



DEBT LISTING REQUIREMENTS

Debt Listings Requirements

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Introduction

Objectives

It is the function of the Zimbabwe Stock Exchange (“ZSE”), subject to the Securities and Exchange Act [Cap24:25](“Act”), to provide for the listing and trading of Debt Securities in a transparent, efficient and orderly market place. The Debt Listings Requirements reflect, *inter alia*, the rules and procedures governing new applications and the ongoing obligations of Issuers, and are aimed at providing investor confidence via an orderly, secure, efficient and transparent financial market. The ZSE believes it is important for the exchange to be in a position to facilitate offerings and listings by continually enhancing its requirements to ensure a high level of investor protection and confidence.

The “Debt Listings Requirements” provide for the minimum disclosures which investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the nature and state of an Applicant Issuer’s business. The type of protection afforded to the investor often distinguishes the different types of Debt Securities from one another. The greater the protection, the lower the risk and yield.

Documentation is central to any issuance of Debt Securities. The Placing Document consists of sections setting out all, or certain, of the terms and conditions of the Debt Securities and sections dealing with the issue of, subscription for and sale of the Debt Securities. The terms and conditions of the Debt Securities provide for the rights of the investor, the obligations of the Applicant Issuer, the terms of any underwriting or guarantee, the mechanics of payment and settlement and any credit enhancements or trust deeds, credit ratings amongst other matters.

Applicant Issuers engaged in specialised industries (such as banking, insurance, mining and oil and gas) or issuing Specialist Securities (instances such as securitisation) may decide to, or be required by the ZSE, to provide additional information.

The ZSE encourages Issuers making Application for the listing of Debt Securities to discuss, on a confidential basis, the Debt Listings Requirements to ascertain whether the debt security is eligible for listing and what additional requirements, if any, must be complied with.

The concept of full disclosure will be applied equally to both private and public companies. Where Applicant Issuers are incorporated in terms of specific enabling legislation, which may have imposed limitations on disclosure, this fact must be disclosed in the Placing Documents.

Definitions and Interpretation

In these Debt Listings Requirements, unless otherwise stated or the context requires otherwise, any expression which denotes any gender includes the other gender and the singular includes the plural and vice versa. The introductory portion of these Debt Listings Requirements is included for ease of reference only and does not form part of the Debt Listings Requirements.

Throughout these Debt Listings Requirements, unless otherwise stated or the context requires otherwise, the following terms will have the meaning set out below –

Term

Meaning

Act

the Securities and Exchange Act [Cap 24:25];

Application	an application for the listing of Debt Securities or the registration of a Programme Memorandum, which application must contain the documents provided for in these Debt Listings Requirements;
Applicant or Applicant Issuer	an Issuer or a new applicant;
Arranger	a person or persons identified as such in the Placing Document or the Pricing Supplement which performs certain functions with regard to establishing the Programme Memorandum and/or the placing of Debt Securities, which functions may include the marketing of, and making a market in, such Debt Securities (and which person may be the issuer of such Debt Securities);
Asset-backed Debt Securities	specialist Debt Securities directly backed by assets which are intended to produce funds to be applied towards interest payments and repayment of principal on maturity if applicable;
Authorised Amount	the amount on outstanding Debt Securities which the Board of Directors or similar body in respect of a non- corporate Issuer has approved;
Authorised Dealer	as defined under Zimbabwe Exchange Control Regulations, 1996, S.I. 109 of 1996;
BB+	A credit rating as defined by S&P Global Ratings or similar rating by a recognised Credit Rating Agent;
Bond	a debt security that states the interest rate (coupon) that will be paid and when the loaned funds (bond principal) are to be returned (maturity date);
Bond indenture	a legal document outlining the characteristics of the bond;
Books Closed Period	the period or periods stipulated by an Issuer as being the period or periods during which the Register in respect of its Debt Securities is closed for purposes of giving effect to transfers, redemption or the distribution of the Debt Securities;
Business day	a day (other than a Saturday, Sunday or public holiday in the Republic of Zimbabwe) on which commercial banks settle payments;
Calculation agent	a person identified as such in the Placing Document or Pricing Supplement which performs

	certain functions with regard to calculations in relation to a Debt Security, e.g. the calculation of the floating rate coupon on a security;
Companies Act	the Companies Act [Cap 24:03] as amended from time to time;
Company	a company limited by shares or a company limited by guarantee as described in section seven of the Companies Act [Cap 24:03];
Coupon	the stated interest payment on a debt security;
Coupon rate indicator	a type of coupon payment relevant to the debt security. Examples include, but are not limited to, fixed, floating, zero, inflation linked or variable;
Corporate bond	a bond issued by a company;
CPI	Consumer Price Index, as defined in the jurisdiction of the issuer;
CSD	a Central Securities Depository company licensed as a central securities depository, in terms of the Act or any successor Act, to perform electronic settlement on funds and securities;
Debenture	a promissory note or a corporate bond which is backed generally only by the reputation and integrity of the borrower or by the borrower's specific assets;
Debenture stock	a debenture that has equity status in liquidation;
Debt Listings Requirements/Requirements	the criteria and disclosure requirements for the Listing of Debt Securities on the ZSE, as amended from time to time by the ZSE, whether by way of practice note or otherwise, contained herein;
Debt securities	the “securities” (as defined in the Act) which are designated by the ZSE as “debt securities” from time to time, including, without limitation, debentures, debenture stock, loan stock, bonds, notes, treasury bills, preference shares or any other instrument creating or acknowledging indebtedness with a minimum tenor of 365 days;
Debt Sponsor	an entity which is: <ul style="list-style-type: none"> (a) approved as a Debt Sponsor by the ZSE in terms of Section 2 of these Debt Listings Requirements; and

	(b) appointed by an Issuer in respect of a Placing Document or Pricing Supplement;
Director	a “director” as defined in Section 1 of the Companies Act, and in relation to an Issuer that is not a Company, a person with corresponding powers and duties;
EBITDA	means earnings before interest, taxes, depreciation and amortisation
Effective date	the date on which these Debt Listings Requirements come into force as published by the ZSE;
Exchange Control Regulations	foreign exchange guidelines to Authorised Dealers issued by the Reserve Bank of Zimbabwe;
Extraordinary Resolution	a resolution passed at a meeting (duly convened of the Holders of Debt Securities, by a majority consisting of not less than 75% (seventy-five percent) of the value of a class of notes or all the Holders of notes of the Holders of Debt Securities present in person or by proxy voting at such meeting upon a show of hands or if a poll be duly demanded, by a majority consisting of not less than 75% (seventy-five percent) of votes given on such poll;
Formal approval	the final approval granted by the ZSE;
GAAP	Generally Accepted Accounting Practices;
Greenshoe	an over-allotment option which allows underwriters to sell more securities than originally planned by the issuer;
Holder of Debt Securities	the holders of Debt Securities as recorded in the register of Debt Securities maintained by the Transfer Secretary;
High Yield Debt Securities or HYDS	Debt Securities that are sub-investment grade, usually with a credit rating of BB+ or below;
IFRS	the International Financial Reporting Standards formulated by the International Accounting Standards Committee;
Index Calculation Agent	an entity which calculates the performance measure of a group or set of financial instruments;
Investors	persons, natural or juristic, who acquire Debt Securities Listed on the ZSE and “Potential Investors” shall be construed accordingly;

