through the development of infrastructure including, but not limited to, roads, dams, water reticulation, housing, sewerage, technology, amenities and utilities;
- to develop institutional capacity in undertakings and enterprises of all kinds in Zimbabwe; and
- to support development projects and programmes in all sectors of the Zimbabwean economy;

through all or any of the following means -

- a) providing capital for the expansion or modernisation of existing infrastructure, undertakings and enterprises or the creation or development of new infrastructure, undertakings and enterprises;
- b) mobilising internal and external resources from the public and private sectors;
- c) facilitating the participation of the private sector and community organisations in development projects and programmes;
- d) appraising, planning and monitoring the implementation of development projects and programmes; and
- e) providing technical assistance with regard to the identification, preparation, evaluation, financing, implementation and management of development projects and programmes;

whether by itself or in co-operation with international, regional or national organisations or bodies.

With effect from 2 January 2015, the IDBZ was brought under the supervisory purview of the Reserve Bank of Zimbabwe through amendments to the Banking Act [Chapter 24:20].

11.3 Powers of the Bank

In terms of the IDBZ Act and for the purpose of achieving its objectives, the Issuer is empowered:

- (a) to lend or advance money to any person or organization proposing to establish or expand or modernize any infrastructure, undertaking or enterprise in any sector of the economy;
- (b) to invest in development projects in all sectors of the economy;

Description Of The Issuer

- (c) to lend or advance money on the security of a mortgage or hypothecation to enable or facilitate the construction of housing, buildings and other infrastructure;
- (d) to guarantee where necessary an undertaking given in relation to the financing of development projects;
- (e) to raise loans or borrow moneys subject to such limits as may be prescribed in shareholders regulations provided that the approval of the Minister of Finance and Economic Development shall be required where such loans or moneys are to be guaranteed by the State; and
- (f) to seek other specialized credit facilities including Euro-dollar credits

The Issuer is specifically empowered to draw, make, accept, endorse, discount, execute and issue for the purposes of its functions or duties promissory Bonds, bills of exchange, bills of lading, securities and other negotiable or transferable instruments.

11.4 Shareholders and Shareholding Structure

Below is Issuer's shareholding structure as at the Programme Date:

Ordinary Share Capital

Shareholder	Shares Held	Percentage
Government of Zimbabwe	16,425,398	87.43966%
Reserve Bank of Zimbabwe	2,359,414	12.56020%
Fidelity Life Assurance Company of Zimbabwe Limited	12	0.00006%
Finish Fund for Industrial Cooperation Limited (Finnfund)	5	0.00003%
Africa Development Bank (AfDB)	4	0.00002%
German Investment & Development Company (DEG)	3	0.00002%
European Investment Bank (EIB)	1	0.00001%
Total	18,784,837	100.00000%

In addition to the above ordinary shareholding structure, the Issuer introduced preferred share capital into its capital structure in December 2014. The Issuer hived off its legacy debt totaling US\$38.3 million and issued preference shares to the Government of Zimbabwe equivalent to the legacy debt assumed by the Zimbabwe Asset Management Corporation (Private) Limited ("ZAMCO") on behalf of the Government of Zimbabwe.

Preferred Share Capital

Shareholder	Shares Held	Percentage
Government of Zimbabwe	382,830	100.0000%

The preference shares, which were issued at US\$100 per share, are non-cumulative and non-redeemable and carry a preferred dividend of 5% per annum.

11.5 Corporate Governance

The Issuer has a unitary Board comprising a Non-Executive Chairman, a Chief Executive Officer and seven (7) Non-Executive Directors. The Non-Executive Directors have a wide range of competencies, significant experience in socio-economic development, development finance, business, human resource management, legal services, commercial and other experiences that enable them to discharge effective oversight and bring independent judgment to bear on the

Description Of The Issuer

operations and decision-making processes of the Issuer. The duties and responsibilities of the Board are outlined in section 4A of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14].

Certain functions and responsibilities have been delegated by the Board to Board Committees established in line with best practice corporate governance standards to address the Issuer's specific operational requirements. The Board from time to time reviews the number and composition of its Committees as necessitated by the prevailing operating environment. All Board Committees have formal and approved terms of reference which are regularly reviewed. At every Board meeting, the Chairpersons of the respective Committees formally report to the full Board on responsibilities delegated to the committee together with appropriate recommendations for endorsement by the Board.

11.6 Board Committees

For the effective discharge of its functions and in order to enhance oversight on the various areas and facets of the Issuer's operations, the Board constituted and appointed five (5) Committees which operate under clearly defined areas of responsibility and terms of reference.

In the discharge of their respective terms of reference, the Board Committees ensure transparency, full reporting and disclosure of key decisions and recommendations of the Committees to the main Board. Members of the Committees are able to seek independent professional advice as and when required subject to the consent of the Board Chairman. The Board has power to appoint to a Board Committee any person(s) for their skill and/or expertise as professionals to become Committee members even though such persons or professionals are not themselves directors of the Issuer. This provision, which is entrenched in the IDBZ Act, is intended to enhance the effectiveness of Board Committee functions, particularly in areas requiring certain expertise, technical and professional input.

The Issuer's Board Committees, with brief descriptions, are set out below:

Investment Committee

Chaired by a non-executive director, the Board Investment Committee is made up of all members of the Board and the Committee's main functions are to:

- consider and approve applications for financing from the Banks's business units within set approval limits;
- determine the form and value of collateral/security to be taken against loan exposures and consider and approve all equity investment proposals or applications; and
- assess and review from time to time the soundness and appropriateness of the Bank's strategy of growing the loan book and the overall business portfolio.

Audit Committee

The Audit Committee is made up of four non-executive directors. The Committee is responsible for the integrity of the financial statements by ensuring that they are prepared in compliance with the enabling Act and in accordance with applicable International Financial Reporting Standards. The Committee also ensures that the system of internal controls in the Bank is effective and adequate for the business of the Bank. In discharging its mandate, the Audit Committee works with the Bank's Internal Audit function.

Corporate Governance, Ethics and Sustainability Committee

The Corporate Governance, Ethics and Sustainability Committee is at the centre of the Board's emphasis on good corporate governance, standards and practices and also superintends over the ethics framework of the Bank. The Committee ensures fulfilment of Board oversight responsibilities regarding the effectiveness of the Bank's corporate governance structures, policies and practices, as well as the development, promotion and enforcement of an ethical culture in within the IDBZ.

The Committee comprises five (5) members, including the Committee Chairperson, all of whom are non-executive directors. The Chairperson of the Committee, together with the Board Chairman and the Board Secretary, are responsible for managing the Board member self-evaluation process and ensuring its integrity and effectiveness as a governance tool.

Finance, Risk Management and ICT Committee

The Finance, Risk Management and ICT Committee is charged with the responsibility of overseeing the overall risk

Description Of The Issuer

management processes of the Bank, enforcing risk mitigation strategies and procedures in the Bank, and keeping the Board fully apprised on the major risk areas within the business operations of the IDBZ. The Committee comprises five (5) members, including the Chairperson, of which four (4) are non-executive. The Chief Executive Officer is the only executive member of this Committee.

Human Resources Committee

The Human Resources Committee is chaired by a non-executive director and is made up of five (5) members, inclusive of the Committee Chairman, all of whom, with the exception of the Chief Executive Officer, are non-executive directors. The Committee is charged with ensuring the prevalence and observance of good labour and employment practices by IDBZ to achieve harmonious industrial relations. In this role, the Committee is responsible for ensuring best practice in human resources management.

11.7 Details of Directors

The Table below shows a list of the Issuer's Board of Directors as at the Programme Date:

Name	Nationality	Position
Joseph S. Mutizwa	Zimbabwean	Non-Executive Chairman
Thomas Zondo Sakala	Zimbabwean	Chief Executive Officer
Dr. Kupukile Mlambo	Zimbabwean	Non-Executive Director
Sibusisiwe Precious Bango	Zimbabwean	Non-Executive Director
Luke E.M. Ngwerume	Zimbabwean	Non-Executive Director
Dr. Norbert Mugwagwa	Zimbabwean	Non-Executive Director
Jeremiah Mutonga	Zimbabwean	Non-Executive Director
Tadios Muzoroza	Zimbabwean	Non-Executive Director

Joseph S. Mutizwa – Chairman (Non-Executive)

Mr Mutizwa served as the Chief Executive Officer of Delta Corporation Limited from April 2002 to May 2012. He was involved in the demerger and unbundling of Delta Corporation's non-beverages business between 2000 and 2001, and subsequently presided over the consolidation and refocus of the beverages businesses under Delta Beverages. He also played a key role in Delta Corporation's business recovery since the introduction of the multi-currency system in the Zimbabwean economy. He sits on a number of boards as Non-Executive Director. He is also a member of the Presidential Advisory Council.

Mr Mutizwa holds a Bachelor of Science (Hons.) in Social Science Degree from the London School of Economics, an M.Sc. in Consulting and Coaching for Change from HEC- Paris and Oxford University and a Master of Business Administration from the University of Zimbabwe ("UZ"). He has attended the Senior Executive Programme at the London Business School.

Dr. Kupukile Mlambo (Non-Executive)

Dr. Mlambo is an Economist and was appointed the Deputy Governor of the Reserve Bank of Zimbabwe in July 2012. As Deputy Governor, he is also a member of the RBZ Board of Directors. Dr Mlambo joined the RBZ from the African Development Bank (AfDB) where he rose from the position of Senior Economist in 1997 to the post of Regional Director in January 2012. He was in charge of country strategy formulation, country portfolio programming and management, as well as leading policy dialogue in 7 countries in East Africa. Dr Mlambo's areas of expertise include macro-economic and exchange rate policy, economic growth, finance, investment, and productivity growth and efficiency analysis. He has published papers in referred journals.

Description Of The Issuer

He holds a Ph.D. in Economics from Gothenburg University in Sweden and a M.Sc. in Economics from the University of Zimbabwe.

Thomas Zondo Sakala – Chief Executive Officer

Mr Sakala is an experienced Development Banker. He holds a B.Sc. (Hons) and an M.Sc. in Economics from the University of Ibadan in Nigeria. He was appointed the CEO of the IDBZ in September 2015. He has worked in, and with, African Countries all through his professional career. He left the African Development Bank (AfDB) in October 2014 after a career spanning 31 years, during which he acquired a broad network of contacts which are invaluable in the Bank's resource mobilization initiatives. His last official position was Vice President, Country and Regional Programmes. As Vice-President for Programmes in the AfDB, he had broad oversight of the dialogue between the Bank and all African countries. His responsibilities included coordination of the preparation and approval of the country and regional strategies and programmes in Africa.

Previously he had held such positions as Manager, Social Sector & Microfinance Projects in East Africa; Manager, Education Projects for North, East and Southern Africa; Resident Representative in Nigeria; Director, Reforms Implementation; Director, Programming, Budget and Strategy; and, Acting Vice President, Corporate Services.

Prior to joining the AfDB, Mr Sakala worked for three years as Senior Research and Principal Planning Officer in the Ministry of Manpower Planning and Development in Zimbabwe, which carried out Zimbabwe's first post-independence National Manpower Survey.

Sibusisiwe Precious Bango (Non-Executive)

Ms Bango is a business leader with in-depth entrepreneurial skills. Currently she is an Executive Director for Empretec Zimbabwe. She has detailed and expansive national, regional and international work, competences and experience spanning over 25 years in the private, public and Non-Governmental Organisations ("NGOs"), development sectors, donors and United Nations agencies, the World Bank, and bilateral agencies. She has worked in countries in Sub-Saharan Africa (Eastern, Southern and Western) and also has exposure in South American countries and the Caribbean.

Ms Bango holds a BBS (Hons.), MBA (Marketing & Finance) and is currently pursuing a doctoral degree in Enterprise Development.

Luke E.M. Ngwerume (Non-Executive)

Mr Ngwerume is the first black Chief Executive Officer of Zimbabwe's largest financial services conglomerate, Old Mutual Zimbabwe Group, and he steered the Group through some of the most turbulent economic times during 2007-2012. For his outstanding performance he was twice voted Old Mutual African CEO of the year, amongst many other accolades during his 30-year tenure.

Mr Ngwerume is well regarded amongst stakeholders both at home and within the international investment community for his robust investment acumen and unwavering "traditional" business ethics. His global network includes many premier multinational institutions and fund management firms.

Having recently stood down from his Chairmanship at Cimas Medical Aid Society, Mr Ngwerume also chairs Axia and DGA Boards as well as being a non-executive Director of Delta Corporation and Old Mutual Nigeria Boards. He still finds time to quench this passion by leading Standard Telephones and Cables, a provider of modern communications and digital security products, and ZimSelector.com, Zimbabwe's first online financial services aggregator.

Mr Ngwerume holds a BA degree and an MBA (UCT). He is a Member of the Institute of Management Services (UK).

Reginald Mugwara (Non-Executive)

Mr Mugwara is a renowned financial economist. He is currently a director at the Trustee to The Mothers of Solar Trust, an NGO for the green economy. He is also a Director at R&B Financial Services, with his role being to provide demand-driven technical and advisory services in economic and financial development solutions.

Description Of The Issuer

Mr Mugwara has worked with international development cooperating partners at multilateral, bilateral and NGO levels in support of national and regional projects and programmes. He has over fifteen years extensive experience in dealing with all aspects of agriculture and rural development, policy analysis, trade and institutional development, and capacity building in the SADC region. He was previously responsible for the coordination, formulation, and implementation and monitoring of the SADC Regional Food Security Programme. During his tenure, he had overall responsibility of a team over 25 international and regional professional staff consisting of agricultural economists, agro-statisticians, meteorologists, nutritionists and other experts in the areas of irrigation, crop, seeds, livestock, communication and trade, as well as database experts who implemented the programme.

Mr Mugwara holds a B.Sc. (Hons.) Economics (London) and M.A - Political Economy (York).

