

Risks Relating to Taxation

The Company will be subject to withholding tax at the source of dividends.

The current income tax rate for companies operating in Zimbabwe is 30.9 per cent (inclusive of a 0.9 per cent. AIDS levy). In addition there is a 20 per cent. withholding tax recovered at source on dividends paid from an unlisted Zimbabwean company which is resident in Zimbabwe to shareholders who are not resident in Zimbabwe. However, the double taxation agreements between Zimbabwe and the United Kingdom reduce this withholding tax on dividends declared to 5 per cent. where the recipient, being resident in the United Kingdom and subject to tax there on the dividends, is a company which controls, directly or indirectly, at least 25 per cent. of the voting power in the Zimbabwe company. There is no double taxation agreement between the Isle of Man and Zimbabwe and therefore the withholding tax on dividends will be 20 per cent. if a dividend is declared from a Zimbabwean entity to the Company as long as the dividends are paid to the Isle of Man and not the UK. Profits arising from disposal of investments, either marketable securities or immovable property, in Zimbabwe may be subject to Capital Gains Tax (CGT) in that country.

The Company's status as a passive foreign investment company has adverse consequences to US investors.

Potential investors who are United States taxpayers should be aware that the Company expects to be treated as a passive foreign investment company (“**PFIC**”) for US federal income tax purposes. As a result, a US Holder (as defined herein) of Ordinary Shares generally will be required to pay tax on any so-called “excess distribution” received on such Ordinary Shares, or any gain realised upon the disposition of such Ordinary Shares, other than that allocated to the current taxable year, at the highest rate of tax in effect for the class of taxpayer for that year and to pay an interest charge on a portion of such distribution or gain, unless the US Holder makes a qualified electing fund (“**QEF**”) election or a mark-to-market election with respect to the Ordinary Shares. In certain circumstances, the sum of the tax and the interest charge could exceed the amount of the excess distribution received, or the amount of any proceeds of disposition realised, by the US Holder. A US Holder that makes a QEF election generally must report on a current basis its share of the Company's ordinary earnings and net capital gain for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to the US Holders of its Ordinary Shares. If a mark-to-market election is available, a US Holder that makes the mark-to-market election generally must include as ordinary income in each year the excess of the fair market value of the Ordinary Shares over the US Holder's tax basis therein. The amount of losses that a US Holder may recognise under the mark-to-market rules, however, is limited. The Company expects to comply with the record-keeping requirements necessary for US Holders to elect to treat the Company as a QEF and to provide to US Holders information necessary for those US Holders to make a valid QEF election. See “*Important Information for US Investors — US Federal Income Tax Considerations — Passive Foreign Investment Company Considerations*” in Part VII of the Admission Document.

If the Company owns equity interests in any lower-tier PFIC subsidiaries (“**Lower-Tier PFICs**”), a US Holder of the Ordinary Shares would be treated as owning the US Holder's proportionate amount (by value) of the Company's equity interests in those Lower-Tier PFICs. A US Holder's election to treat the Company as a QEF would not be effective with respect to such Lower-Tier PFICs. However, a US Holder would be able to make QEF elections with respect to such Lower-Tier PFICs if the Lower-Tier PFICs provided certain information and documentation in accordance with applicable Treasury regulations. The Company does not expect that its Lower-Tier PFICs will comply with the record-keeping requirements necessary for US Holders to elect to treat such Lower-Tier PFICs as QEFs or provide to US Holders information necessary for those US Holders to make valid QEF elections with respect to such Lower-Tier PFICs. A US Holder would not be able to make a mark-to-market election with respect to Lower-Tier PFICs. Additionally, if a US Holder was able to and made a mark-to-market election with respect to the

Ordinary Shares, it is not entirely clear how the mark-to-market rules would apply with respect to interests in Lower-Tier PFICs. See “*Important Information for US Investors — US Federal Income Tax Considerations — Passive Foreign Investment Company Considerations — Indirect Interests in PFICs*” in Part VII of the Admission Document.

The Company's possible status as a CFC would have adverse tax consequences for US investors.

Non-US corporations that are controlled by "United States persons" (as defined in the US Internal Revenue Code of 1986, as amended) holding substantial voting interests may be treated as "controlled foreign corporations" ("CFCs") for US federal income tax purposes. The Company does not expect to be treated as a CFC, but there can be no assurance in this regard. If it were treated as a CFC, US Holders deemed to own at least 10 per cent. by vote of the Company's outstanding Ordinary Shares could be subject to adverse US federal income tax consequences, including the recognition of substantial amounts of "phantom" income. See "*Important Information for US Investors — US Federal Income Tax Considerations — Controlled Foreign Corporation Considerations*" in Part VII of the Admission Document.