ISA	International Standard on Auditing;
Issue date	the date upon which the Debt Securities Listed on the ZSE are issued by the Applicant Issuer, as specified in the Placing Document or, in the case of Debt Securities issued under a Programme Memorandum as specified in the Pricing Supplement;
Issuer	any entity whose Debt Securities have been listed on the ZSE;
Last day to Register	close of business on the Business Day immediately preceding the first day of a Books Closed Period;
Listed amount	the principal amount of a Debt Security which has been listed;
Listing	the admission of a Debt Security to the Official List;
Listings Committee	a committee constituted in accordance with the mandate issued by the board of the ZSE for this purpose;
Listing date	the date upon which a Debt Security is listed on the ZSE;
Listing particulars	the particulars required to be disclosed by an Applicant Issuer from time to time in its Placing Document which are set out in Section 4 hereof;
Loan stock	shares used as collateral to secure a loan from another party;
Non-corporate issuer	an issuer which is not a company registered in terms of the Companies Act;
Notes	a financial security that generally has a longer term than a bill but a shorter term than a bond;
Offering circular	a document containing <i>inter alia</i> the provisions required by these Debt Listings Requirements, for a single issue of Debt Securities;
Official List	the list of securities, maintained by the ZSE in terms of the Act;
Paying agent	an entity identified as such in the Placing Document or the Pricing Supplement which

	undertakes certain functions with regard to payments in relation to Debt Securities, which entity may also be the Applicant Issuer;
Placing document	an Offering Circular, a Programme Memorandum or any other document, as the case may be, which contains <i>inter alia</i> , the provisions required by the Debt Listings Requirements for an issue of Debt Securities;
Placing or offering	the method of offering Debt Securities to be Listed, for subscription or sale to potential investors and that takes place before such Debt Securities are listed;
Practice Note	A paper published by the Zimbabwe Stock Exchange indicating changes, guidelines or additions to these listings requirements
Pre-issued Debt Securities	entitlements to Debt Securities, the listing of which on the ZSE has been approved, but where the listing becomes effective only after a number of conditions have been fulfilled on or before the commencement of official trading;
Pricing supplement	a supplement to a Programme Memorandum setting out additional and/or other terms and conditions as are applicable to a specific tranche of Debt Securities, for which Application is made;
Profit estimate	a form of words which expressly states, or by implication indicates, a figure or a minimum or maximum figure for the likely level of profits or losses for a financial period ended but for which no financial information has yet been published, or contains data from which a calculation of such a figure may be made, even if no particular figure is mentioned and the word “profit” is not used;
Profit forecast	a form of words which expressly states, or by implication indicates, a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word “profit” is not used;
Programme Memorandum	a document containing the provisions required by these Debt Listings Requirements in respect of Debt Securities which may be issued by an

Applicant Issuer;	
Promissory note	a written promise by one party to pay another party a definite sum of money either on demand or at a specified future date;
Public Sector Issuer	includes the Government of Zimbabwe and its regional and local authorities including municipalities, state monopolies, state finance organizations, public international bodies and statutory bodies
RBZ	the Reserve Bank of Zimbabwe or any other name it will be referred to in future;
Rules	the Rules of the ZSE as approved by the Securities and Exchange Commission of Zimbabwe
Security Agent	also known as Collateral Agent: an institution or individual that holds security on behalf of Investors for performance of the Issuer's obligations under the bond arrangement. The Security agent takes all necessary administrative and enforcement actions with respect to the collateral on behalf of the lenders.
SECZ	the Securities and Exchange Commission of Zimbabwe or any other name it will be referred to in future.
Specialist Debt Securities	asset-backed Debt Securities and any other Debt Securities which the Issuer Regulation Division determines to be Specialist Debt Securities from time to time;
Subsidiary	a subsidiary company as defined in section 143 of the Companies Act; or an entity which would have been a subsidiary as defined in section 143 of the Companies Act but for the fact that it is incorporated outside of Zimbabwe;
Tap issue	the issue of Debt Securities, having terms and conditions which are identical to existing Debt Securities already in issue (save for their respective issue dates, issue prices, and aggregate principal amounts), so that such new Debt Securities; <ul style="list-style-type: none"> (i) are consolidated and form a single series with such existing Debt Securities; and

(ii) rank *paripassu* in all respects with such existing Debt Securities;

Transfer Secretary or Transfer Agent

an entity, licensed by SECZ, which maintains a register of Debt securities, which entity may be the Issuer of such Debt Securities;

Treasury Bill

a debt security as defined in the State Loans and Guarantees Act (22:13);

ZSE

the Zimbabwe Stock Exchange

ZSE Data Portal

the ZSE Stock Exchange website;

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Section 1

Authority of the ZSE

- 1.1 General powers of the ZSE
- 1.6 Suspension of listing or registration of Programme Memorandum initiated by the ZSE
- 1.11 Termination initiated by the ZSE
- 1.19 Censure and penalties
- 1.20 Power to require information
- 1.27 Publication

General Powers of the ZSE

- 1.1 Subject to the provisions of the Act, the ZSE has the power:
 - (a) subject to the Debt Listings Requirements, to grant, review, suspend or terminate a Listing of a Debt Security or registration of a Programme Memorandum;
 - (b) to stipulate from time to time the requirements with which a new applicant must comply before Debt Securities issued by such new applicant is granted a Listing;
 - (c) to stipulate from time to time the Requirements with which Issuers must comply;
 - (d) to suspend, alter or rescind a Requirement stipulated before or after a Listing has been granted;
 - (e) to stipulate additional Requirements from time to time, either by way of amendment to these Debt Listings Requirements or by way of the issue of practice notes;
 - (f) to stipulate the circumstances under which a Listing of Debt Securities or the registration of a Programme Memorandum shall or may be suspended or terminated;
 - (g) to stipulate from time to time the Requirements with which Debt Sponsors must comply; and
 - (h) to stipulate a percentage that is subtracted from the market value of an asset that is being used as collateral or security.
- 1.2 Listings are granted subject to compliance with the Debt Listings Requirements and New Applicants must comply with the Debt Listings Requirements. In addition, the ZSE may, in consultation with the SECZ, grant a Listing subject to any additional condition(s) that it considers appropriate, in which event the new applicant will be informed of, and will be required to comply with, any such condition(s).
- 1.3 Nothing contained in this section shall limit the powers of the ZSE or its officers to those contained herein, and the ZSE or its officers may at any time exercise any further powers granted to the ZSE or its officers in terms of the Act. Where the ZSE exercises discretion in terms of these Debt Listings Requirements, it shall use its discretion in consultation with the SECZ and, subject to the provisions of paragraphs 1.4 and 1.5 below, judicial review and the appeal provisions in the Act, its rulings shall be final.

Appeals

- 1.4 If an Issuer, in respect of whom a decision (other than a decision in respect of which a specific appeal or review procedure is prescribed in these Debt Listings Requirements,

the Rules of the ZSE and the SECZ, or any replacement legislation) is taken under these Debt Listings Requirements objects to such decision, such Issuer must notify the ZSE in writing within 48 hours of the decision, giving reasons for such objection. In such event the ZSE must consider the objection and may change its decision. A decision of the ZSE made in terms of this section is subject to a further appeal to the SECZ in terms of section 108 of the Act.

- 1.5 Subject to the provisions of the Act, if the ZSE decides, at its instance, to terminate a Listing, and the Issuer concerned objects to this decision, then the Issuer may appeal to the ZSE Appeals Committee in writing within 48 hours of the decision, giving reasons for such objection. In such event the Appeals Committee must consider the objection without delay and may change the decision. A decision of the Appeals Committee made in terms of this section is subject to a further appeal to the SECZ in terms of Section 108 of the Act.

Suspension of listing or registration of Programme Memorandum initiated by the ZSE

- 1.6 The ZSE may, subject to the suspension provisions of the Act, and if either of the following applies:

- (a) if it will further one or more of the objects contained in Section 2 of the Act, which may also include, if it is in the public interest to do so; or
- (b) if the Issuer has failed to comply with the Debt Listings Requirements and it is in the public interest to do so, suspend the Listing of Debt Securities or the registration of a Programme Memorandum and impose such conditions as it may in the circumstances deem appropriate for the lifting of such suspension.