Dr. Norbert Mugwagwa (Non-Executive)

Dr. Mugwagwa is a Human Development practitioner, who uses his academic training, accumulated knowledge and experience to collaborate with governments at national and sub-national levels, and with households, communities and private sector actors to develop social sector investment strategies, policies, plans, instruments and management approaches that benefit a country's citizens.

In social protection and labour, he is highly regarded as he uses proven community driven development approaches such as direct financing, conditional and unconditional cash transfers, to invest in service access for the disadvantaged. By employing effective implementation strategies, he focuses on tackling service quality constraints by creating strong institutions (including in the private sector) that support community actions to improve safety nets coverage.

Dr Mugwagwa is also a health sector planner and management specialist who has designed and introduced health systems and management approaches as: Director of Planning and Director of Nutrition in the Zimbabwe Ministry of Health, Executive Director of the Zimbabwe Family Planning Program, and Task Manager and Team Leader for World Bank HNP programs in East, Central and Southern Africa for more than ten years. He also handled innovative work with the World Bank design, preparation, appraisal and management of investment projects; and orientation of Teams in the public, civil society and private sector to work on them with beneficiary households to implement and manage programs and projects at community, sub-national and national level.

Dr. Mugwagwa holds an ICSA Diploma, Bachelor's Degree in Public Administration/Health, a M.Sc. in Public Policy/Health and a Ph.D. Planning & Management of Health (Aston University Management Centre-UK)

Jeremiah Mutonga (Non-Executive)

Mr Mutonga is a Chartered Accountant with a career spanning over 34 years. He has worked in the private sector in Zimbabwe and in international development banking in various African Countries. After qualifying as a Chartered Accountant following Articles of Clerkship with PricewaterhouseCoopers, he joined Chemplex Corporation as the Group Accountant.

From Chemplex he joined the African Development Bank ("AfDB") where he held various supervisory and managerial positions. His work involved leading teams in undertaking either desk studies or field missions and preparing documents for consideration by senior management or the Board of Directors of the AfDB or High-Level panels of development agencies. For example, he represented the AfDB on the multilateral development banks' group of experts who prepared the Rome and then the Paris Declaration on Aid Effectiveness. As a manager in the AfDB, he headed the Financial Management function comprising 26 Financial Experts in ensuring prudential safeguards in the bank's lending operations. For the last 7 years of his career at the AfDB, he worked as the bank's Resident Representative in Kenya, South Sudan and Uganda. In line with Bank policy, he was appointed as the alternate AfDB Board of Director for Shelter Afrique and East African Development Bank. Throughout his career in the AfDB, he led multicultural and multilingual teams and undertook several complex and challenging assignments that entailed discussions with various stakeholders including senior government officials from donor as well as aid recipient countries.

Mr Mutonga holds a Bachelor of Accountants (Hon) Degree (UZ) and is a qualified Chartered Accountant (ICAZ).

Tadios Muzoroza (Non-Executive)

Mr Muzoroza is a mining, energy and resources lawyer and expert. In addition to being a Consultant for Sengwe Law Chambers, he is a Commissioner and Deputy Chairperson for the Zimbabwe Land Commission ("ZLC"). As ZLC Deputy

Chairperson, he is part of a team responsible for the overall management and strategic thrust of the Land Commission, to ensure the mandate of the Commission as provided for under Section 297 of the Constitution of Zimbabwe Amendment (No. 20) Act 2013 is fulfilled. This mandate entails ensuring accountability, transparency and fairness in the administration of agricultural land vested in the state, investigating and resolving land disputes, land audit as well as advising Government on land management and administration issues. He chairs the Legal and Governance Committee of the ZLC.

As a lawyer his work spans mining and energy law and policy; drafting mining agreements; power purchase agreements; and procurement and supply contractual agreements. Further, whilst based in England, he successfully initiated and implemented a diaspora mortgage facility for Zimbabweans through a London based Representative Office, on behalf of Intermarket Building Society. He also consulted for Kaiser Associates (Cape Town) working on a World Bank project on "Increasing local procurement by the mining industry in Zimbabwe" as well as carrying out consultancy and advisory work on the recapitalization of a dually listed local coal mining company. He single-handedly drafted the project information memorandum (PIM) which was accepted as bankable by the Development Bank of Southern Africa (DBSA).

Ted sits on the Zimbabwe Energy Regulatory Authority ("ZERA") board and he chairs the Human Resources and Governance Committee and is a member of the Petroleum Committee and Audit and Risk Committee.

Commissioner Muzoroza holds a BSc (Hons) Psychology Degree (Lon); LL.B (Hons) (Lon) and LL.M in International Trade and Investment Law in Africa (UP).

17.8 Executive Management

Set out below are the brief profiles of executive management as at the Programme Date:

Thomas Zondo Sakala - BSc. (Hons); MSc Economics University of Ibadan, Nigeria

Mr. Sakala is the Chief Executive Officer and is responsible for the overall management of the Bank's operations, its strategic thrust and discharge of its mandate as set out in its enabling Act. He is an accomplished development finance banker, having worked within the African Development Bank for 31 years and served as the AfDB's Vice-President until his early retirement in May 2015 [see "Details of Directors" above].

Cassius Gambia - B. Acc (Hon); CA (Z)

As Finance Director, Mr. Gambia is responsible for the financial strategy of the Bank which includes management of lines of credit, establishment of effective internal control systems, budgeting and financial reporting. He oversees the Bank's treasury function, ensuring at all times that the Bank's operations are properly and fully funded. Mr. Gambia is a Chartered Accountant (Zimbabwe) and Registered Public Accountant. He holds a Bachelor of Accountancy (Hon.) Degree from the University of Zimbabwe. He is a member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) and member of the Institute of Directors of Zimbabwe. He has extensive banking experience gained with Premier Finance Group (Pvt) Limited (2002-2007) where he rose to the position of Chief Operations Officer.

Desmond Matete - LLB (Hons) UZ

Mr. Matete is a holder of a Bachelor of Laws (Honours) Degree (LLBs) from the University of Zimbabwe. He is a commercial lawyer with extensive experience in financial services, investment banking and development finance. He has successfully executed numerous mandates in corporate and project finance, project development and structuring, listings and capital-raising for high value mandates. Mr. Matete has held various directorships in industry and commerce and is a former Deputy Chairman of Zimbabwe Power Company, a subsidiary of the national power utility, ZESA Holdings Limited in the public sector. He joined the Bank at its inception in 2005 as Executive Director – Legal and Corporate Advisory Services. He is currently the Director for Infrastructure Projects. In this role and in line with the Bank's core mandate, he is responsible for business development, project packaging and project implementation. He also oversees financial and technical advisory services, implementation monitoring and evaluation for government supported infrastructure projects through various implementing agencies for such projects.

Willing Zvirevo - B. Acc (Hon); CA (Z)

Mr. Zvirevo is responsible for driving the Bank's resource mobilisation strategy which encompasses initiatives to scale up and broaden the Bank's capital base, establishing and nurturing effective partnerships with cooperating partners, leading the Bank's debt issuance programmes and advising on suitable project financing arrangements for successful and sustainable project implementation. He is also responsible for coordinating the Bank's climate finance initiatives in

Description Of The Issuer

support of national climate change actions. He is a qualified Chartered Accountant and investment banker with diverse professional experience in audit, accounting, financial reporting, corporate finance, lending and structured finance. Post qualification, Willing has worked in middle and senior managerial positions for KPMG Corporate Finance, NMB Bank Limited and Sagit Finance House Limited, before joining AMG Global Chartered Accountants (Zimbabwe) as Partner in charge of the firm's Corporate Finance practice. Prior to joining the IDBZ, Willing was in the Cayman Islands where he gained 7 years of alternative investments experience whilst working for the Citco Group, the world's second largest hedge funds administrator after State Street Corporation. He brings strong insights into the alternative investments space, encompassing knowledge of fund structures, investment strategies and complex financial products.

Phillip Tadiwa – BSc (Hon) Sociology UZ; MBA UZ

Phillip Tadiwa is a holder of a BSc (Hons.) Degree in Sociology, a Diploma in Law "Conciliation and Arbitration" and a Masters degree in Business Administration (MBA), from the University of Zimbabwe. Mr. Tadiwa has over 18 years' experience in Strategic Human Resources Management, industrial relations practice and change management. He joined



INFORMATION ON THE GUARANTOR

12. Information On The Guarantor

the Bank as its Head of Human Resources and Capacity Building in June 2008 before assuming his current role. The Guarantor is the Government of the Republic of Zimbabwe through the Minister of Finance and Economic Development. The Guarantor is the Government of the Republic of Zimbabwe through the Minister of Finance and Economic Development ("the Minister").

In terms of Section 20 (1) of the Public Debt Management Act [Chapter 22:21] the Minister may, in such manner and upon such conditions as he or she thinks fit on advice of the External and Domestic Debt Management Committee ("the Committee") and the Public Debt Management Office ("the Office") within the Ministry of Finance and Economic Development, guarantee the repayment of the capital and the payment of expenses or charges incurred on or in connection with:

- (a) any indebtedness or other financial obligation raised, incurred or established, as the case may be, inside or outside Zimbabwe by a person approved by the Minister for purposes which will, in the opinion of the Minister, promote employment or the development of natural resources or the tourist industry or are otherwise in the public interest or in the interest of the economy of Zimbabwe; or
- (b) any indebtedness or other financial obligation raised, incurred or established, as the case may be, outside Zimbabwe for the purposes of the trustee of the District Development Fund Act [Chapter 29:06] or a designated corporate body referred to in paragraph (a) of the definition of "public entity" in section 2 of the Public Finance Management Act, or a local authority.

The aggregate of the amounts that may be guaranteed in terms of sub-section 20 (1)(a) and (b) in any financial year in respect of indebtedness or other obligations raised, incurred or established, as the case may be, shall not exceed the limit fixed by the National Assembly, which limit the Minister may propose to the National Assembly for approval by resolution or by means of a provision in a Finance Bill.

In terms of Section 22 (6) of the Public Debt Management Act [Chapter 22:21], all borrowings of a local authority or a public entity shall be subject to the prior approval of the Minister and relevant Minister responsible for that particular local authority or public entity, as the case may be.

Section 17 (1)(c) of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14] empowers the Issuer to raise loans or borrow money, whether in Zimbabwe or any other country, subject to the approval of the Minister where such loans or moneys are to be guaranteed by the State.

The Minister has in accordance with the Public Debt Management Act and Infrastructure Development Bank of Zimbabwe Act approved the Programme and the issuance of the Bonds by the Bank and has issued a Guarantee in favour of Bondholders. The infrastructure projects that will be financed by the proceeds of the Bonds are considered key enablers to sustainable and inclusive socio-economic growth and development. Infrastructure development facilitates increased economic activity and investment that improves the country's conditions of doing business, competitiveness and social upliftment of the people.



**TERMS AND CONDITIONS
OF THE BONDS**

13. Terms And Conditions Of The Bonds

The following are the Terms and Conditions of the Bonds to be issued by the Issuer under the Programme. A Series of Bonds will be issued on, and subject to, the below Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions set out in the Applicable Pricing Supplement for that Series of Bonds. If there is any conflict or inconsistency between the provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Bonds, then the provisions in the Applicable Pricing Supplement will prevail. Capitalised terms used in this section shall bear the same meaning as defined in Section 5 of this Prospectus headed "Definitions", except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

1. ISSUE

- 1.1 Subject to the applicable provisions of the PFMA, PDMA and the IDBZ Act, the Issuer may, at any time and from time to time, without the consent of any Bondholder, issue one or more Series of Bonds pursuant to the Programme; provided that the aggregate Outstanding Principal Amount of all of the Bonds issued under the Programme from time to time does not exceed the Programme Amount.
- 1.2 The issue of the Bonds is authorised pursuant to authority granted by the Minister of Finance and Economic Development and the resolution of the Board of Directors of the Issuer passed in January 2020.
- 1.3 Bonds will be issued in individual Series. A Series of Bonds will be issued on, and subject to, the Applicable Pricing Supplement relating to that Series of Bonds.
- 1.4 Bonds issued under the Programme may be Fixed Rate Bonds, Floating Rate Bonds, Mixed Rate Bonds, Indexed Interest Bonds, Indexed Redemption Amount Bonds, Instalment Bonds, Partly Paid Bonds, Zero Coupon Bonds or such combination of any of the foregoing or such other type of Bonds as may be determined by the Issuer and specified in the relevant Applicable Pricing Supplement.
- 1.5 All payments in relation to the Bonds will be made in the Specified Currency. Each Bond will be issued in the Specified Denomination.
- 1.6 The Applicable Pricing Supplement for each Series of Bonds is incorporated in the Terms and Conditions for the purposes of those Bonds and supplements the Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with the Terms and Conditions, replace, modify or supplement these Terms and Conditions for the purpose of such Series of Bonds.
- 1.7 Bondholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.

2. FORM AND DENOMINATION

- 2.1 A Series of Bonds will be issued in certificated (materialized) form or in uncertificated (dematerialized) form depending on whether the Bonds are listed as contemplated in Section 7 of this Prospectus headed "Salient Features and Credit Structure" under sub-Section 7.9 titled "Form of Bonds", as specified in the Applicable Pricing Supplement. Each Series of Bonds which is listed on the ZSE or FINSEC in uncertificated form will be held in the Central Securities Depository, as contemplated Section 7 of this Prospectus headed "Salient Features and Credit Structure" under sub-Section 7.9 titled "Form of Bonds",.
- 2.2 A Series of Bonds may be listed on the ZSE or FINSEC subject to any Applicable Laws, and the Applicable Pricing Supplement will specify whether or not a Series of Bonds will be listed.
- 2.3 Bonds will be issued in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement, provided that the Bonds shall not be issued in denominations of less than the Minimum Denomination to any Bondholder provided that the aggregate Issue Price for a Tranche of Bonds shall not be less than the Minimum Subscription Amount.