- 1.7 When the Listing of Debt Securities of an Issuer is under threat of suspension, the affected Issuer shall be given the opportunity to make written representations to the ZSE in support of the continued Listing of such Debt Securities or the registration of such Programme Memorandum prior to the ZSE making any decision to suspend such Listing or registration.

- 1.8 If the Listing of a Debt Security or the registration of a Programme Memorandum is suspended and the affected Issuer fails to take adequate action to enable the ZSE to reinstate such Listing or registration within timeframes as shall be determined by the ZSE, the ZSE may terminate the Listing or registration in accordance with the procedure set out below.

Suspension at the request of the Issuer

- 1.9 The ZSE may suspend a Listing of Debt Securities or the registration of a Programme Memorandum in the following circumstances:

- (a) where the Issuer is placed under provisional liquidation or under judicial management; or
- (b) where a written request is made by a/the director(s) of the Applicant Issuer in the event of a default of the Applicant Issuer.

Continuing obligations of Issuers

- 1.10 If the Listing of an Applicant Issuer's Debt Securities or the registration of the Issuers Programme Memorandum is suspended, it must, unless the ZSE decides otherwise:

- (a) continue to comply with all the Debt Listings Requirements applicable to it;
- (b) submit to the ZSE a monthly, or such other time period as may be stipulated by ZSE, progress report pertaining to the current state of affairs of the Issuer and

- any action proposed to be taken by the Issuer in order to have the Listing and/or registration reinstated; and
- (c) advise the Holders of Debt Securities on a quarterly basis or such other time period as may be prescribed by the ZSE concerning the current state of affairs of the Applicant Issuer and any action proposed by the Applicant Issuer in order to have the Listing and/or registration reinstated, including the date on which the suspension is expected to be lifted.

Termination initiated by the ZSE

- 1.11 The ZSE may, subject to the termination provisions of the Act, and if one of the following applies:
- (a) if it is of the opinion that it is in the public interest to do so; or
 - (b) if the Applicant Issuer has failed to comply with the Debt Listings Requirements and it is in the public interest to do so, remove from the Official List any Debt Securities previously included therein; provided that the Listing of such Debt Securities shall first have been suspended in accordance with the above provisions.
- 1.12 When a Listing of Debt Securities is under threat of termination, the affected Applicant Issuer shall be given the opportunity to make written representations to the ZSE in support of the continued Listing of such Debt Securities, prior to the ZSE making any decision to terminate such Listing.
- 1.13 If, after a period of two years from the date of registration of the Programme Memorandum, no Debt Securities have been issued under the Programme Memorandum, the Programme Memorandum will automatically terminate and a new Application must be submitted to the ZSE.

Termination at the request of the Applicant Issuer

- 1.14 An Applicant Issuer may make written application to the ZSE for the termination of the Listing of any of its Debt Securities from the Official List and/or the deregistration of the Programme Memorandum stating from which time and date it wishes the termination to be effective. The ZSE may grant the request for termination, provided paragraphs 1.15 and 1.16 are properly complied with and perfected, except where all Debt Securities are owned by the Applicant Issuer.
- 1.15 Prior to being able to effect paragraph 1.14, an Applicant Issuer must send a circular to the Holders of Debt Securities complying with the following:
- (a) approval must be obtained from Holders of Debt Securities in a general meeting for the termination of the Listing prior to the Applicant Issuer making written application for such removal; and
 - (b) the reasons for termination must be clearly stated.
- 1.16 Where approval is required in terms of paragraph 1.15(a), an Extraordinary Resolution must be passed by a majority consisting of not less than 75% (seventy-five percent) of the value of a class of notes at a general meeting of Holders of Debt Securities. Any Debt Securities Holder who has proposed the termination will be excluded from voting. This includes the issuer, directors and any parties acting in concert.
- 1.17 Where all Debt Securities are redeemed, the Listing will be terminated pursuant to the Act once the Applicant Issuer has notified the ZSE of such redemption.

Censure and penalties

- 1.18 Where the ZSE finds that an Issuer has contravened or failed to adhere to the provisions of the Debt Listings Requirements, the ZSE may, in accordance with the provisions of

the Securities Act, and without derogating from its powers of suspension and/or termination:

- (a) censure the Applicant Issuer by means of private censure;
- (b) censure the Applicant Issuer by means of public censure;
- (c) in the instance of either paragraph 1.18(a) or (b), impose a fine not exceeding amounts prescribed in Schedule 4 on the Applicant Issuer; and/or
- (d) order the payment of compensation to any person prejudiced by the contravention or failure.

- 1.19 In the event that an Applicant Issuer fails to adhere to the provisions of these Debt Listings Requirements, the ZSE may elect in its discretion, that:
- (a) full particulars regarding the imposition of a fine may be published in any national newspaper and through the ZSE Data Portal; and/or
 - (b) an investigation or hearing be convened and the Applicant Issuer pay the costs incurred in relation to such publication, investigation or hearing.
- 1.20 If the Applicant Issuer fails to pay a fine or compensation as referred to in paragraph 1.18, the ZSE may in terms of the provisions of the Act file with the clerk or registrar of a competent court a statement certified by the ZSE as correct, stating the amount of the fine imposed or compensation payable, and such statement thereupon shall have all the effects of a civil judgment lawfully given in that court against that Applicant Issuer and in favour of the ZSE for a liquid debt in the amount specified in that statement.
- 1.21 Unless the ZSE considers that the maintenance of the smooth operation of the market or the protection of Investors otherwise requires, the ZSE will give advance notice to the parties involved of any action that it proposes to take under paragraphs 1.18 and 1.19, and will provide them with an opportunity to make written representations to the ZSE.
- 1.22 The whole or any part of the fines issued in terms of paragraph 1.18 may be appropriated to settle any costs incurred by the ZSE in enforcing the provisions of the Debt Listings Requirements.

Power to require information

- 1.23 The ZSE may, in accordance with the Act, require an Applicant to disclose to it, within a period specified by it, such information at the Applicant Issuer's disposal as the ZSE may determine. If the ZSE is satisfied, after such Applicant Issuer has had an opportunity to make representations to it, that the disclosure of that information to the registered Holders of the Debt Securities in question will be in the public interest, it may, by notice in writing, require such Applicant Issuer to publicly disclose that information within the period specified in the notice.
- 1.24 The ZSE may require an Applicant Issuer to provide for the publication or dissemination of any further information not specified in the Debt Listings Requirements in such form and within such time limits as the ZSE considers appropriate. The Applicant Issuer must comply with such requirement and, if it fails to do so, the ZSE may publish the information after having heard representations from the Applicant Issuer or after having granted the Applicant Issuer the opportunity to make such representations.

Publication

- 1.25 Without derogating from any other powers of publication referred to in these Debt Listings Requirements, the ZSE may, in its absolute discretion and in such manner as it may deem fit, state or announce that it has:
- (a) investigated dealings in a listed Debt Security;
 - (b) censured an Applicant Issuer;
 - (c) suspended the Listing of any Debt Security or registration of a Programme

- Memorandum;
- (d) terminated the Listing of any Debt Security or registration of a Programme Memorandum; and/or
 - (e) imposed a fine on an Applicant Issuer.
- 1.26 In a statement or announcement referred to in paragraph 1.25, the ZSE may give reasons for such investigation, censure, suspension, termination or fine, as the case may be, and, in the case of an investigation, so much of the ZSE's conclusions or findings as it may, in its absolute discretion, deem necessary.
- 1.27 No Applicant Issuer or its directors, officers, Holders of Debt Securities or holders of a beneficial interest shall have any cause of action against the ZSE, or against any person employed by the ZSE, for damages arising out of any statement or announcement made in terms of paragraph 1.25, unless such publication was made with gross negligence or with willful intent.

Section 2

Debt Sponsor

Scope

Debt sponsors will normally be SECZ-licensed securities dealers who are also members of the ZSE, SECZ-registered advisors, banks, accountants, attorneys and other professional advisers. A sponsor must accept certain responsibilities. These responsibilities are detailed in Section 2 and Schedule 3 of the Debt Listings Requirements.

- 2.1 Qualifications
- 2.3 Appointment
- 2.5 Responsibilities
- 2.6 Annual compliance
- 2.7 Breach of responsibilities

Qualifications

- 2.1 In order for an entity to be approved as a Debt Sponsor, it must meet the requirements detailed in Schedule 3 of the Debt Listings Requirements and make a written application to the ZSE. A Debt Sponsor which was approved by the ZSE will be regarded as an approved Debt Sponsor, but will have to comply with the ongoing Debt Listings Requirements.
- 2.2 Applications to become a Debt Sponsor must be made to the ZSE by submitting the Debt Sponsor application form in the Appendix to Schedule 3.

Appointment

- 2.3 The Applicant Issuer must appoint a Debt Sponsor when:
- (a) making an Application for Listing of Debt Securities or the Registration of a Programme Memorandum;
 - (b) it wishes to submit documentation that requires approval by the ZSE; and
 - (c) so requested by the ZSE.
- 2.4 The Debt Sponsor must notify the ZSE of its appointment by an Applicant Issuer. Where there are joint Debt Sponsors, the Applicant Issuer must appoint a Debt Sponsor that will take the lead in the process. The ZSE shall deal with the lead Debt Sponsor which is appointed in respect of the issue.

Responsibilities

2.5 A Debt Sponsor must:

- (a) ensure that the Applicant Issuer is guided and advised as to the application of the Debt Listings Requirements;
- (b) provide to the ZSE any information or explanation known to it in such form and within such time limit as the ZSE may reasonably require for the purpose of verifying compliance with the Debt Listing Requirements by it or by an Applicant Issuer;
- (c) ensure that any announcements comply with the Debt Listings Requirements before submission to the ZSE and regulatory announcements must appear on the ZSE Data Portal;
- (d) use all reasonable endeavors' to ensure that the Applicant Issuer complies with the Debt Listings Requirements;
- (e) manage the submission of all documentation to the ZSE and ensure its compliance with the ZSE Debt Listings Requirements before submission is made;
- (f) carry out any activities which are requested by the ZSE in respect of the application of the Debt Listings Requirements;
- (g) discharge its responsibilities with due care and skill;
- (h) prior to the submission of any documentation that requires approval by the ZSE, satisfy itself to the best of its knowledge and belief, having made due and careful enquiry of the Applicant Issuer, that there are no material matters, other than those disclosed in writing to the ZSE, that should be taken into account by the ZSE in considering the submission;
- (i) advise the ZSE immediately if they are aware or have reason to suspect that any of their Debt Sponsor clients have or may have breached the Debt Listings Requirements; and
- (j) be present at all discussions held between the ZSE and the Applicant Issuer. The ZSE may, however, where it deems appropriate, communicate directly with an Applicant Issuer or with an adviser of the Applicant Issuer, in order to discuss matters of principle and/or the interpretation of provisions of the Debt Listings Requirements. Where discussions take place in the absence of the Debt Sponsor, an Applicant Issuer shall ensure, as soon as is practicable, that the Debt Sponsor is informed (preferably in writing) of the matters discussed.

Annual compliance

- 2.6 Debt Sponsors are required, on an annual basis, to advise the ZSE whether they still meet the eligibility criteria and, specifically, whether or not they continue to have the minimum number of approved executives as required by the ZSE from time to time in their employ.

Breach of responsibilities

- 2.7 If the ZSE determines, after taking account of written representations, that a Debt Sponsor has breached any of its responsibilities under the Debt Listings Requirements, the ZSE is entitled to take any one or more of the following actions:

- (a) censure the Debt Sponsor;
- (b) remove the Debt Sponsor from the register of Debt Sponsors maintained by the ZSE;
- (c) impose a penalty not exceeding amount stipulated in Schedule 4
- (d) publish details of the action it has taken and the reasons for that action.

- 2.8 Where the ZSE has decided to take any action described in paragraph 2.7(b), the Debt Sponsor shall be entitled to request that the decision be taken on appeal in accordance with the provisions of paragraph 1.5.

Section 3

Conditions for Listing

- 3.1 Introduction
- 3.3 Discretion of the ZSE
- 3.6 Applicant to be duly incorporated
- 3.8 Status of Debt Securities
- 3.9 Transferability of securities
- 3.10 Minimum criteria for Listing of Debt Securities or registration of a Programme Memorandum
- 3.11 Preliminary approval of Placing Documents
- 3.16 Pre-issued trading
- 3.19 Exchange control approval
- 3.21 Price stabilization

Introduction

- 3.1 Registration of a Programme Memorandum and/or Listings of Debt Securities are granted subject to compliance with the Debt Listings Requirements.
- 3.2 All Applications for Listings of Debt Securities or registration of the Programme Memorandum are to be submitted to the ZSE through a Debt Sponsor.

Discretion of the ZSE

- 3.3 Notwithstanding these Debt Listings Requirements, the ZSE may, in its overriding discretion and after consultation with the SECZ, grant a Listing of Debt Securities or the registration of a Programme Memorandum to an Applicant Issuer that does not meet the Debt Listings Requirements set out below, or refuse a Listing of Debt Securities or the registration of a Programme Memorandum to an Applicant Issuer that does comply with the Debt Listings Requirements on the grounds that, in the ZSE's opinion, the granting of or refusal of the Listing or registration is in the interests of the investing public. Applicant Issuers that wish to apply for a Listing of Debt Securities or the Registration of a Programme Memorandum, but which do not meet all of the objective criteria prescribed by these Debt Listings Requirements for the grant of a Listing or registration, may discuss their intended applications with the ZSE.
- 3.4 Where unusual features exist regarding a listing, the ZSE must be consulted by the Debt Sponsor to discuss such features at the earliest possible date and to discuss any rulings required from the ZSE at that time.
- 3.5 Applicant Issuers are required to submit to the ZSE, at the earliest practicable date, any matter or unusual feature pertaining to the Listing that is not specifically provided for in, or is otherwise in conflict with, the Debt Listings Requirements.

Applicant to be duly incorporated

- 3.6 The Applicant Issuer must be duly incorporated, or otherwise validly established under the law of the country of incorporation or establishment, and must be operating in conformity with its memorandum and articles of association or other constitutive documents, as the case may be, and all laws of its country of incorporation or establishment.
- 3.7 An Applicant Issuer seeking a Listing of Debt Securities must contractually undertake to the ZSE, by completing Schedule 1, that from the date of admission to Listing of any of its Debt Securities, or from registration of the Programme Memorandum, the Applicant Issuer will comply fully with all the Debt Listings Requirements of the ZSE, irrespective of the jurisdiction in which the Applicant Issuer is incorporated.

Status of Debt Securities

- 3.8 Debt Securities for which a Listing is sought must be issued in conformity with the law of the Applicant Issuer's country of incorporation or establishment and in conformity with the Applicant Issuer's Memorandum and Articles of Association (if applicable) or other constitutive documents as the case may be, and all authorizations needed for their creation and issue under such law must have been duly given. The ZSE must be consulted for a ruling if it is not possible to comply with the Listings Requirements as a result of conflict between the Debt Listings Requirements and the relevant legislation in the Applicant Issuer's country of incorporation.

Transferability of securities

- 3.9 The Debt Securities for which Listing is sought must be freely transferrable according to the terms and conditions of the debt security, unless otherwise required by law.