2.4 All payments in relation to the Bonds will be made in the Specified Currency.

3. TITLE

The Issuer, the Transfer Secretary and the Paying Agent shall recognise a Bondholder as the sole and absolute owner of the Bonds registered in that Bondholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the relevant Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Bonds may be subject, save in the event of a court order or some other lawful authority compelling them to do so.

4. CHARACTERISTICS OF THE BONDS

4.1 The Bonds constitute direct, unconditional, secured and unsubordinated obligations of the Issuer and rank pari passu among themselves and at least pari passu with all other present and future secured and unsubordinated obligations of the Issuer, save for those which have been accorded preferential rights by law. All Bonds issued under this Programme will rank pari passu and will not require any Bondholders' prior approval.

4.2 Subject to any Applicable Laws, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, wound up or is subject to business rescue proceedings, the claims of the persons entitled to payment of amounts due in respect of the Bonds shall be unsubordinated to all other claims in respect of any other indebtedness of the Issuer.

5. INTEREST

5.1 Interest on Fixed Rate Bonds

5.1.1 General

5.1.1.1 Each Fixed Rate Bond bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date as specified in the Applicable Pricing Supplement at a rate per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Interest Payment Dates in each year up to (but excluding) the Maturity Date.

5.1.1.2 The First Interest Payable will be settled on the Interest Payment Date immediately following the Interest Commencement Date.

5.1.1.3 Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Bond on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Rate of Interest, provided that:

5.1.1.3.1 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

5.1.1.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final interest amount shall equal the Final Broken Amount.

5.1.1.4 If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Principal Amount, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

5.1.2 **Interest Payment Dates**

Unless otherwise specified in the Applicable Pricing Supplement, semi-annual interest is payable on the Bonds, with each such six-month period constituting a Fixed Interest Period. Interest in respect of each Fixed Interest Period shall be payable in arrears on the Interest Payment Date immediately after the last day of such Fixed Interest Period. If any Interest Payment Date falls upon a day which is not a Business Day, the interest payable upon such Interest Payment Date shall be payable upon the first following day that is a Business Day, provided that for the purposes of determining an Interest Period no adjustment shall be made to such Interest Payment Date.

5.1.3 **Calculation of Interest**

The amount of interest payable on the Bonds in respect of each Fixed Interest Period will be determined in the manner specified in the Applicable Pricing Supplement.

5.1.4 **Alternative Period**

If interest is required to be calculated for a period other than a Fixed Interest Period, it will be calculated on the basis of the actual number of days in such period divided by 365 (and for the purposes of the foregoing, leap years shall be disregarded).

5.2 **Floating Rate Bonds and Indexed Interest Bonds**

5.2.1 **Interest Payment Dates**

Each Floating Rate Bond and Indexed Interest Bond will bear interest on its Outstanding Nominal Amount from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

5.2.2 **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Bonds and Indexed Interest Bonds will be determined in the manner specified in the Applicable Pricing Supplement.

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

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Calculation Agent, in the case of Floating Rate Bonds and Indexed Interest Bonds will at, or as soon as is practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Bond and Indexed Interest Bond in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Rate of Interest for the relevant Interest Period as soon as is

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 Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

5.2.5 **Interest Determination, Screen Rate Determination including Fall-back Provisions**

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 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 most recent ISDA Definitions and under which:

5.2.5.1 the Floating Rate Option is as specified in the Applicable Pricing Supplement;

5.2.5.2 the Designated Maturity is the period specified in the Applicable Pricing Supplement; and

5.2.5.3 the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the relevant Reserve Bank of Zimbabwe benchmark rate, the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

For purposes of the above sub-paragraph "Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement. Where Screen Rate 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, subject to the provisions below, be either:

5.2.5.4 **If the Relevant Screen Page is available:**

5.2.5.4.1 the offered quotation (if only one quotation appears on the screen page); or

5.2.5.4.2 the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11:00Hrs (or as otherwise specified in the Applicable Pricing Supplement) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest quotation and the lowest quotations shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

5.2.5.5 if the Relevant Screen Page is not available or if, in the case of Condition 5.2.5.4.1 above, no such offered quotation appears or, in the case of Condition 5.2.5.4.2 above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Harare office (as the case may be) of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11:00Hrs on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or

5.2.5.6 if the Rate of Interest cannot be determined by applying the provisions of Conditions 5.2.5.4.1 and 5.2.5.4.2 above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which

the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11:00Hrs on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Bonds of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in Harare inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Bonds of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11:00Hrs on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

5.2.5.7 If the Reference Rate from time to time in respect of Floating Rate Bonds is specified in the Applicable Pricing Supplement as being other than the Treasury Bill rate, the Rate of Interest in respect of such Bonds will be determined as provided in the Applicable Pricing Supplement.

5.2.6 **Notification of Rate of Interest and Interest Amount**

The Issuer 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 ZSE or FINSEC as soon as possible after their determination but in any event no later than the 4th (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 the ZSE or FINSEC, other relevant authority and to the Bondholders in accordance with Condition 12 (Notices).

5.2.7 **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 Condition 5.2, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Bondholders and in the absence as aforesaid no liability shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.2.8 **Mixed Rate Bonds**

The Interest Rate payable from time to time on Mixed Rate Bonds shall be the Interest Rate payable in the form of interest-bearing Bond (be it a Fixed Rate Bond, Floating Rate Bond, Indexed Bond or other Bond) specified for each respective period, as specified in the Applicable Pricing Supplement. During each such applicable period, the Interest Rate on the Mixed Rate Bonds shall be determined and fall due for payment on the basis that such Mixed Rate Bonds are Fixed Rate Bonds, Floating Rate Bonds, Index-Linked Bonds, Instalment Bonds or other Bonds, as the case may be.

5.2.9 **Indexed Interest Bonds**

The Interest Rate(s) applicable to a Series of Indexed Interest Bonds for each Interest Period, and the Interest Amount payable for such Interest Period, shall be determined in the manner specified in the Applicable Pricing Supplement. The Interest Amount payable in respect of each Indexed Interest Bond in a Series for an Interest Period is payable in arrears on the relevant Interest Payment Date.

5.2.10 **Partly Paid Bonds**

In the case of a Series of Partly Paid Bonds (other than Partly Paid Bonds which are Zero Coupon Bonds), interest will accrue on the paid-up Principal Amount of the Partly Paid Bonds and otherwise as specified in the Applicable Pricing Supplement. The Interest Amount payable in respect of each Partly Paid Bond in a Series (other than a Partly Paid Bond which is a Zero Coupon Bond) for an Interest Period is payable in arrears on the relevant Interest Payment Date.

5.2.11 **Other Bonds**

The Applicable Pricing Supplement relating to any other Series of Bonds not specifically provided for in the Terms and Conditions will set out, among other things, the manner in which interest and/or other amounts payable in respect of that Series are to be calculated, the Interest Commencement Date (and/or other payment commencement date), the Interest Payment Date(s) (and/or other payment date(s)) and the Interest Period(s) (and/or other payment period(s)).

5.3 **Business Day Convention**

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

5.3.1 the “Floating Rate 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: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or

5.3.2 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

5.3.3 the “Modified Following Business Day Convention”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or

5.3.4 the “Preceding Business Day Convention”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

5.4 **Accrual of Interest**

Each Bond (or in the case of the redemption of part only of a Bond, that part only of such Bond) shall cease to bear interest from the Redemption Date unless, upon due presentation thereof, payment of the principal is improperly held or refused. In such event, interest shall continue to accrue at the Default Rate, if any, specified in the relevant Applicable Pricing Supplement, or otherwise at the prevailing Interest rate specified in the relevant Applicable Pricing Supplement, until the date on which all amounts due in respect of such Bond have been paid. In particular, the Issuer agrees to pay, automatically and without any prior notice from the Bondholder, from the date of a failure to pay any specific outstanding Principal Amount due and payable under the Bond additional interest of 5% (five percent) per annum above the rate set forth in Condition 5 hereof on that specific outstanding sum due and payable under the Bond until that sum has been paid to the Bondholder, without prejudice to all legal actions brought by the Bondholder against the Issuer.

6. PAYMENTS

- 6.1 Interest and redemption monies shall only be payable:
- 6.1.1 in respect of interest, to Bondholders registered as such on the Last Day to Register immediately preceding the Interest Payment Date in question and, in respect of redemption monies, to Bondholders registered as such on the Last Day to Register prior to the Redemption Date;
- 6.1.2 to Bondholders registered as such after the relevant Last Day to Register if duly completed documents of transfer were delivered to the Transfer Secretary before the relevant Last Day to Register or were posted to and received by the Transfer Secretary not more than 5 days after the relevant Last Day to Register in an envelope postmarked prior to the relevant Last Day to Register.
- 6.2 The Registers will be closed on the Last Day to Register, to determine Bondholders entitled to receive interest or redemption monies, as the case may be. On the Last Day to Register the Transfer Secretary will update and reconcile the Register to reflect any electronic register maintained by the relevant Central Securities Depository. It shall be the responsibility of the Issuer to ensure the payment of interest and redemption monies of all Bondholders in respect of those who hold Certificated Bonds.
- 6.3 Payment of interest and redemption monies shall be made via electronic funds transfer to the account designated for the purpose by the Bondholder on the Interest Payment Date or Redemption Date being due.
- 6.4 Subject to 6.9 and 6.10, cheques in payment of interest and redemption monies shall be drawn on the Issuer. Payment of cheques shall be a valid discharge by the Issuer of the obligation upon it to pay Interest or the amount due on Redemption, as the case may be.
- 6.5 Subject to 6.6 and 6.7, cheques shall be made payable to the order of:
- 6.5.1 the registered Bondholder; or
- 6.5.2 such other person as may have been notified in writing to the Transfer Secretary by the registered Bondholder (accompanied by such proof of authority as the Issuer or the Transfer Secretary may require) not later than the Last Day to Register in respect of the relevant Interest Payment Date or Redemption Date, as the case may be.
- 6.6 Cheques shall be dated with the relevant Interest Payment Date or Redemption Date, as the case may be, and shall therefore be payable on that date.
- 6.7 Subject to this clause, cheques shall be posted to the Bondholder entitled thereto in terms of 6.5 at the address of the Bondholder in the Register (or such other address as may have been notified in writing to the Transfer Secretary by the Bondholder not later than the relevant Last Day to Register) or to the person referred to in 6.5.2:
- 6.7.1 on the relevant Interest Payment Date; or
- 6.7.2 in the case of a Redemption, on the Redemption Date or the date on which the Certificate in respect of the Bonds to be redeemed has been surrendered to the Transfer Secretary (whichever is the later date).
- 6.8 If written notice of the intention to collect a cheque is given to the Transfer Secretary at least 15 Business Days before the relevant Interest Payment Date or Redemption Date, the cheque shall be available for collection by the Bondholder entitled thereto in terms of 6.5.1 or the person entitled thereto in terms of 6.5.2 or their respective duly authorised representatives at the office of the Transfer Secretary:
- 6.8.1 on the relevant Interest Payment Date; or

- 6.8.2 in the case of a Redemption, on the Redemption Date or on the date on which the Certificate in respect of the Bonds to be redeemed has been surrendered to the Transfer Secretary (whichever is the later date).
- 6.9 If a cheque is not collected on the day on which it became available for collection in terms of 6.8, nor within 2 Business Days after that day, the cheque shall be posted to the Bondholder entitled thereto in terms of 6.5 at his address set out in the Register (or to such other address as may have been notified in writing to the Transfer Secretary by the Bondholder not later than the relevant Last Day to Register) or to the person and address referred to in 6.5.2
- 6.10 Cheques shall be posted by registered post, provided that neither the Issuer nor its agents shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Bondholders for the purposes of all cheques posted in terms of this Condition 6.10.
- 6.11 Redemption shall be deemed to be complete upon the Issuer instructing its bank to make payment to the Bondholder.
- 6.12 The method of payment of interest and redemption monies to a Bondholder may be varied from time to time by agreement between a Bondholder and the Transfer Secretary, with the consent of the Issuer, which consent shall not be unreasonably withheld or delayed.

7. REDEMPTION AND PURCHASE

7.1 At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Bond will be redeemed by the Issuer at its Final Redemption Amount specified in or determined in the manner specified in the Applicable Pricing Supplement on the Maturity Date.

7.2 Redemption for Regulatory and/or Tax Reasons

If the Issuer, immediately prior to the giving of the notice referred to below, is of the reasonable opinion that:

- 7.2.1 as a result of any change in, or amendment to, the laws or regulations or directive of the Government of Zimbabwe or any political sub-division of, or any authority in, or of, the Republic of Zimbabwe having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as required; and
- 7.2.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer may at its option, at any time or on any Interest Payment Date, having given not less than 30 (thirty) days nor more than 60 (sixty) days' notice to the Paying Agent, the Calculation Agent and the Transfer Secretary (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Secretary), and to the Bondholders in accordance with Condition 12 (Notices) (which notice shall be irrevocable), redeem all Bonds, and not some only, at their "Early Redemption Amount" referred to in Conditions 7.5 (Early Redemption Amounts) below, together (if appropriate) with interest accrued to (but excluding) the Redemption Date, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Bonds is due.
- 7.2.3 From the date of publication of the notice to Bondholders of the redemption referred to in Condition 7.2.2, the Issuer shall make available at its Specified Office, for inspection by the relevant Bondholders (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to effect such redemption have occurred and (ii) a copy of a legal opinion from a reputable firm of lawyers in Zimbabwe to the effect that a Tax Event and/or Change in Law has occurred and/or that, on or after the Issue Date of the first Tranche of Bonds in the relevant Series, it is or will become

unlawful for the Issuer to perform or to comply with any of its obligations under the Applicable Terms and Conditions of any Tranche of Bonds in that Series.