Minimum criteria for listing of Debt Securities or registration of a Programme Memorandum

- 3.10 In order to satisfy the minimum criteria for listing, an Applicant must:
- (a) have obtained the necessary statutory consent from relevant authorities;
 - (b) be duly authorised to issue Debt Securities in terms of its memorandum and articles of association or other constitutive documents as the case may be; and
 - (c) make all the necessary disclosure in terms of Section 4;
 - (d) be generally acceptable to the ZSE, having regard primarily, but not solely, to the interests of investors and the objects of the Act; and
 - (e) have the intention to raise at least USD1million, in full, through issuance of securities of at least one (1) year tenure.

Preliminary approval of Placing Documents

- 3.11 A preliminary approval of the relevant Placing Document must be obtained from the ZSE, when any Placing Document or offering and any road show or other marketing of Debt Securities which are to be listed is done, before formal approval for Listing is granted by the ZSE Listings Committee.
- 3.12 The Placing Document, as preliminary approved by the ZSE, may be circulated to market participants and Potential Investors at meetings, provided that any amendments effected following such meetings shall be limited to the insertion of dates, pricing, issue amount, and maturity or similar information. If any other amendments are effected to the Placing Document, potential investors and the ZSE must be informed of such amendments, and the Placing Document must be submitted for formal approval by the ZSE Listings Committee.
- 3.13 The Applicant/Issuer, Debt Sponsor, or Arrangers shall advise Potential Investors that the preliminary Placing Document is not the final document approved by the ZSE and that such document shall be subject to completion and amendment, and this fact shall be clearly evident on the face of the document.
- 3.14 The CSD company shall have accepted the immobilization/dematerialization of the Debt Security and confirmed that the Applicant has been admitted in terms of the CSD Rules and Directives prior to the preliminary approval by the ZSE.
- 3.15 A signed, final Placing Document shall be made available to the ZSE for formal approval and to Investors within 48 hours prior to the Listing date.

Pre-issued trading

- 3.16 A member of the ZSE may only execute transactions in Pre-issued Debt Securities after such approval has been granted by the ZSE.

- 3.17 The ZSE may permit Pre-issued trading in Debt Securities subject to the following conditions:
- (a) the Debt Sponsor to the Listing must apply, at the time of informal comment submission of the Placing Document or the Pricing Supplement, and receive approval for pre-issued trading from the ZSE;
 - (b) the ZSE must have approved the Listing of Debt Securities;
 - (c) the Listing of Debt Securities for which pre-issued trading is requested, must be an initial offering and must be of such size that, in the opinion of the ZSE, it is appropriate to permit pre-issued trading;
 - (d) pre-issued trading will commence and end on such dates as specified by the ZSE and contained in a market notice indicating that the pre-issued trading must end on the Listing date of the Debt Securities;
 - (e) if the Listing in respect of which pre-issued trading has been approved becomes effective, all transactions effected during the period of the pre- issued trading will settle on settlement day of official trading on the same terms as all other transactions in Listed Debt Securities; and
 - (f) if the Listing is still ineffective on the first settlement date of official trading, every transaction effected under this requirement will be void *ab initio* and neither a member of the ZSE nor a client will have recourse against the ZSE or the member, as the case may be, in respect of such transactions.
- 3.18 The granting of a Listing of Debt Securities must be announced by the Applicant on ZSE Data Portal no later than close of business on the day before the Listing of the Debt Securities.

Exchange control approval

- 3.19 Where approval for a Listing of Debt Securities or the Registration of a Programme Memorandum is required from the RBZ, the ZSE will not grant the Listing of the Debt Securities or the registration of the Programme Memorandum until such written approval is obtained.
- 3.20 The following should be considered in terms of exchange control:
- (a) information on any exchange control regulation that may be relevant to an Investor;
 - (b) approval from the RBZ is required when the Applicant Issuer is incorporated or domiciled in a foreign country;
 - (c) where the Applicant Issuer issues Listed Debt Securities that will pay higher than the interest rate to be paid/discounted in terms of exchange control policy, and where there will be foreign participation cross-border funding, the Applicant/Issuer is required to obtain prior RBZ approval/directive in respect of the issue. Exchange control policy allows interest to be paid up to the prime overdraft rate (predominant rate) plus 3% per annum or as amended from time to time.

Price stabilization

- 3.21 Price stabilization will be permitted by the ZSE in accordance with the provisions of the Act. Price stabilization may be effected through an over-allotment, with or without a greenshoe. Over-allotment is a precursor to a price stabilization mechanism aimed at supporting and maintaining the price of newly listed Debt Securities or Debt Securities which are the subject of a substantial offer for a limited period after the Listing. The main purpose is to establish an orderly market for securities in the immediate secondary market after an offer.

- 3.22 There is no obligation on the Applicant Issuer to stabilize the price, but if the Applicant Issuer intends to do price stabilization, the Applicant Issuer's Debt Sponsor must contact the ZSE for a ruling.

Section 4

Listing Particulars

- 4.1 Introduction
- 4.2 Listing process
- 4.7 Content of Placing Document
- 4.19 Signing and date of Placing Document
- 4.20 Offering circular or pricing supplement
- 4.24 Rating agencies
- 4.25 Non-listed Securities

Introduction

- 4.1 The Placing Document shall contain sufficient information to provide full disclosure of the Applicant Issuer's operations, financial resources and requirements and the risks associated with the Applicant Issuer's business and market place for the purposes of a comprehensive analysis of the Applicant Issuer's ability to service and redeem the Debt Securities. It shall also contain all relevant information with respect to the particular nature of the Applicant Issuer and Debt Securities for which application is being made. It shall also contain details of any Debt Securities' relation to other debt of the issuer, whether listed or not, including but not limited to details of seniority, security, covenants, warranties or pledges. The Placing Document shall contain that minimum disclosure which an Investor would reasonably require in order to be in a position to make an informed assessment of the nature and state of the Applicant Issuer's business and most particularly its ability to effect agreed scheduled interest payments on Debt Securities and the repayment of the principal amount.

Listing process

- 4.2 The Placing Document and other documentation required for the Listing of Debt Securities in terms of the Debt Listings Requirements must be submitted to the ZSE in accordance with the time table availed by the ZSE.
- 4.3 Approval for Listing of Debt Securities is subject to the submission to the ZSE of all the documents required in terms of these Debt Listings Requirements or such documents as may be requested by the ZSE prior to Formal Approval of the Listing.
- 4.4 No Placing Document is to be made available to the investing community unless the ZSE has granted Formal Approval.
- 4.5 No Placing Document shall bear the words "final" unless such Placing Document has been formally approved by the ZSE. A Placing Document must be signed as provided for in these Debt Listings Requirements and a signed copy submitted to the ZSE before it is issued to the public.
- 4.6 All Debt Securities to be listed on the ZSE shall be cleared and settled through the CSD or any other system approved by the ZSE to perform electronic settlement of funds and scrip from time to time. All Issuers are required to be admitted by the approved CSD Company and comply with the CSD Rules.

Content of the Placing Document

- 4.7 The Placing Document for any Listing must describe the terms and conditions of the issue, including but not limited to provisions with respect to the description of the Debt Securities being offered, interest payments, conversions and redemption dates.
- 4.8 The following is a summary of the requirements for disclosure that must be contained in the Placing Document:

Details of the Applicant Issuer

4.9

- (a) The Applicant Issuer's full name, registration number, date and place of incorporation. If the Applicant Issuer changed its name within the last year, the old name must be printed in bold type under the existing name on the cover and first page;
- (b) a general description of the business carried or to be carried on by the Applicant Issuer and its subsidiaries, and where the Applicant Issuer or its subsidiaries will carry on two or more businesses that are material having regard to the profit and losses, assets employed, or to be employed, or any other factor information as to the relative importance of each such business;
- (c) the full names of the Applicant Issuer's company secretary (if a company), and the address of its offices and of the registered office (if a company). In relation to an Applicant Issuer that is not a company full disclosure must be made in relation to the person with corresponding powers and duties;
- (d) the full name, street and postal address of the attorneys, advisers, auditors, Arrangers, Calculation Agent, Paying Agent, Transfer Secretary, Debt Sponsor and other advisers or consultants; and
- (e) a description of the material risk factors and the sensitivity of the issue of Debt Instruments to such risk factors must be provided (securitisation, derivative and any other type issues). The risk factors must not only include matters concerning the business and financial condition of the Applicant Issuer, but also such matters (when applicable) like the absence of an operating history, the absence of profitable operations and future projections.