7.3 **Redemption at the Option of the Issuer**

7.3.1 If the Issuer is specified in the Applicable Pricing Supplement for a particular Series of Bonds as having an option to redeem (i.e. Call Option), the Issuer may, having given:

7.3.1.1 not less than 15 days nor more than 30 days' notice to the Bondholders in accordance with Condition 13 (Notices); and

7.3.1.2 not less than 7 days before giving the notice referred in 7.3.1.1 above, notice to the Calculation Agent, the Paying Agent and the Transfer Secretary (which notices shall be irrevocable) redeem that Series of Bonds then outstanding (in whole or in part, as specified in such notice) 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).

7.3.2 If the Issuer elects to redeem a Series of Bonds in whole, the Issuer shall redeem that Series of Bonds in full on the Optional Redemption Date(s) at the Optional Redemption Amount(s).

7.3.3 If the Issuer elects to redeem a Series of Bonds in part, the Issuer shall, on each Optional Redemption Date, redeem such percentage of the aggregate Outstanding Principal Amount of that Series of Bonds as is specified in the in the Applicable Pricing Supplement or, if no such percentage is specified in the Applicable Pricing Supplement, the percentage notified in the relevant notice of redemption.

7.3.4 A list of the serial numbers of Certificates of redeemed Bonds will be published in accordance with Condition 13 (Notices) not less than 15 days prior to the date fixed for redemption.

7.3.5 Holders of redeemed Bonds shall surrender the Certificates representing the Bonds in accordance with the provisions of the notice given to them by the Issuer as contemplated in 7.3.1.1 above.

7.3.6 In the case of a partial redemption of Bonds, each Bondholder shall have the same percentage of the Outstanding Principal Amount of Bonds held by the Bondholder redeemed, as each other Bondholder. Where only a portion of the Bonds represented by a Certificate are redeemed, the Transfer Secretary shall deliver a Certificate to such Bondholders in respect of the balance of the Bonds.

7.4 **Redemption in the event of Change of Control**

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

7.4.2 A "Change of Control Event" shall occur if at any time while any Bond remains Outstanding:

7.4.2.1 a Change of Control occurs; and

7.4.2.2 within the Change of Control Period and in respect of that Change of Control, a Rating Downgrade occurs.

7.4.3 Promptly upon the Issuer becoming aware that a Change of Control Event has occurred at any time while any Bond remains Outstanding, the Issuer shall give notice (a "Change of Control Notice") to the relevant Class of Bondholders in accordance with Condition 12 (Notices) specifying the nature of the Change of Control Event and the circumstances giving rise to it. Upon the receipt of a Change of Control Notice, the relevant Class of Bondholders shall have the right to exercise an option, by way of Extraordinary Resolution, obtained in the manner provided for in Condition 14, to require early redemption of the

Bonds and to convene a meeting of each relevant Class of Bondholders within 30 (thirty) days of the date on which the Issuer becomes aware of that Change of Control Event having occurred.

7.4.4 If a Class of Bondholders resolves, by way of an Extraordinary Resolution to require the redemption of the Bonds of that Class of Bondholders as a consequence of the occurrence of the relevant Change of Control Event, then the Issuer shall redeem all of the Bonds of that Class of Bondholders within 90 (ninety) days of the date on which such Extraordinary Resolution is passed (the "Mandatory Redemption Date"), in the manner provided for in Condition 14, at its Early Redemption Amount together with interest accrued to, but excluding, the Mandatory Redemption Date.

7.4.5 For the purposes of this Condition 7.4 (Redemption in the event of Change of Control);

7.4.5.1 "Acting in Concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;

7.4.5.2 a "Change of Control" shall be deemed to have occurred at each time that any person ("Relevant Person") or person Acting in Concert, at any time directly or indirectly has unconditionally acquired Control of the Issuer, provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control, were all the shareholders of the Issuer;

7.4.5.3 "Change of Control Period" means, in relation to a Change of Control of the Issuer, the period commencing 60 (sixty) days prior to such Change of Control and ending 60 (sixty) days after such Change of Control;

7.4.5.4 "Control" of the Issuer means (a) the holding beneficially of more than 50% (fifty percent) of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or (b) the power to cast, or control the casting of votes in respect of, such number of the shares in the issued share capital of the Issuer carrying more than 50% (fifty percent) of the total number of votes that may be cast at a general meeting of the members of the Issuer;

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

7.4.5.6 a "Rating Downgrade" shall, in relation to Issuer and/or the Programme and/or where any Bonds are rated by a Rating Agency, as the case may be, be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the Rating previously assigned to the Issuer and/or the Programme and/or the Bonds, by any Rating Agency is:

7.4.5.6.1 withdrawn; or

7.4.5.6.2 changed from an Investment Grade Rating to a non-Investment Grade Rating; or

7.4.5.6.3 in the case of a non-Investment Grade Rating, downgraded by any Rating Agency by one or more Rating Notches, provided that no Rating Downgrade shall have occurred if the Rating assigned to the Issuer and/or the Programme and/or the Bonds, as the case may be, is substituted for an Investment Grade Rating by another Rating Agency;

7.4.5.7 "Rating Notch" means the difference between one Rating and the Rating immediately below it, for example, from "BB+" to "BB" by the Rating Agency or such similar lower or equivalent Rating.

7.5 **Early Redemption Amounts**

For the purpose of Condition 7.2 (Redemption for Regulatory and/or Tax Reasons), Condition 7.3

Terms And Conditions Of The Bonds

(Redemption at the Option of the Issuer), Condition 7.4 (Redemption in the event of a Change of Control) and/or Condition 9 (Events of Default), the Bonds will be redeemed at the Early Redemption Amount calculated as follows:

- 7.5.1 in the case of Bonds with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 7.5.2 in the case of Bonds (other than Zero Coupon Bonds) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount; or
- 7.5.3 in the case of Zero Coupon Bonds, at an amount (the "Amortised Face Amount") equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Bond becomes due and repayable, or
- 7.5.4 such other amount or method of calculation or the amount payable as is provided in the Applicable Pricing Supplement.
- 7.5.5 Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

7.6 Instalment Bonds

Instalment Bonds will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Condition 7.2 (Redemption for Regulatory and/or Tax Reasons), Condition 7.3 (Redemption at the Option of the Issuer) and Condition 7.4 (Redemption in the event of Change of Control) or Condition 9 (Events of Default), the Early Redemption Amount will be determined pursuant to Condition 7.5 (Early Redemption Amounts).

7.7 Partly Paid Bonds

If the Bonds are Partly Paid Bonds, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 7 (Redemption and Purchase) and the Applicable Pricing Supplement. In the case of early redemption in accordance with Condition 7.2 (Redemption for Regulatory and/or Tax Reasons), Condition 7.3 (Redemption at the Option of the Issuer) and Condition 7.4 (Redemption in the event of Change of Control) or Condition 9 (Events of Default), the Early Redemption Amount will be determined pursuant to Condition 7.5 (Early Redemption Amounts).

7.8 Exchangeable Bonds

If the Bonds are Exchangeable Bonds, they will be redeemed, whether at maturity, early redemption or otherwise, in the manner indicated in the Applicable Pricing Supplement. Exchangeable Bonds in respect of ZSE or FINSEC, or upon the exercise by the Bondholder of the Bondholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Bondholder as many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Bonds.

7.9 Indexed Redemption Amount Bonds

In the case of a Series of Indexed Redemption Amount Bonds, the Redemption Amount shall be determined in the manner specified in the Applicable Pricing Supplement.

7.10 Late Payment on Zero Coupon Bonds

If the amount payable in respect of any Zero Coupon Bond upon redemption of such Zero Coupon Bond pursuant to Condition 7 (Redemption and Purchase) or upon its becoming due and repayable

as provided in Condition 9 (Events of Default) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Bond shall be the amount calculated as provided in Condition 7.5.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Bond becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Bond have been paid; and (ii) 5 (five) days after the date on which the full amount of the moneys payable has been received by the Central Securities Depository, and notice to that effect has been given to the Bondholder in accordance with Condition 12 (Notices).

7.11 Purchases

The Issuer may at any time purchase Bonds at any price in the open market or otherwise. Such Bonds may (subject to restrictions of any Applicable Laws) be held by the Issuer in its own name or that of its nominee, resold or, at the option of the Issuer, surrendered to the Transfer Secretary for cancellation.

7.12 Cancellation

7.12.1 All Bonds which are redeemed will forthwith be cancelled. All Certificates representing the Bonds so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Bonds represented by a Certificate are cancelled, the Transfer Secretary shall deliver a Certificate to such Bondholder in respect of the balance of the Bonds.

8. VALIDITY OF CERTIFICATED BONDS

All certificated bonds shall cease to be valid upon full settlement, which shall be effected by the Calculation Agents to all bondholders registered by the record date, on the date of the bond's redemption in terms of this Prospectus or applicable pricing supplement as the case may be.

9. EVENTS OF DEFAULT

9.1 Bonds

An Event of Default shall occur in respect of any particular Series of Bonds if any of the following events occur and is continuing:

9.1.1 Non-Payment or Non-Performance

The Issuer fails to pay any principal or interest due under the Bonds on its due date for payment thereof and any such failure continues for a period of thirty (30) days in either case; or the Issuer fails to perform any of its other material obligations or undertakings under the Applicable Terms and Conditions of any Series of Bonds and such failure to perform has continued for more than 30 (thirty) days after the written notice thereof has been delivered by any Bondholder of such Bonds to the Issuer requiring such failure to perform to be remedied; or

9.1.2 Cross Default

9.1.2.1 Any Indebtedness of the Issuer:

9.1.2.1.1 is not paid when due and payable (taking into account any applicable grace period for such payment) and such failure to pay continues for more than sixty (60) consecutive days; or

9.1.2.1.2 is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an Event of Default (however described); or

9.1.2.1.3 Any commitment for any Indebtedness of the Issuer is cancelled or suspended by a creditor of the Issuer as a result of an event of default (however described).

9.1.2.2 An Event of Default will not occur under this clause 9.1.2 if:

- 9.1.2.2.1 the aggregate amount of Indebtedness or commitment for Indebtedness falling within Conditions 9.1.2.1.1 to 9.1.2.1.3 above is less than USD 5,000,000 in respect of a foreign debt, or its ZWL equivalent; and
- 9.1.2.2.2 such failure to pay has been waived and/or condoned by the relevant creditor(s) to whom, in the absence of such waiver and/or condonation, such amount would otherwise have been due and payable; and
- 9.1.2.2.3 the Issuer, in good faith and on reasonable grounds, institutes proceedings to contest its liability to pay such amount within 60 (sixty) consecutive days of the day on which such amount is purportedly due and payable, save that if a final decision which is not subject to any appeal had been given or handed down in respect of such proceedings against the Issuer, such failure to pay shall, with effect from the third Business Day following the date on which such decision is given or handed down, constitute an Event of Default.

9.1.3 **Other Obligations**

the Issuer defaults in the payment of the principal or interest, or any obligations in respect of any Indebtedness which exceeds USD 5,000,000 in respect of a foreign debt, or its ZWL equivalent, or assumed or guaranteed by the Issuer when and as the same shall become due and payable and where notice has been given to the Issuer of the default and if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligations of, or assumed or guaranteed by, the Issuer shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any Event of Default thereunder; or

9.1.4 **Insolvency**

an order by any court of competent jurisdiction or authority for the liquidation, winding-up, dissolution or placement under supervision or commencement of business rescue proceedings of the Issuer is made whether provisionally (and not dismissed or withdrawn within 60 days thereof) or finally, or the Issuer is placed under voluntary liquidation or curatorship or a meeting is convened to consider the passing of a resolution, or a resolution is passed, to authorise the implementation of any business rescue proceedings in respect of the Issuer provided that no liquidation, curatorship, winding-up, dissolution or business rescue proceedings shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement of the Issuer with any third party; or (ii) the liquidation, winding-up, dissolution or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement, the terms of which were approved by an Extraordinary Resolution of Bondholders before the date of the liquidation, winding-up, dissolution or business rescue proceedings; or

9.1.5 **Insolvency Proceedings**

the Issuer initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up, business rescue or insolvency or other similar laws or compromises or attempts to compromise, with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer to consider a proposal for an arrangement or compromise with its creditors generally (or any significant class of its creditors); or

9.1.6 **Consents, Approvals and Authorisations**

any action, condition or thing, including obtaining any consent, licence, approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Bonds is not fulfilled or in place or any such consent, licence, approval or authorisation is revoked, modified, withdrawn or withheld or ceases to be in full force and effect, resulting in the Issuer being unable to

perform any of its respective payment or other obligations in terms of the Bonds and the Issuer fails to take reasonable steps to remedy such circumstances within thirty (30) days of receiving written notice from the Bondholders demanding such remedy; or

9.1.7 **Other**

any other Event of Default provided for such Series, as specified in the Applicable Pricing Supplement, then any Bondholder or the Trustee, as the case may be, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Bonds held by the Bondholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount as described in Condition 7.5 (Early Redemption Amounts), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that no such action may be taken by a Bondholder or the Trustee, as the case may be, if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation in Zimbabwe or to comply with any order of a court of competent jurisdiction.

9.2 **Financial Covenants**

9.2.1 The Issuer undertakes that, until the Maturity Date of all the Bonds, it shall ensure that its Capital Adequacy Ratio (CAR) shall at all times be at least equal to 12%. CAR shall be calculated by dividing the Issuer's total equity by its total Risk Weighted Assets.

9.2.2 The Issuer shall provide the following information to the Bond Trustee:

9.2.2.1 Within 60 days of the end of each quarter, quarterly management accounts and a certificate of compliance signed by the Chief Executive Officer of the Issuer verifying the compliance with the covenants herein;

9.2.2.2 Within 90 days of the end of the financial year, audited financial statements; and

9.2.2.3 Or such other information as set out in the Applicable Pricing Supplement.

9.2.3 The Issuer shall ensure that at all times any related party or shareholder loans are subordinated to Bonds issued under the Programme.

9.2.4 The Issuer shall make no dividend payments or payments under any related party or shareholder loans if the Issuer is in breach of any covenant herein or an Event of Default has occurred or is continuing.