Details of the Issue

4.10

- (a) A statement that an Application has been made to the ZSE for the Debt Securities to be Listed and the date from which the Listing was granted or for the registration of the Programme Memorandum and setting out the relevant Debt Securities to be listed;
- (b) if applicable, the Placing Document must include the total amount of the Debt Securities to be issued and any minimum indicated amount to be issued. If the Placing document provides for multiple issues, a statement to this effect is to be made, setting out the Authorised Amount and initial amount to be issued;
- (c) if applicable, the Programme Memorandum must specify the aggregate Authorised Amount of all Debt Securities that may be issued both Listed and un-listed under the Programme Memorandum from time to time;
- (d) the interest rate, the date from which interest accrues and due dates of payments in respect of the Debt Securities must be fully described. If several interest rates are provided for, an indication of the calculation / conditions for changes in the interest rate must be included. The interest calculation and/or method for each Debt Security must be set out in the Placing Document;
- (e) the maturity date of the Debt Security, if applicable, and circumstances of the repayment and redemption are to be fully described;
- (f) details of any legal restrictions under which the Debt Securities will be offered,

- sold, transferred or delivered;
- (g) details of all covenants including but not limited to status of all Debt Securities (such as senior, subordinated, negative pledge, cross default or any other covenants);
- (h) a statement of the law under which the Debt Securities are governed;
- (i) details of the redemption rights of the Applicant Issuer and/or the Holders of Debt Securities;
- (j) if the performance of an instrument relates to the performance of an index and/or the calculation thereof, the index Calculation Agent for Debt Securities must be registered as such with the ZSE. To register as an index Calculation Agent the entity must make application to the ZSE and must comply with the criteria as determined by the ZSE from time to time and published on the ZSE website;
- (k) details of the Debt Securities' in relation to other debt, either listed or unlisted, of the Issuer including but not limited to details of seniority; and
- (l) where applicable, performance of current or other issues from the issuer, in terms of default rates, yields and subscription rate.

Details of the Subscription Process

4.11

- (a) Where necessary, reference is to be made to the fact that subscriptions may be reduced. If the Applicant Issuer (or any third party subscribing for any Debt Securities) has a right to cancel the issue or subscription for the Debt Securities at any time prior to the issue, such right must be specified in the Placing Document and/or the Pricing Supplement;
- (b) the arrangements for the amortisation of the Debt Securities, if any, including the repayment procedures and schedules;
- (c) a statement describing the currency of issue;
- (d) a statement that the issue will adhere to the recognised and standardised electronic clearing and settlement procedures operated within the Zimbabwean environment;
- (e) a description of the register of Debt Securities and registration process, the electronic method of interest and redemption payments on the ZSE via CSD;
- (f) the rights conferred upon the investor of Debt Securities and particulars (if any) thereof; and
- (g) purpose of the issue and intended application of its proceeds must be stated.

Details of the guarantee, trustee and representatives

4.12

- (a) Where the Debt Security to be issued is guaranteed, secured or subject to credit enhancement, the placing document must be accompanied by certified copies of:
 - (i) the guarantee or credit enhancement agreement; as the case may be; and
 - (ii) a duly executed board resolution of the guarantor or appropriate legal authority authorising the provision of the guarantee, security document and/or credit enhancement.
- (b) Details of the guarantee, security and/or credit enhancement agreement, as the case may be must be disclosed in the Placing Document and be provided to the ZSE including but not limited to:
 - (i) the identity and general business of the entity providing the guarantee, security and/or credit enhancement;

- (ii) salient terms of the guarantee, security or credit enhancement, including:
 - (1) the name(s) of the signatories thereto;
 - (2) the name(s) of the administrator(s) or trustee(s) holding the guarantee or security;
 - (3) whether the guarantee or security is conditional or unconditional and whether revocable or irrevocable; and
 - (4) whether the guarantor undertakes to make payment of the amounts payable in terms of the guarantee or security upon the receipt of a written request from the trustee or investor.
- (c) The following details of trustees or of other representatives for the Holders of Debt Securities if applicable (for example in securitisation issues):
 - (i) the name, function, description and address of the representative of the Holders of Debt Securities, the main conditions of such representation and in particular the terms or conditions under which the trustee or representative may be replaced; and
 - (ii) an indication of the place where the public may have access to the contracts relating to these forms of representation.

Taxation

4.13

- (a) A statement regarding withholding tax on the income from the Debt Securities (in the country of origin in the case of a foreign Applicant Issuer Listing Debt Securities on the ZSE);
- (b) an indication as to whether the Applicant Issuer is required to gross up income payments where there is a withholding of tax at source; and
- (c) details of any taxation imposed or levied on the Applicant Issuer as a result of the issue of the Debt Securities as required by law.

Exchange control

4.14

- (a) Information on any Exchange control regulations to be considered that may be relevant to an Investor; and
- (b) if applicable, a statement that Exchange control approval has been granted to the Applicant Issuer and a negative statement if Exchange control approval is not required.

Financial and Legislation Information

4.15

- (a) The financial information must be included in the Placing Document; and
- (b) The financial information which the Applicant Issuer or the guarantor, if applicable, is required to disclose is set out in Section 5, and in addition the Applicant Issuer must disclose:
 - (i) legislation under which the Applicant Issuer operates and the legal form which it has adopted under that legislation (i.e. incorporation); and
 - (ii) reference to the updated statutory documents and where these may be inspected and where they are available to any Potential Investor.

Other

4.16

- (a) The document must make provision for 75% (*seventy five percent*) of Holders of

Debt Securities approving changes to the terms and conditions of the Debt Securities as well as the fact that notification of Holders of Debt Securities meetings will be published on ZSE Data Portal ; and

- (b) if the Applicant Issuer obtained a credit rating for the Applicant Issuer itself or for the Programme Memorandum, such fact must be disclosed in the Programme Memorandum. In the case of an Offering Circular, the actual rating must be disclosed. The full documents pertaining to the credit rating must be available for inspection.

Responsibility

4.17

- (a) The Applicant Issuer must accept full responsibility for the accuracy of the information contained in this Placing Document. The Placing document must include a statement which captures or covers the following issues: (breakdown of the quoted statement). “The Applicant Issuer certifies that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Placing Document contains all information required by law and the ZSE Listings Requirements. The Applicant Issuer shall accept full responsibility for the accuracy of the information contained in the Placing Document, Pricing Supplements and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein”; and
- (b) A limitation of liability provision must be provided in the Placing Document, that the ZSE takes no responsibility for the contents of the Placing Document, Pricing Supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of Placing Document, Pricing Supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report. The Applicant Issuer shall accept full responsibility for the accuracy of the information contained in the Placing Document Pricing Supplements, and the annual report or the amendments to the annual report, except as otherwise stated therein.