9.2.5 Negative Pledge - The Issuer will not and will procure that none of its subsidiaries will, directly or indirectly, create or have outstanding any mortgage, charge, lien, pledge, or other encumbrance in excess of US\$50,000,000 in respect of any foreign debt, or its ZWL equivalent, upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are secured by (a) the Guarantee equally and rateably with the Indebtedness to the satisfaction of the Trustee; or (b) such other security or other arrangement is provided either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders; or (ii) as is approved by a Special Resolution of the Bondholders.

9.3 **General conditions**

The following circumstances each constitute an Event of Default:

9.3.1 The failure to pay any outstanding sum due and payable under the Bond, including interest payments or principal repayments, on the date on which such payment is due under the Bond when such failure to pay continues for thirty (30) days after the payment is due under the Bond.

9.3.2 the failure to make available to any Bondholder the Original Copy of the Bond and/or the Original Copy of the Legalised Signature Documents within ten (10) Business Days, after the scanned Copy mailing date.

Terms And Conditions Of The Bonds

- 9.3.3 the provision of incorrect, untrue or misleading information by the Issuer to the Bondholder which had an influence on the Bondholder signing this Bond and granting cash to the Issuer against issuance of this Bond;
- 9.3.4 any representation or statement made or deemed to be made by the Issuer or any other document delivered by or on behalf of the Issuer under or in connection with the Bond is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- 9.3.5 the dissolution or embargo of the Issuer's assets, which is not removed within sixty (60) days after the embargo;
- 9.3.6 the insolvency or the inability of the Issuer to make any payment of loan principal or interest thereunder when due (after any applicable grace period has run), or the Issuer's application for, or consent to, the appointment of a trustee or receiver for any of its property; or any bankruptcy or insolvency law instituted by or against the Issuer, which is not dismissed within sixty (60) days;
- 9.3.7 a material adverse change in the financial, operational or regulatory condition of the Issuer that may affect, in the reasonable opinion of the Bondholder, the ability of the issuer to carry out its obligation under the Bond;
- 9.3.8 the failure to submit any reasonably requested financial, operational and institutional information to the Bondholders within thirty (30) days after a request is received by the Issuer for such information in accordance with Condition 12 hereof;
- 9.3.9 a default or event of default shall have occurred under the terms of any other agreement involving borrowed money or the extension of credit or any other indebtedness under which the Issuer may be obligated as an Issuer or guarantor where the amount of such indebtedness exceeds 25% (twenty-five percent) of the Issuer's net assets, and such default or event of default permits or causes the acceleration of any indebtedness or the termination of any commitment to lend;
- 9.3.10 a Change of Control of the Issuer or the sale, transfer or other disposition of all or substantially all of the assets of the Issuer or the merger or consolidation of the Issuer with any other person without express written consent of a majority of Bondholders, in accordance with Section 7.4;
- 9.3.11 the Issuer does not inform the Bondholders within thirty (30) days prior notice of voluntary prepayments of any sum under any other agreement involving borrowed money or the extension of credit or any other indebtedness when such Prepayment to Third Party causes the aggregate sums of the Prepayments to Third parties over a period of the last three (3) months to exceed 10% of the Issuer's total liabilities;
- 9.3.12 the Issuer does not maintain regulatory ratios as required by the Reserve Bank of Zimbabwe.
- 9.3.13 the Issuer does not comply with any applicable law and regulations and this has a material impact in the ability of the Issuer to conduct its operations and business.

10. CERTIFICATES, REGISTER AND TRANSFER OF BONDS

- 10.1 **Certificates**
- 10.1.1 A Bondholder of an Uncertificated Bond, should they so elect, shall be entitled to receive a Certificate evidencing the Bonds transferred to that Bondholder within three (3) Business Days after registration of that transfer (and which will apply mutatis mutandis to such Certificate), provided that joint Bondholders will be entitled to receive only one Certificate in respect of that joint holding, and the delivery to one of those Bondholders shall be delivery to all of them.
- 10.1.2 If a Certificate is worn out or defaced then, within three (3) Business Days of its presentation to the Transfer Secretary, the Transfer Secretary shall cancel that Certificate and issue a new Certificate in its place.

- 10.1.3 If a Certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Transfer Secretary, a new Certificate in lieu thereof may be issued to the person entitled to that lost or destroyed Certificate, provided that the Bondholder shall provide the Transfer Secretary and the Issuer with an indemnity. The person providing the indemnity and the form of the indemnity shall be to the satisfaction of the Issuer and the Transfer Secretary. The new Certificate shall be issued within three (3) Business Days from the date that the conditions for issuing such Certificate have been fulfilled.
- 10.1.4 An entry as to the issue of a new Certificate and indemnity (if any) shall be made in the Register upon the date of issue of the new Certificate.
- 10.1.4.1 Certificates to be provided by the Issuer to Bondholders shall be collected by the Bondholders from the Transfer Secretary.
- 10.1.4.2 Certificates shall be provided where relevant by the Issuer without charge, save as otherwise provided in these Terms and Conditions. The costs and expenses of delivery of Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Bondholder.
- 10.2 **Registers**
- 10.2.1 **The Register of Certificated Bonds:**
- 10.2.1.1 shall be kept at the office of the Transfer Secretary;
- 10.2.1.2 shall contain the names, address and bank account numbers of the Bondholders;
- 10.2.1.3 shall show the total Nominal Amount of the Bonds held by the Bondholders;
- 10.2.1.4 shall show the dates upon which each of the Bondholders was registered as such;
- 10.2.1.5 shall show the serial numbers of the Certificates and the dates of issue thereof;
- 10.2.1.6 shall be open for inspection at all reasonable times and during business hours on Business Days by any Bondholder or any person so authorised in writing by a Bondholder;
- 10.2.1.7 shall be closed during the period as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, or such shorter period as the Issuer may decide during which transfer of Bonds will not be registered in order to determine those Bondholders entitled to receive interest and/or Redemption Amounts.
- 10.2.2 The Transfer Secretary and/or the Central Securities Depository shall alter the Registers in respect of any change of name, address or account number of any of the Bondholders of which it is notified.
- 10.2.3 Except as provided for in these Terms and Conditions or as required by law, the Issuer:
- 10.2.3.1 will only recognise a Bondholder as the owner of the Bonds registered in that Bondholder's name as per the applicable Register;
- 10.2.3.2 shall not be bound to enter any trust in the Registers or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Certificate or Uncertificated Bond may be subject.
- 10.3 **Transfer of Certificated Bonds**
- 10.3.1 In order for any transfer of Certificated Bonds to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Bond:

Terms And Conditions Of The Bonds

- 10.3.1.1 must be in writing and in the usual form or in such other form approved by the Transfer Secretary;
- 10.3.1.2 must be signed by the relevant Bondholder and the transferee, or any authorised representatives of that registered Bondholder or transferee;
- 10.3.1.3 shall only be in respect of the stated denomination of the Bond as set out in the Applicable Pricing Supplement, or integral multiples thereof, and consequently the Issuer will not recognise any fraction of the stated denomination;
- 10.3.1.4 must be delivered to the Transfer Secretary together with the Certificate in question for cancellation (if only part of the Bonds represented by a Certificate is transferred, a new Certificate for the balance will be issued to the transferor and the cancelled Certificate will be retained by the Transfer Secretary).
- 10.3.2 The transferor of any Bonds represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 10.3.3 Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Secretary reasonably requires as to the identity and title of the transferor and the transferee.
- 10.3.4 No transfer will be registered whilst the applicable Register is closed.
- 10.3.5 If a transfer is registered, then the transfer form and cancelled Certificate will be retained by the Transfer Secretary.

11. CALCULATION AND OTHER AGENTS

- 11.1 Any third party appointed by the Issuer as Arranger(s) or Co-Arranger(s), Calculation Agent, Paying Agent, Debt Sponsor, Transfer Secretary or otherwise shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Bondholders.
- 11.2 The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified agent, provided that there will at all times be a Transfer Secretary, Calculation Agent, Paying Agent and Trustee and, in respect of Bonds listed on the ZSE or FINSEC, a Debt Sponsor with a specified office in such place as may be required by the applicable rules and regulations of the ZSE or FINSEC.

12. NOTICES

- 12.1 All notices to Bondholders shall be sent by registered or electronic mail to their respective addresses appearing in the Registers. Any such notice which has been sent by registered mail shall be deemed to have been given on the seventh day after the day on which it is mailed. Any notice sent by electronic mail shall be deemed to have been given on the date of receipt of the notice as provided for in Condition 12.3 below. In addition, such notices shall only be valid if published in an English language daily newspaper of general circulation in the Republic of Zimbabwe.
- 12.2 If any notice is given to Bondholders, a copy thereof shall be delivered to the Trustee and, if the Bond is listed on the ZSE or FINSEC, to the ZSE or FINSEC, as the case may be.
- 12.3 Any notice by a Bondholder to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer on the date of delivery and, if sent by registered mail, on the seventh day after the day on which it is sent. Any notice sent by electronic mail will be deemed received once delivered to the recipient, as evidenced by a delivery report.

13. AMENDMENT OF THESE TERMS AND CONDITIONS

- 13.1 These Terms and Conditions set out all the rights and obligations relating to the Bonds and, subject to further provisions of Condition 13, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by or on behalf of the Issuer, Trustee and approved by the ZSE or FINSEC, as applicable.
- 13.2 These Terms and Conditions may be amended by the Issuer without the consent of the Bondholders for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein, provided that the interests of the Bondholders are not prejudiced by any such amendment.
- 13.3 The Issuer may, with the prior sanction of an Extraordinary Resolution or with the prior written consent of Bondholders holding not less than 75% (seventy-five per cent) in Nominal Amount of the Bonds Outstanding from time to time, amend these Conditions, provided that no such amendment shall be of any force or effect unless notice of intention to make such amendment shall have been given to all Bondholders in terms of Condition 12 above.

14. TRUST, TRUSTEE AND MEETINGS OF BONDHOLDERS

14.1 Convening of meetings

- 14.1.1 The Issuer may at any time convene a meeting of Bondholders (a meeting or the meeting).
- 14.1.2 The Issuer shall convene a meeting upon the requisition in writing of the Bondholders holding at least 25% (twenty-five percent) of the aggregate Nominal Amount of the Bonds Outstanding.
- 14.1.3 Whenever the Issuer wishes or is required to convene a meeting, it shall forthwith give notice in writing to the Bondholders of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- 14.1.4 A meeting of Bondholders may be held either by:
- 14.1.4.1 Bondholders who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- 14.1.4.2 Bondholders who constitute a quorum by means of audio, or audio and visual, by which all Bondholders participating and constituting a quorum can simultaneously hear each other throughout the meeting.
- 14.1.4.3 Any duly authorised director of the Issuer, and any other person authorised in writing by the Issuer, may attend and speak at a meeting of Bondholders, but shall not be entitled to vote, other than as a proxy (as defined below) or duly authorised representative of a Bondholder.

14.2 Requisition Notice

A Requisition Notice shall state the nature of the business for which the meeting is to be held and shall be deposited at the registered office of the Issuer. A Requisition Notice may consist of several documents in like form, each signed by one or more requisitionists.

14.3 Convening of meetings by requisitionists

If the Issuer does not proceed to cause a meeting to be held within 10 days of the deposit with the Bank Secretary of the Issuer of a Requisition Notice, requisitionists who together hold not less than 10% (ten percent) of the aggregate Nominal Amount of the Bonds outstanding for the time being, may themselves convene the meeting, but the meeting so convened shall be held within 60 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 Issuer. Notice of the meeting shall be required to be given to the Issuer.

14.4 **Notice of meeting**

14.4.1 Unless the holders of at least 95% of the aggregate Nominal Amount of the Bonds outstanding agree in writing to a shorter period, at least twenty one (21) 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 Issuer to Bondholders. Such notice is required to be given in accordance with Condition 12 (Notices).

14.4.2 The accidental omission to give such notice to any Bondholder or the non-receipt of any such notice, shall not invalidate the proceedings at a meeting.

14.5 **Quorum**

14.5.1 A quorum at a meeting shall for the purposes of considering:

14.5.1.1 an Ordinary Resolution generally, consist of Bondholders present in person by proxy and holding in the aggregate not less than 33.3% (thirty-three point three per cent) of the aggregate Nominal Amount of the Bonds outstanding;

14.5.1.2 an Extraordinary Resolution, consist of Bondholders present in person or by proxy and holding in the aggregate not less than 75% (seventy-five per cent) of the aggregate Nominal Amount of the Bonds outstanding.

14.5.2 No business shall be transacted at a meeting of the Bondholders unless a quorum is present at the time when the meeting proceeds to business.

14.5.3 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 Bondholders, 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/or place, or if that day is not a Business day, the following Business day. If at such adjourned meeting a quorum is not present the Bondholders present in person or by proxy shall constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

14.6 **Chairperson**

The chairperson of the meeting shall be appointed by the Issuer.

14.7 **Adjournment**

14.7.1 Subject to the provisions of Condition 14.5 (Quorum) the chairperson may, with the consent (which consent shall not be unreasonably withheld and/or delayed) of, and shall on the direction of, the Issuer, adjourn the meeting from time to time and from place to place.

14.7.2 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

14.7.3 At least fourteen (14) days written notice of the place, day and time of an adjourned meeting shall be given by the Issuer to Bondholders. In the case of a meeting adjourned in terms of Condition 14.7, the notice shall state that the Bondholders present in person or by proxy at the adjourned meeting will constitute a quorum.

14.8 **How questions are decided**

14.8.1 At a meeting, a resolution put to the vote shall, once a poll is demanded by the chairperson or by any one of the Bondholders present in person or by proxy at the meeting, be agreed upon by all the Bondholders present without dissent or if the majority of the votes cast are in favour of it.

14.8.2 A poll demanded on the election of a Chairperson 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 Chairperson of the meeting directs and the result of such poll shall be deemed to be the resolution of the meeting.

14.8.3 In the case of an equality of votes on a poll, the Chairperson shall be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

14.9 Resolution in writing

14.9.1 A resolution in writing, signed or assented to by all the Bondholders then entitled to receive notice of a meeting, is as valid and effective as if it had been passed at a meeting of the Bondholders duly convened and held.

14.9.2 Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Bondholders.

14.10 Votes

On a show of hands every Bondholder present in person at the meeting shall have one vote. On a poll every Bondholder, present in person or by proxy, shall have one vote for each ZWL of the Nominal Amount of the Bonds outstanding held by him. Joint holders of Bonds shall have only one vote on a show of hands and one vote on a poll for each ZWL of the Nominal Amount of the Bonds outstanding of which they are the registered holder and the vote may be exercised only by that holder present whose name appears first on the Register in the event that more than one of such joint holders is present in person or by proxy at the meeting.

14.11 Proxies and representatives

14.11.1 Bondholders may be:

14.11.1.1 present in person; or

14.11.1.2 through any appointed person (a proxy), by an instrument in writing (a form of proxy), signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation, vote on a poll.

14.11.1.3 A person appointed to act as proxy need not be a Bondholder.

14.11.2 The form of proxy shall be deposited at the registered office of the Issuer or at the office where the relevant Register is kept or at such other office as the Issuer may determine not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such form of proxy proposes to vote, and in default, the proxy shall be invalid.

14.11.3 No form of proxy shall be valid after the expiration of 6 months from the date named in it as the date of its execution.

14.11.4 A proxy shall have the right to demand or join in demanding a poll.

14.11.5 Notwithstanding Condition 14.11.3, the form of proxy shall be valid for any adjourned meeting, unless the contrary is stated thereon.

14.11.6 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 form of proxy was executed or the transfer of Bonds 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 relevant Transfer Secretary more than, and that the transfer has been given effect to less than, 12 hours

- 14.11.7 before the commencement of the meeting or adjourned meeting at which the proxy is to be used. Any reference in this Condition 14 (Trust, Trustee and Meetings of Bondholders) to a Bondholder present in person includes such a duly authorised representative of a Bondholder who is a juristic person.

14.12 Minutes

- 14.12.1 The Issuer shall cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer. 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 Bondholders 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.

14.13 Mutatis mutandis application

The provisions of Condition 14 (Trust, Trustee and Meetings of Bondholders) shall apply mutatis mutandis to the calling and conduct of meetings on an individual Series or class of Bondholders, as the case may be.

15. ENTITLEMENT OF THE TRUSTEE

- 15.1 In addition to the below, all references to notice to the Bondholders and rights and/or discretions to be exercised by the Bondholders shall be deemed to be references to notice to the Trustee and the Bondholders rights and/or discretions to be exercised by the Trustee acting in accordance with the instructions of the relevant majority of Bondholders or such other persons as prescribed in relation to any particular matter under the Trust Deed, as the case may be.
- 15.2 In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Bondholders and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

16. ACCELERATION AND ENFORCEMENT

- 16.1 The Trustee shall only take any proceedings against the Issuer or enforce the provisions of the Bonds in accordance with the provisions of the Trust Deed, once so directed by an Extraordinary Resolution of Bondholders or so requested in writing by the holders of at least 75% (seventy-five percent) of the aggregate Nominal Amount of the Bonds then outstanding.
- 16.2 No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within thirty (30) days of the Trustee being instructed to proceed and the failure is continuing.

17. THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be obliged to accept and be entitled to rely on any such report, confirmation or certificate or advice where the Issuer

procures delivery of the same pursuant to its obligation to do so under any provision of these Terms and Conditions or the Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.

18. GUARANTEE

- 18.1 The Issuer or Trustee may enter into a guarantee arrangement with any such person or entity who shall be prepared to irrevocably and unconditionally guarantee to the Bondholders, the payment by the Issuer of certain sums owing by the Issuer in respect of the Bonds arising under the Programme as specified in the Applicable Pricing Supplement, as the Guarantor.
- 18.2 The relevant Bondholder shall be entitled to require the Issuer to produce the original of the Guarantee on request and further shall be entitled to require the Issuer, which shall be obliged, to provide a copy of the Guarantee to that Bondholder on request.

19. FURTHER ISSUES

The Issuer shall be at liberty from time to time and without the consent of the Bondholders to create and issue further Bonds.

20. DOCUMENTS

A signed copy of the Prospectus, the Trust Deed, any Supplementary Trust Deed that is applicable to that Bondholder, certified copies of resolutions and authorisations, audited annual financial accounts of the Issuer for the previous three years and letters of consent are available for inspection, on request, at the registered offices of the Issuer, Trustee and the Registrar and Transfer Agent during normal business hours.

21. REGULATORY APPROVALS

The Issuer has obtained the necessary approvals from the Minister of Finance and Economic Development ("the Minister"), in terms of section 22(6) of the Public Debt Management Act [Chapter 22:21] and section 17(1)(c) of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14], to undertake the Programme.

22. GOVERNING LAW

The provisions of these Terms and Conditions, the Prospectus, the Bonds, and all rights and obligations to the Bonds, are governed by and shall be construed in accordance with, the laws of the Republic of Zimbabwe in force from time to time.

23. JURISDICTION

The Courts of the Republic of Zimbabwe have exclusive jurisdiction to settle any dispute arising out of or in connection with these Terms and Conditions.

A close-up photograph of a wooden gavel with a brass band, resting on a stack of US dollar bills. The gavel is positioned vertically, with its head resting on the bills. The bills are slightly fanned out, showing the '100' and 'ONE HUNDRED DOLLARS' text. A green diagonal overlay covers the lower-left portion of the image, containing the text 'FINANCIAL AND LEGAL INFORMATION'.

FINANCIAL AND LEGAL INFORMATION

14. Financial And Legal Information

Capitalised terms used in this section shall bear the same meaning as defined in Section 5 of this Prospectus headed “Definitions”, unless expressly defined.

The documents listed below, which will be filed with the ZSE and/or FINSEC upon listing of the Bonds, shall be deemed to be incorporated in and to form part of this Prospectus (see Section 6 of this Prospectus headed “Documents Incorporated by Reference and Supplementary Documents”). These documents are available for inspection, upon request, during normal office hours, at the registered office of the Issuer. In addition, these documents are available on the Issuer’s website at <http://www.idbz.co.zw/>:

the respective annual reports of the Issuer for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018, which include audited annual financial statements of the Issuer together with such statements, reports and notes attached to or intended to be read with such annual financial statements, are incorporated in the Prospectus as **Annexure 1**;

- a copy of this Prospectus;
- each Applicable Pricing Supplement;
- any other supplement to the Prospectus circulated by the Issuer from time to time; and
- the Trust Deed which establishes the Trust and appoints the Trustee for the Bondholders, entered into by the Issuer and the Trustee on or before the date of the Prospectus.

The respective annual reports of the Issuer for all financial years of the Issuer after the Programme Date will (as and when such annual reports are approved and become available) be available for inspection, upon request, during normal office hours, at the registered office of the Issuer. In addition, such annual reports will (as and when such annual reports are approved and become available) be available on the Issuer’s website at <http://www.idbz.co.zw/>.

Independent Auditors

Baker Tilly Chartered Accountants (Zimbabwe) are the current independent auditors of the Issuer as at the Programme Date.

This Prospectus contains a statement from Baker Tilly, as Independent Auditors and Reporting Accountants, which constitutes a statement made by an expert and they have not withdrawn their consent to the issue of the said statement in the form and context in which it is included in **Annexure 1** of this Prospectus.



TAXATION

15. Taxation

The information below is intended as a general guide to the relevant tax laws of Zimbabwe as at the Programme Date. The contents of this section headed "Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Bonds. Prospective subscribers for or purchasers on any Bonds should consult their professional advisors in this regard.

Withholding Tax

Non-resident Bondholder

Non-resident investors are exempt from any Withholding Tax on interest with effect from 30 September 2009 by the Finance Act 5 of 2009.

Resident Bondholder

For investors resident in Zimbabwe, interest from a source in Zimbabwe payable by a financial institution on any loan is subject to Withholding Tax at 15% of the gross interest in terms of section 34, as read with the Twenty-First Schedule, of Income Tax Act [Chapter 23:06].

Payment of interest on the Bonds will be made by the Issuer, through the Paying Agent, in Zimbabwe. The Bonds have been granted exemption from tax on interest by the Minister of Finance and Economic Development and Non-residents will be entitled to the same privilege.

Capital Gains Withholding Tax

Capital Gains Withholding Tax is a tax withheld from any capital gain arising from the disposal of a specified asset in terms of Section 6 of the Capital Gains Act [Chapter 23:01]. Specified asset means immovable property (e.g. land and buildings) and any marketable security such as debentures, shares, unit trusts, bonds and stock.

Section 10 of the Capital Gains Act provides for the following exemptions:

Section 10(c) - amounts received or accrued on the sale of any marketable security being any bond or stock in respect of any loan to:-

- (i) the State or any company all the shares of which are owned by the State;
- (ii) a local authority;
- (iii) a statutory corporation;

The issue of the Bonds will not be subject to Capital Gains Tax.

By virtue of the aforementioned exemptions, the disposal of Bonds by a Bondholder through the transfer or redemption of the Bonds may not be subject to Capital Gains Tax in Zimbabwe.

Stamp Duty

Stamp registration duties will be payable in Zimbabwe in connection with the transfer or redemption of the Bonds in terms of section 24A (1) (a) and (b) of the Finance Act [Chapter 23:04]. The stamp duty is \$0.40 for every \$100 or part thereof of the debt secured or to be secured.

Value Added Tax

Proceeds from disposal of Bonds and interest receivable are not subject to Value Added Tax (VAT). However, resident Bondholders may need to declare VAT on imported services in relation to any foreign expenses paid by the Bondholder in terms of section 13 of the Value Added Tax Act [Chapter 23:12]. Brokerage fees on listed securities are subject to VAT.

Double Taxation Agreements

Zimbabwe has Double Taxation Agreements with the following countries: Botswana, Bulgaria, Canada, DR Congo, France, Germany, Iran, Kuwait, Malaysia, Mauritius, Namibia, Netherlands, Norway, Poland, Serbia & Montenegro, South Africa, Sweden, Northern Ireland and the United Kingdom.

16. Exchange Control

Capitalised terms used in this section headed “Exchange Control” shall bear the same meaning as defined in the section headed “Definitions”, unless expressly defined. The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section headed “Exchange Control” do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Bonds.

Prospective investors should consult their own professional advisors concerning the possible exchange control consequences of purchasing, holding and/or selling the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds under the applicable laws of their country of citizenship, residence or domicile.

The Bonds issued under this Programme are subject to Exchange Control Regulations as well as the Exchange Control Act [Chapter 22:05] of Zimbabwe and its subsequent amendments.

All foreign investors in the Bonds are required to obtain approval from the Reserve Bank of Zimbabwe through Authorized Dealers as foreign investors to enable remittability of interest and/or capital.

Foreign investors may subscribe for up to 100% of primary issues of bonds provided the purchase is financed by confirmed inward transfer of foreign currency through normal banking channels.

There is no limit on the level of participation by each investor, who is free to dispose of his/her investments in the secondary market. Foreign investors are also free to buy and sell bonds in the secondary market.





GENERAL INFORMATION

17. General Information

17.1 Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Republic of Zimbabwe as at the Programme Date have been given for the establishment of the Programme and the issue of Bonds and for the Issuer, the Co-Arranger, Debt Sponsor, Legal Advisor, Bond Trustee, the Transfer Secretary, Paying Agent and Calculation Agent to undertake and perform their respective obligations under the Programme.

17.2 Listing

The Issuer intends to list the Bonds post issue to enhance tradability.

Bonds issued under the Programme may be listed on the ZSE or FINSEC, as may be determined by the Issuer and subject to any Applicable Laws. Unlisted Bonds may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Series of Bonds will be listed and, if so, on which Securities Exchange.

In the event that Bonds that are intended to be listed are issued 12 months after the date of the Prospectus or any Supplementary Prospectus, the Issuer undertakes to prepare and publish a further Supplementary Prospectus in compliance with the Debt Listings Requirements, unless exempted from such Debt Listings Requirements.

17.3 Litigation

As at the Programme Date, the Issuer (whether as defendant or otherwise) is not engaged in any material 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.

17.4 Auditors of the Issuer

Bakertilly Chartered Accountants (Zimbabwe) are the auditors of the Issuer as at the Programme Date. Their report is incorporated in this Prospectus as **Annexure 1**.

17.5 Material Changes

The Directors of the Issuer confirm that there has been no material change in the financial or trading position of the Issuer for the past three years.

17.6 Documents Available for Inspection

So long as Bonds are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer for the time being in Harare:

- Authority by the Minister of Finance and Economic Development for the IDBZ to undertake the Programme;
- IDBZ Board Resolution to undertake the Programme;
- Guarantee from the Government of the Republic of Zimbabwe in favour of Bondholders under the Programme;
- Authority from the Ministry of Finance and Economic Development conferring Prescribed Asset Status and Tax Exemption Status on Bonds issued under the Programme;
- Authority from the Reserve Bank of Zimbabwe conferring Liquid Asset Status and Overnight Accommodation Security Status on the Bonds issued under the Programme;

- the audited annual financial statements of the Issuer in respect of the most recent three financial years;
- a copy of this Prospectus and any Prelisting Statement;
- each and any Supplementary Prospectus circulated by the Issuer from time to time;
- the Applicable Pricing Supplement relating to the particular Series of Bonds that is being subscribed for; and
- the Trust Deed which establishes the Trust and appoints the Trustee for the Bondholders, entered into by the Issuer and the Trustee on or before the date of this Prospectus.