Documents available for Inspection

4.18

- (a) The following documentation shall be available for inspection at the registered office of the Applicant Issuer for as long as Debt Securities are issued and outstanding under the Placing Document:
 - (i) the current Placing Document;
 - (ii) Any supplementary documents published since the current Placing Document was published;
 - (iii) any Pricing Supplements (with respect to outstanding issues) issued since the current Placing Document were published;
 - (iv) any document incorporated into the Placing Document by reference; and
 - (v) the financial information of the Issuer and the guarantor;
- (b) The documentation referred to in paragraph 4.18(a)(i)–(iii) must also be made available in electronic form on the ZSE website and the documents referred to in 4.18(a)(i)–(iii) and (v) must be available on the Applicant Issuers website if the Applicant Issuer is a public company and if the Applicant Issuer is a Private

- Company, 4.18(a)(i)–(iii) must be available on the applicant Issuer’s website and 4.18(a)(v) must be available at the Applicant Issuer’s registered address; and
- (c) The signed Placing Document must be available to the public at the office of incorporation of the issuer and via placement of the document on the ZSE and the Issuer’s website at least 5 business days before the listing date of the first instrument unless otherwise agreed with the ZSE.

Signing and date of the Placing Document

4.19 The Placing Document shall:

- (a) in the case where the Applicant Issuer is a Company, be signed by at least two directors of such Company, or if such Company has only one director, by that director and by a duly authorised official of such Company;
- (b) In the case where the Applicant Issuer is not a Company, be signed by two duly authorised senior officials of such Applicant Issuer;
- (c) The signatories shall be deemed to have authorised the publication of the Placing Document; and
- (d) Every signature to a Placing Document shall be dated, and the latest of such dates shall be deemed to be the date of the Placing Document.

Offering Circular or Pricing Supplement:

4.20 The Offering Circular or Pricing Supplement relating to a specific issue of a Debt Security under a registered Programme must provide an Investor with enough information including the full terms and conditions of that Debt Security for an investor to fully understand the product and must include, as a minimum if applicable, the following:

- (a) instrument code;
- (b) issue date;
- (c) issue price;
- (d) nominal value;
- (e) International Securities Identification Number (“ISIN”);
- (f) the date from which interest accrues;
- (g) day and method for interest calculation methodology;
- (h) first settlement date;
- (i) interest payment dates;
- (j) coupon;
- (k) coupon rate indicator;
- (l) base CPI for linked instruments;
- (m) Last Day to Register;
- (n) Books Closed Period;
- (o) redemption/maturity date;
- (p) details of the authorised amount;
- (q) a description of the underlying asset including the identity of the reference entity in the case of a credit linked note;
- (r) value of total notes in issue;
- (s) date of approval of the Programme;
- (t) date convention;
- (u) final amount payable on maturity if different from nominal value;
- (v) whether the instrument is linked to another listed instrument and the name, code and ISIN of that instrument;
- (w) credit rating for Applicant Issuer, Programme Memorandum or Debt Instrument,

- if applicable;
 - (x) covenants;
 - (y) events of default;
 - (z) capital raising process to be followed;
 - (aa) date the credit rating was issued and the date it is up for review;
 - (bb) responsibility statement by the issuer complying with Section 4.17(a) and (b);
 - (cc) any additional terms not disclosed in the Programme Memorandum; and
 - (dd) any other relevant information.
- 4.21 The Pricing supplement in draft form must be sent to investors as notification of the capital raising at least 48 hours before the closing time of the capital raising. If any changes are made to the Pricing Supplement after it was distributed, the revised Pricing supplement must be sent to all investors that received it originally. If all investors agree, the time period can be shorter than 48 hours. It is the responsibility of the issuer to satisfy the ZSE that the investors have agreed.
- 4.22 If the Pricing Supplement contains changes to the original Programme, such changes should be brought to the attention of the investors.
- 4.23 Where Asset-backed Debt Securities are issued under a Programme Memorandum, the relevant Pricing Supplements must comprise supplementary information on the underlying assets as required by section 6.2.

Rating

- 4.24 An Applicant Issuer is not required to use the services of a rating agency. Should the Applicant Issuer elect to utilize the services of a rating agency and formally accepts the rating given to the Applicant Issuer, the Programme Memorandum or any Debt Securities issued by the Applicant Issuer, such rating must be included in the Programme Memorandum or the Pricing Supplement or in the event of amendments to the rating after the rating has been reviewed on an annual basis, then the rating has to be announced on ZSE Data Portal; and the ZSE must be informed within 48 hours of the receipt by the Applicant Issuer of the rating or the amendments thereto. Where the issuer is implied on the credit rating of the credit enhancer/guarantor, full disclosure should be made.

Non-Listed Securities

- 4.25 Where non-listed Debt Securities are issued under a Programme Memorandum, registered by ZSE, the Applicant Issuer shall inform the ZSE at the time of placement of the details of the issue(s) if the Programme Memorandum has an Authorised Amount.

Section 5

Financial Information

- 5.1 General
- 5.3 Financial statements
- 5.5 Content of Financial Information
- 5.6 Report of the independent auditor
- 5.7 Profit forecasts and estimates

General

- 5.1 The information referred to in this section must be included in the Placing Document at

the time of the Listing or registration of the Programme Memorandum.

- 5.2 Financial information referred to in paragraph 5.5 shall be prepared in accordance with GAAP or the equivalent IFRS or as prescribed by the Public Accountants and Auditors Board (“PAAB”) from time to time or listed in Schedule 6. Government, municipalities, parastatals and utilities that are subject to enabling legislation, may require adherence to other standards and this fact should be disclosed.

Financial statements

- 5.3 An Applicant Issuer which makes application for the registration of a Programme Memorandum must have published and submitted financial statements which:

- (a) have been prepared in respect of at least the last three financial years (except as provided for in paragraph 5.4). If more than 9 months have lapsed since the last financial year end, reviewed Interim financial statements for the current financial period must be submitted to the ZSE, in addition to the financial statements for the last three financial years.
- (b) have been prepared in accordance with the Companies Act or other applicable legislation; and
- (c) have been independently audited by a firm registered in terms of the PAAB Charter or such entity approved by the ZSE from time to time.

- 5.4 Notwithstanding paragraph 5.3, financial statements of an Applicant Issuer relating to a period shorter than three years may be accepted if the ZSE is satisfied that:

- (a) the acceptance of financial statements of the Applicant Issuer for such shorter period is in the interests of the Applicant Issuer and will not prejudice the interests of Investors and that Investors have sufficient information available to arrive at an informed assessment concerning the financial position and affairs of the Applicant Issuer and the Debt Securities for which the Listing is sought; or
- (b) the Debt Securities for which the Listing is sought are guaranteed Debt Securities, provided that the guarantor has complied with 5.1; or
- (c) the Debt Securities for which the Listing is sought are Asset-backed Debt Securities.

Contents of Financial Information

- 5.5 The Financial Information prepared in accordance with GAAP/IFRS must also include:

- (a) details of any material post balance sheet events occurring subsequent to the issue of the latest audited financial statements;
- (b) details of the credit risk profile (if applicable) to draw the attention of potential investors to the risks that they will assume;
- (c) a statement as to the adherence to codes on Corporate Governance acceptable to the ZSE listed in Schedule 28 of the ZSE Listings Requirements as amended from time to time and a description of any differences and reasons for non-adherence;
- (d) a description of any material change in the financial or trading position of the Applicant Issuer and its subsidiaries that has occurred since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published, or an appropriate negative statement.

Report of the independent auditor

- 5.6 The financial information of the Applicant Issuer together with the auditor’s report must be provided to the ZSE. The auditor’s report must comply with PAAB standards or ISA and must include the following:

- (a) scope of the audit; and
- (b) audit opinion.