17.7 Experts Consents

The following letters of Advisors consents are available for inspection:

- ZB Capital (Private) Limited as Co-Arrangers;
- Honey & Blanckenberg as Legal Advisor;
- ZB Bank Limited as Bond Trustee;
- MMC Capital (Private) Limited as Debt Sponsor;
- Baker Tilly as Independent Auditors and Reporting Accountants; and
- Corpserve as Transfer Secretary, Paying Agent and Calculation Agent.

17.8 Directors' Responsibility Statement

The Directors of the Issuer, whose names are given under Section 11 of this Prospectus headed "Description of the Issuer", collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Prospectus contains all information required by law.

The Directors also confirm that the Prospectus includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the securities to which the Prospectus relates.

The Directors further confirm that there are no legal proceedings, including any such proceedings which are pending or threatened, of which the Issuer is aware, and which may have a material effect on the Issuer's financial position, save as disclosed under this section of the Prospectus headed "General Information" (See sub-section 3 above titled "Litigation").

General Information

Signed at Harare by the following being Directors of the Issuer, on the day of 2020.

Name	Title and Signature
Joseph S. Mutizwa	Signed on original ----- Non-Executive Chairman
Thomas Zondo Sakala	Signed on original ----- Chief Executive Officer
Dr. Kupukile Mlambo	Signed on original ----- Non-Executive Director
Sibusisiwe Precious Bango	Signed on original ----- Non-Executive Director
Luke E. M. Ngwerume	Signed on original ----- Non-Executive Director
Reginald Mugwara	Signed on original ----- Non-Executive Director
Dr. Nobert Mugwagwa	Signed on original ----- Non-Executive Director
Jeremiah Mutonga	Signed on original ----- Non-Executive Director
Tadios Muzorora	Signed on original ----- Non-Executive Director



ENQUIRES

Enquiries

ALL COMMUNICATIONS OR ENQUIRIES RELATING TO THIS PROSPECTUS SHOULD BE ADDRESSED TO THE FOLLOWING CONTACT PERSONS:

ISSUER AND LEAD ARRANGER
Infrastructure Development Bank of Zimbabwe

A development finance institution established in terms of section 3 of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14]
IDBZ House, 99 Rotten Row, Harare, Zimbabwe
Contact: **Willing Zvirevo**
Telephone: +263-242-750171/8
Email: wzvirevo@idbz.co.zw

CO-ARRANGER

ZB CAPITAL (Private) Limited
21 Natal Road, Avenue, Harare, Zimbabwe
Contact: **Sam Mutamuko**
Telephone: +263-867 700 2001
Email: SMutamuko@zb.co.zw

LEGAL ADVISOR

Honey & Blanckenberg Legal Practitioners
200 Herbert Chitepo Avenue, Harare, Zimbabwe
Contact: **Batanai Peresuh**
Telephone: +263-242-251331/34/39/88
Email: batanai@honeyb.co.zw

BOND TRUSTEE

ZB Bank Limited
21 Natal Road, Avenue, Harare, Zimbabwe
Contact: **Robert Mutakwa**
Telephone: +263-867 700 2001
Email: RMutakwa@zb.co.zw

DEBT SPONSOR

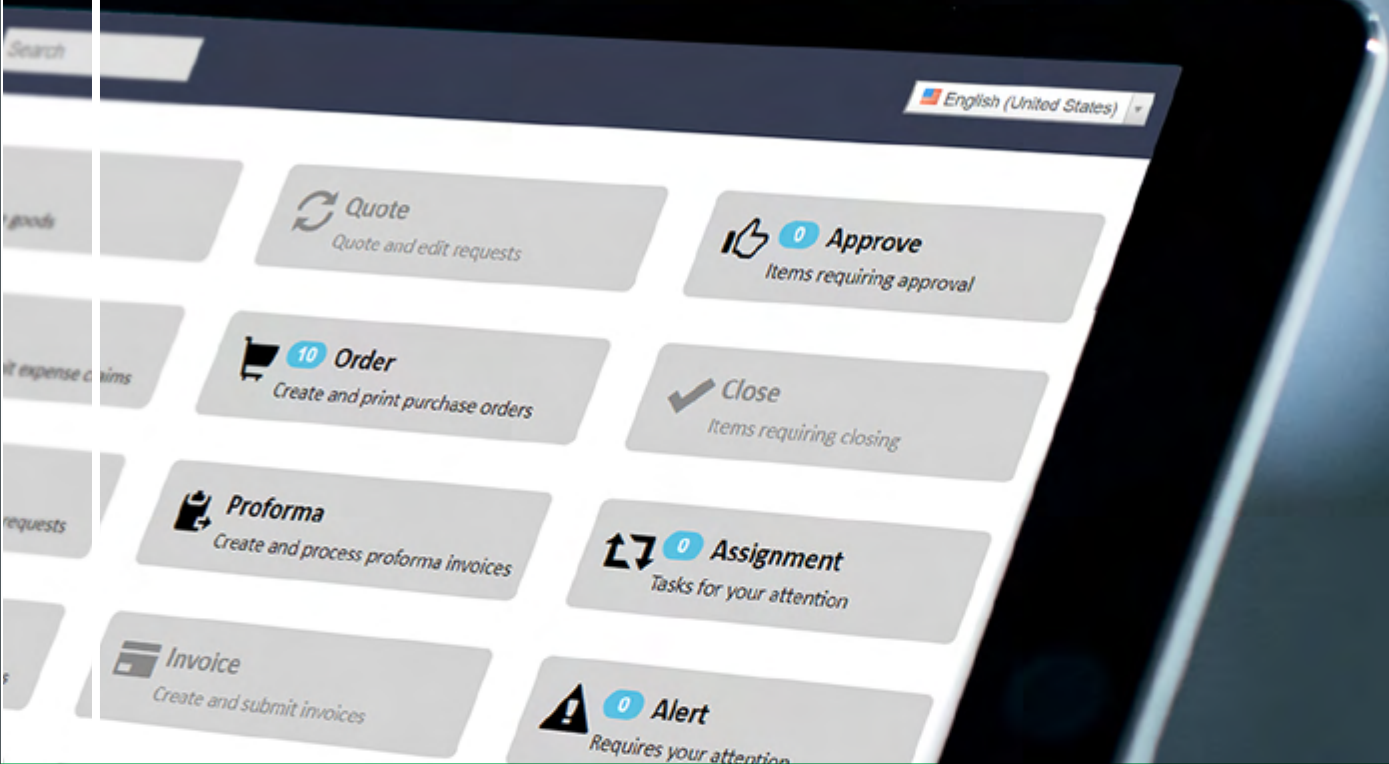
MMC Capital (Private) Limited
(Member of the ZSE)
Ground Floor, Block D, Smatsatsa Office Park, Borrowdale Road, Harare,
Contact: **Itai Chirume**
Telephone: +263-242-783 069-71
Email: itai@mmccapital.co.zw

TRANSFER SECRETARY, CALCULATION AGENT AND PAYING AGENT
Corpserve Registrars (Private) Limited

2nd Floor, ZB Centre
Cnr. First Street/Kwame Nkrumah Avenue, Harare, Zimbabwe
Contact: **Collen Tapfumaneyi**
Telephone: +263-242-4758193
Email: Collen@escrowgroup.org

AUDITORS TO THE ISSUER

Baker Tilly Chartered Accountants (Zimbabwe)
Unit D & H Block 1, Celestial Park, Borrowdale Road, Borrowdale, Harare, Zimbabwe
Contact: **Courage Matsa**
Telephone: +263-242-369730/301598
Email: courage.matsa@bakertilly.co.zw



ANNEXURE 1: REPORT OF THE INDEPENDENT AUDITORS ON SUMMARY FINANCIAL INFORMATION

Annexure 1: Report Of The Independent Auditors On Summary Financial Information



Opinion

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at 31 December 2019, 2018, 2017, 2016 and 2015, the summary consolidated income statement, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the years then ended, are derived from the audited consolidated financial statements of Infrastructure Development Bank of Zimbabwe for the same years.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Infrastructure Development Bank of Zimbabwe ("IDBZ") and were prepared in accordance with the Infrastructure Development Bank of Zimbabwe Act (Chapter 24:14).

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRS") financial reporting framework and of Infrastructure Development Bank of Zimbabwe Act (Chapter 24:14) applied in the preparation of audited financial statements of IDBZ. Reading the summary consolidated financial statements and auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of the IDBZ and the report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the 2019 audited financial statements dated 27 March 2020. The basis for our qualified audit opinion was that the directors translated prepayments, local monetary assets and liabilities excluding Nostro denominated bank balances and foreign currency held, on the date of change in functional currency, from USD to ZWL using the exchange rate of 1USD:1ZWL contrary to the requirements of IAS 21 that prescribe that one rate, on the date of change in functional currency, be applied to all items. Directors applied this rate to achieve faithful representation and to ensure prepayments, monetary assets and liabilities are not overstated. This resulted in the recognition of a material "FCTR" in equity amounting to ZWL 363,612,060 (inflation adjusted), contrary to requirements of IAS 21. The inapplicability of IAS 21 on the translation of local monetary items and prepayments was a result of the promulgation of SI 33/19 which prescribed a rate of 1USD:1ZWL. The other qualification relates to hyperinflation accounting, although restatement was correctly done in terms of IAS 29 "Reporting in Hyperinflationary Economies", from 1 January 2019 to 31 December 2019, the effective date of application of IAS 29 is not consistent with the effective date of change in functional currency of 22 February adopted by IDBZ.

We expressed an unmodified audit opinion on the 2018 audited consolidated financial statements in our report dated 30 March 2019. That report for the 31 December 2018 financial years also includes:

- An Emphasis of matter paragraph that draws attention to Note 2.2, 2.3.9, 39 and 42 in the 2018 audited consolidated financial statements which discusses the considerations on the changes in functional currency within the economy. As at 31 December 2018 there were no pronouncements to suggest the changes in functional currency. In October 2018 the Central Bank through the Exchange Control Directive RT120 of 2018 introduced a separation of bank accounts into Nostro foreign currency account (herein referred to as Nostro) and the existing foreign currency accounts for domestic purposes. These Nostro accounts are held with financial institutions operating in Zimbabwe in which money in the form of foreign currency is deposited from offshore or domestic sources. The separation of the pre-existing FCA and Nostro accounts suggests that in substance the values are not equal.

Since the last Monetary Policy Statement on the 1st of October 2018, Zimbabwe witnessed significant changes in the economy, with the economy being characterised by a highly inflationary environment. Whereas the official position from Government was that the Bond note and RTGS balances had a value of 1:1 to the United States of America Dollar, the foreign exchange premiums on the parallel market ranged between 1.40 to 4.0 during the reporting period. The movement in foreign exchange premiums has had negative pass-through effects on inflation which increased from September year-on-year level of 5.4% to 20.9% in October 2018 and closed the year at 42.09% in

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

December 2018. Furthermore, on 22 February 2019, the Government of Zimbabwe through Statutory Instrument 33 (SI33) of 2019 introduced the RTGS dollar as a base currency as part of its 2019 first quarter monetary policy.

- The communication of other key audit matters. (Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the 2018 financial year).

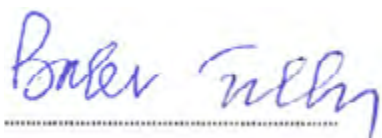
Messrs Deloitte (Zimbabwe) audited IDBZ during financial years 2015 to 2017 and their audit opinions are as presented in those years' annual reports. We therefore placed reliance on the work of the previous auditors. The annual reports for the years ended 31 December 2017, 2016 and 2015 are available for inspection at the registered office for IDBZ, IDBZ House, 99 Rotten Row, Harare.

Directors' Responsibility for the Summary Financial Statements

Directors are responsible for the preparation and fair presentation of the summary consolidated financial statements, and for such internal control as the Directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with audited consolidated financial statements, based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".



Courage Matsa
(PAAB Practice Certificate Number 0607)
Baker Tilly Chartered Accountants (Zimbabwe)
12 May 2020

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Below is the summarised Statement of Profit or Loss and other Comprehensive Income for the past five financial years to 2019.

Year ended 31 December:	2019	2018	2017	2016	2015
	ZWL	US\$	US\$	US\$	US\$
			(Restated)		
Interest and related income	23 194 706	13 756 036	10 130 403	12 147 443	11 360 979
Interest and related expense	(9 063 686)	(5 813 599)	(6 613 388)	(6 301 291)	(6 388 358)
Net interest income	14 131 020	7 942 437	3 517 015	5 846 152	4 972 621
Property sales	79 878	4 700 032	6 104 829	1 600 324	1 155 000
Cost of sales	(5 964)	(2 933 106)	(3 795 529)	(1 070 821)	(1 092 108)
Gross profit	73 914	1 766 926	2 309 300	529 503	62 892
Fee and commission income	23 463 414	3 504 068	2 733 467	1 004 969	1 682 833
Dividend income	47 603	50 470	26 530	44 983	16 669
Revenue	37 715 951	13 263 901	8 586 312	7 425 607	6 735 015
Other income	4 533 239	351 286	740 919	1 771 021	670 338
Loan impairment charge	1 751 270	2 084 309	(464 360)	(1 597 558)	(720 613)
Fair value (loss) / gain on investment property	179 846 994	(1 062 259)	1 790 001	(1 660 560)	(1 842 268)
Net (loss) / gain on financial assets at fair value through profit or loss	338 406	(1 732)	264 273	2 256	(797)
Net foreign exchange gains	7 070 553	(9 367)	53 505	322 175	473 760
Operating expenses	(40 488 018)	(12 855 592)	(11 315 799)	(7 606 248)	(10 140 127)
Interest Expense on lease liability	(645)	-	-	-	-
Share of loss of associate	(116 050)	(114 346)	(248 997)	(162 453)	(228 530)
Loss on disposal of associate	-	(860 308)	-	-	-
Profit / (Loss) for the year before taxation	190 651 700	795 892	(594 146)	(1 505 760)	(5 053 222)
Income tax credit	(5 535)	18 620	12 915	-	-

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

Profit / (Loss) for the year	190 646 165	814 512	(581 231)	(1 505 760)	(5 053 222)
Other comprehensive income					
Items that may be reclassified to profit and loss					
Share of profit of associate	7 066	-	-	-	-
Net fair value (loss) / gain on financial assets at fair value through other comprehensive income	90 778 567	(2 946 987)	353 583	207 965	1 056 872
Effect of change in functional currency on available for sale financial assets	6 714 676	-	-	-	-
Revaluation surplus on land and buildings	62 720 910	-	-	-	-
Other comprehensive (loss) / income for the year net of tax	160 221 219	(2 946 987)	353 583	207 965	1 056 872
Total comprehensive (loss) / profit for the year	350 867 384	(2 132 477)	(227 648)	(1 297 795)	(3 996 350)
Profit / (Loss) for the year attributable to:					
Equity holders of the parent entity	190 551 919	861 732	(564 918)	(1 291 323)	(5 059 853)
Non-controlling interest	94 246	(47 222)	(16 313)	(214 437)	6 631
	190 646 165	814 510	(581 231)	(1 505 760)	(5 053 222)
Total comprehensive (Loss) attributable to:					
Equity holders of the parent entity	340 416 534	(2 085 255)	(211 335)	(1 083 358)	(4 002 981)
Non-controlling interest	10 450 850	(47 222)	(16 313)	(214 437)	6 631
	350 867 384	(2 132 477)	(227 648)	(1 297 795)	(3 996 350)

Source: IDBZ Annual Reports

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

SUMMARISED AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Below is the summarised Statement of Financial Position for the past five financial years to December 2019.

As at 31 December:	2019	2018	2017	2016	2015
	ZWL	ZWL	US\$	US\$	US\$
	(Restated)				
ASSETS					
Cash and bank balances	196 025 699	279 936 582	40 973 320	22 833 256	17 525 187
Inventories	73 549 649	23 757 251	16 094 871	4 280 997	2 183 684
Other receivables and prepayments	33 618 193	8 656 006	4 461 502	3 002 693	2 061 786
Loans and advances to customers	58 799 101	45 415 257	53 730 361	65 141 796	69 585 374
Investment securities	664 217	314 054	315 786	51 513	13 563
Financial assets at fair value through other comprehensive income	108 968 636	7 063 092	9 556 537	7 518 492	6 969 069
Treasury bills and other financial assets	140 971 769	197 196 876	42 452 817	42 994 979	17 090 881
Assets pledged as collateral	40 534 763	6 152 867	-	-	-
Non-current assets held for sale	-	-	-	-	341 458
Investment in associates	2 824 866	2 933 850	3 907 601	1 210 307	1 372 760
Investment property	226 010 000	15 830 000	13 393 573	9 380 000	10 299 886
Intangible assets	226 854	125 078	155 824	14 105	18 701
Property and equipment	85 118 110	9 006 013	3 928 173	3 508 473	3 224 705
Right of use of assets	1 845 263	-	-	-	-
Deferred taxation	31 879	31 879	12 915	-	-
Total assets	969 188 999	590 265 941	188 983 280	159 936 611	130 687 054
EQUITY AND LIABILITIES					
LIABILITIES					
Deposits from customers	63 165 805	35 166 771	45 918 559	47 004 142	48 607 917
Foreign lines of credit	-	-	-	-	-
Local lines of credit and bonds	263 220 973	337 501 690	84 211 738	56 868 305	46 629 735
Other liabilities	13 787 686	13 630 563	5 280 154	7 393 688	7 381 101

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

Lease liability-buildings	1 784 924	-	-	-	-
Total liabilities	341 959 388	386 299 024	135 410 451	111 266 135	102 618 753
EQUITY					
Share capital	65 281	65 281	44 620	44 620	24 490
Share premium	31 785 732	31 785 732	8 934 396	8 934 396	9 171 552
Non distributable reserve	65 659 316	(256 617)	(256 617)	(256 617)	(22 373 613)
Amounts Awaiting Allotment	130 500 000	130 000 000	-	-	-
Preference share capital	38 283 003	38 283 003	38 283 003	38 283 003	38 283 003
Fair value reserve	98 124 717	631 474	3 578 461	3 224 878	3 016 913
Revaluation reserve	52 364 305	-	-	-	-
Retained(loss)/profit	187 721 557	(2 863 414)	(2 387 714)	(1 822 797)	(531 474)
Equity attributable to owners of the Group	604 503 911	197 645 459	48 196 149	48 407 483	27 590 871
Non-controlling interest in equity	22 725 700	6 321 458	5 376 680	262 993	477 430
Total shareholders' equity	627 229 611	203 966 917	53 572 830	48 670 476	28 068 301
Total equity and liabilities	969 188 999	590 265 941	188 983 280	159 936 611	130 687 054

Source: IDBZ Annual Reports

APPENDIX I (C) – SUMMARISED AUDITED & UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

Below is the summarised Statement of Cash Flows for the past five financial December 2019

	2019	2018	2017	2016	2015
	ZWL	ZWL	US\$	US\$	US\$
			(Restated)		
Cash flow from operating activities					
Profit / (loss) for the year	190 651 700	795 894	(594 146)	(1 505 760)	(5 053 222)
Adjustments for:					
Depreciation	1 437 785	439 360	223 856	159 793	256 988
Amortisation	68 101	43 028	23 492	4 596	19 ,417

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

Finance cost	645	-	-	-	-
Loan impairment charge	(1 751 270)	(2 084 309)	464 360	1 597 558	720 613
Provisions and accruals	3 358 447	249 524	1 293 546	871 348	52 108
Sundry debtors' impairment	-	12 110	85 012	197 955	(290 771)
Net losses from translation of foreign currency balances	(7 070 553)	9 367	(53 505)	13 568	3 914
Profit on disposal of property and equipment		-	2 976	(29 460)	46 588
Loss on disposal of investment property		-	-	7 566	(1 000)
Met gain/(loss) on investment securities		-	-	-	-
Accrued non-interest income		-	-	-	-
Leave pay expense					
Bonus expense					
Insurance amortisation					
Discount on sale of Treasury bills	4 022 444	-	-	-	-
Loss on disposal of investment in associate	-	860 308	-	-	-
Unrealised fair value (gain)/ loss on investment property	(179 846 994)	1 062 065	(1 790 001)	1 652 994	1 843 268
Loss / (Gain) on financial assets measured at fair value through profit and loss	(338 406)	1 732	(264 273)	(2 256)	797
Share of loss of associate	116 050	114 346	248 997	162 453	228 530
Bad debts recovered	-	-	(343 407)	(1 268 624)	-
Impairment for property plant and equipment	-	-		540 000	-
Other non-cash items	-	-		(52 308)	-
	10 647 949	1 503 425	(703 093)	2 349 423	(2 001 770)
Changes in:					
Loans and advances to customers	(13 383 843)	5 025 310	7 023 417	(4 066 669)	(18 451 751)
Treasury bills and other financial assets	-	-	-	-	-
Trading assets pledged as collateral	-	-	-	-	8 965 475
Other receivables and prepayments	(24 962 187)	(4 194 504)	1 458 810	309 869	(455 876)
Inventories	(14 239 069)	(7 662 380)	(11 678 835)	(1 936 002)	(432 130)

Annexure 1: Report Of The Independent Auditors On Summary Financial Information

Deposits from customers	27 999 034	(10751788)	(1 085 583)	(1 603 775)	(3 170 802)
Cyclone Idai disbursement facility					
Other liabilities	157 123	8 350 409	(345 894)	(449 418)	(564 174)
Net cash used in operating activities	(13 780 993)	(7 729 532)	(5 331 178)	(5 396 572)	(16 111 028)
Cash flow from investing activities					
Acquisition of property and equipment	(2 276 526)	(5 517 989)	(647 264)	(1 002 128)	(37 229)
Additions of intangible assets	(19 000)	-	-	-	-
Disposal of Treasury Bills	7 927 777	-	-	-	-
Proceeds from sale of property and equipment	-	-	2 182	193 158	48 245
Acquisition of financial assets at fair value through other comprehensive income	-	(453 542)	(1 684 463)	0	-
Proceeds from sale of investment property	123 119	27 000	21 078	68 955	116 000
Acquisition of investment property	(5 598 147)	(3 525 492)	(1 917 660)	(750 246)	-
Dividends received	-	-	-	-	-
Net cash generated from (used in) investing activities	157 223	(9 470 023)	(4 226 127)	(1 490 261)	127 016
Cash flow from financing activities					
Payment of dividends	-	-	-	-	(499 979)
Repayment of foreign lines of credit	-	-	-	-	(8 618 656)
Proceeds from issue of bonds	3 720 000	16 330 429	26 897 648	22 549 700	38 140 299
Repayment of bonds	(29 810 488)	(29 804 645)	(16 006 583)	(13 222 682)	(20 968 561)
Rights issue	500 000	2 872 866	-	1 956 332	-
Increase in local lines of credit	(44 696 625)	266 764 166	16 806 304	911 551	3 463 851
Net cash generated from (used in) financing activities	(70 287 113)	256 162 816	27 697 369	12 194 901	11 516 954
Net increase/(decrease) in cash and cash equivalents	(83 910 883)	238 963 262	18 140 064	5 308 068	(4 467 058)
Cash and cash equivalents at the beginning of the year	279 936 582	40 973 319	22 833 256	17 525 187	21 992 245
Cash and cash equivalents at end of the year	196 025 699	279 936 582	40 973 319	22 833 255	17 525 187

A close-up photograph of a hand holding a silver pen with gold accents, poised to write on a document. The background is blurred, showing a person in a blue shirt. The image is framed by a white border. A semi-transparent yellow and red graphic overlay is present in the lower-left quadrant, containing the text.

ANNEXURE 2: APPLICATION FORM

Annexure 2: Application Form

APPLICATION FORM

VAKA/YAKHA ZIMBABWE INFRASTRUCTURE BOND IDB SERIES 1 2020B - SUBSCRIPTION FORM

I/We, the undersigned hereby apply to purchase the amount indicated below of the IDB Series 1 2020B Bond to be issued by the Infrastructure Development Bank of Zimbabwe ("IDBZ") on the Terms and Conditions set out in this application form and the Bond Prospectus. I/We authorise the IDBZ to send the Bond Certificate allocated to me/us to the postal/physical address indicated below.

APPLICANT DETAILS

Company Name

Registration Number

Postal/ Physical Address

CONTACT INFORMATION

Cell

Telephone

E-Mail

BOND APPLICATION DETAILS

AMOUNT (in words) – Lots should be of principal amount of ZWL1,000,000 and integral multiples of ZWL10,000 in excess thereof

Amount (in figures)

Amount (in figures)

BANK ACCOUNT DETAILS (for interest, capital and other payments due)

Bank Name

Account Name

Account Number

Branch Name

Branch Code

AUTHORISED SIGNATURES

I/we represent and warrant that I/we have authority and power to purchase and hold Bonds in accordance with this application form and have taken all necessary corporate action to approve such purchase and to authorise the person signing this application form to bind me/us in accordance with the terms hereof.

Company Official

Date

I.D Number

Company Official

Date

I.D Number



www.idbz.co.zw
NATIONAL GROWTH AND TRANSFORMATION ENABLERS

COMPANY SEAL

APPLICATION FORM (Continued)

SUBSCRIPTION ACCOUNT DETAILS

All payments must be made in favour of the Infrastructure Development Bank of Zimbabwe using the following details:

Account name:	Vaka/Yakha Zimbabwe Infrastructure Bonds - IDB Series 1 2020B
Account number:	X X X X X X X X X X X
Bank:	X X X X X X X X X X
Branch:	X X X X X X
SWIFT Code:	X X X X X X

Completed Subscription Forms together with proof of payment to be sent to:

Registrar and Transfer Agent
Corpserve Registrars (Private) Limited
2nd Floor, ZB Centre
Corner First Street and Kwame Nkrumah Avenue
P.O. Box 2208
Harare
Zimbabwe

APPLICANT'S STATEMENT

By signing the Subscription Form, I/We the applicant(s) herein state that:-

1. I/We have full legal capacity and having read the Bond Prospectus and the Subscription Form I/we hereby irrevocably apply for and request you to accept my/our application for the stated value of the IDBZ Infrastructure Development Bonds, or any lesser value of Bonds that may, in your sole and absolute discretion, be allotted to me/us subject to the provisions of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14] as may be amended from time to time and the Bond Prospectus and Trust Deed in terms of which the Bonds are issued.
2. I/We authorise the Infrastructure Development Bank of Zimbabwe to enter my/our name in its register of Bondholders as holder(s) of Bonds to me/us or issue a Certificate for the value of Bonds allocated to me/us and pay any refunds due to me/us via Electronic Funds Transfer.
3. In consideration for agreeing to accept this Subscription Form, I/we agree that this application shall be irrevocable and shall constitute a contract which shall become binding upon receipt by the Infrastructure Development Bank of Zimbabwe, and shall be governed by the terms and conditions of the Bond Prospectus and Trust Deed.
4. I/we acknowledge that the Infrastructure Development Bank of Zimbabwe reserves the right to reject any application of mine/ours that does not comply with the instructions contained herein and/or found to be in contravention of the above declarations.
5. I/We confirm that all information provided by me/us on the Subscription Form is true and correct to my/our personal knowledge.
6. I/We have consulted our financial advisor and am/are fully aware of the implications of my/our Application herein.



Infrastructure Development Bank of Zimbabwe

HEADQUARTERS:

IDBZ House, 99 Rotten Row,
Harare, Zimbabwe

Tel: +263 242 750171-8
Fax: +263 242 749012/774225

REGIONAL OFFICES

BULAWAYO:

No. 263 Leopold Takawira Street
Ascot
Bulawayo, Zimbabwe.

Tel: +263 292 70035, 70398,
Fax: +263 292 67389

MASVINGO

Masvingo Trade Centre
267 Hofmeyer Street
Masvingo, Zimbabwe

www.idbz.co.zw