Profit forecasts and estimates

- 5.7 An applicant Issuer is not obliged to include Profit forecasts or Profit estimates in any Placing Documents or publication of any information. If the Applicant Issuer chooses to include a Profit forecast or Profit Estimate in a Placing Document or Pricing Supplement, the following requirements have to be complied with. The requirements apply equally to forecasts or estimates of profits or losses, cash flows or net asset values (“collectively defined as ‘profits or losses’”) of an Applicant Issuer or an undertaking that is to become a material part of an Applicant Issuer’s group.
- 5.8 Any statement or information relating to the future prospects of an Applicant Issuer or an undertaking that is to become a material part of an Applicant Issuer’s group, must be clear and unambiguous. The Applicant Issuer must determine in advance with its Debt Sponsor whether such a statement of information will constitute a profit forecast or an estimate. Any profit forecast or estimate must be presented in an explicit manner and must be compiled with using accounting policies applied by the Applicant Issuer.
- 5.9 A dividend forecast must be treated as a Profit Forecast where the Applicant Issuer has a known policy of relating dividends to earnings, or has, in the reasonable opinion of the ZSE, an insufficient level of retained earnings, or the forecast otherwise implies a forecast of profit. In the event of uncertainty the ZSE must be consulted.
- 5.10 In the event of an Applicant Issuer including a profit forecast or estimate in a Placing Document or Pricing Supplement, it must either:
- (a) produce and submit to the ZSE a profit forecast or estimate and auditor’s report thereon in accordance with:
 - (i) ISAE 3400 – The Examination of Prospective Financial Information and the Zimbabwean Institute of Chartered Accountants Revised Guide on Forecasts, in respect of profit forecasts; or
 - (ii) ISAE 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information, in respect of the estimate; or
 - (b) include a statement in the announcement advising Holders of Debt Securities that the forecast financial information has not been reviewed and reported on by the Applicant Issuer’s auditors in accordance with 5.12(a).
- 5.11 The ZSE reserves the right to insist on sign-off by the auditor in accordance with paragraph 5.10(a) where it believes that it would be in the interest of Holders of Debt Securities.
- 5.12 The period of the forecast or estimate should normally be to the end of the financial period. If it is not, then the period of the forecast or estimate must be in respect of a period for which the results will be published, or the Applicant Issuer must make a new forecast for such a period.
- 5.13 A Profit Forecast or Estimate included in a Placing Document, must be reported on by an auditor in accordance with paragraph 5.10(a)(i) or (ii) and must include a statement of the principal assumptions for each factor that would have a material effect on the achievement of the forecast or estimate. These assumptions must:
- (a) be clearly segregated between assumptions about factors that the directors can influence and assumptions about factors that are exclusively outside the influence of the directors;
 - (b) be readily understandable by Investors;
 - (c) be specific about the particular aspect of the estimate/forecast to which they

- refer and about the uncertainty attaching to that aspect; and
- (d) not relate to the general accuracy of the estimates (such as, and not limited to, . sales estimates, expense estimates) underlying the forecasts.
- 5.14 With regards to a Profit Estimate the estimate may only be subject to assumptions in exceptional circumstances and such exceptional circumstances should be explained.

Section 6

Specialised Products/Entities

- 6.1 Asset-backed Debt Securities
- 6.3 High Yield Debt Securities

Asset-backed Debt Securities

- 6.1 Due to the variable nature of Asset-backed Debt Security transactions, the ZSE should be consulted at an early stage.
- 6.2 The Placing Document or Pricing Supplement published in connection with the issue of Asset-backed Debt Securities must, over and above those requirements in Section 4 and 5, include the following additional information:
- (a) details of the underlying assets;
 - (b) a full description of the assets/rights forming the subject matter of the security, specifying at least the following, where relevant:
 - (i) the legal jurisdiction(s) where the assets are located;
 - (ii) the nature of and title to the assets;
Details of the Security Agent, where applicable.
 - (iii) the criteria for the selection of the assets;
 - (iv) the number and value of the assets in the pool. The valuation should be done by an independent valuer acceptable to the ZSE;
 - (v) the seasoning of the assets;
 - (vi) the level of collateralization:
 - (1) rights of recourse against the originator to the extent allowed in law, including a list of material representations and warranties given to the Applicant Issuer relating to the assets;
 - (2) the percentage or haircut that is subtracted from the market value of an asset that is being used as collateral or security.
 - (3) rights to substitute the assets and the qualifying criteria;
 - (4) the treatment of early amortisation of the assets;
 - (5) level of concentration of the obligors in the asset pool, identifying obligors that account for 5% or more of the asset value; and
 - (6) where there is no concentration of obligors above 5%, the general characteristics and descriptions of the obligors.
 - (c) a description of the sale or transfer of the assets or assignment of any rights in the assets to the Applicant Issuer, indicating the extent of the right of recourse:
 - (i) a description of the structure or flow diagram of the scheme;
 - (ii) an explanation of the flow of funds stating:
 - (1) the method by which the cash flow from the assets is intended to meet the Applicant Issuer's obligations;
 - (2) detail on any specific credit enhancement other than disclosed elsewhere;
 - (3) an indication of where potential material liquidity shortfalls may occur, the availability and details of any liquidity support and plans to cover potential shortfalls;

- (4) information regarding the accumulation of surpluses in the Applicant Issuer and an indication of the investment criteria for the investment of any liquidity surpluses;
- (5) the payment methods and flows in respect of the assets;
- (6) the order of priority of payments made by the Applicant Issuer;
- (7) details of any other arrangements upon which payments of interest and principal to Holders of Securities are dependent;
- (8) details of any subordinated debt finance;
- (9) the name, address, description and significant business activities of the originator or creator of the assets backing the issue;
- (10) the name, address, description and significant business activities of the administrator or equivalent (if any) together with a summary of the administrator's responsibilities and a summary of the provisions relating to the appointment or removal of the administrator and alternative administrator and their details;
- (11) similar details for trustees and their responsibilities or other representatives of Holders of Debt Securities;
- (12) the names and addresses and brief description of:
 - (aa) any swap counterparties;
 - (bb) providers of material forms of credit enhancement; and
 - (cc) the banks with which the main accounts relating to the transaction are held; and
- (13) any other information that is material to an understanding of the issue and expenses payable by the Applicant Issuer.

High Yield Debt Securities

General

- 6.3 This section stipulates the requirements for the Listing of High Yield Debt Securities (HYDS). HYDS which will be traded in the same manner as any other form of Debt Securities listed on the ZSE, including in respect of trade reporting and settlement system. The following additional requirements over and above those in Sections 4 and 5 and/or exceptions apply to the Applicant Issuer with respect to the Listing of High Yield Debt or the registration of the Programme Memorandum that makes provision for High Yield Debt Securities.
- 6.4 For the purpose of this section, covenants that will apply to the Applicant Issuer and its existing and future majority-owned subsidiaries are referred to as "Restricted Subsidiaries", effectively building a wall of restrictions around the issue undertaking. Unless otherwise negotiated, Restricted Subsidiaries will be guarantors, jointly and severally, of the Listed Debt Securities.
- 6.5 All Placing Documents pertinent to Debt Securities to be Listed by the ZSE that are High Yield Debt Securities, with a speculative (below a level of BBB-/Baa3 on a global or national rating scale) grade credit rating or no credit rating, must provide in bold lettering on the front cover of the Placing Document or Pricing Supplement that the Listed Debt Securities are of a speculative nature and that prior to investing in these Debt Securities Investors should seek independent professional advice. Reference to sections of the Placing Document of the many considerations that may affect the issue in the Placing Document; including scope of operations, business track record, volatile or uncertain operating environments, shareholder and capital structure, levels of debt leverage, re-financing risk, the visibility and sustainability of cash flows, and relevant

covenants and covenant structures should be high-lighted. The additional Listing particulars in respect of high yield Debt Securities that are required for Listing are referred to in paragraph 6.6.

6.6 The Placing Document providing for the HYDS must incorporate the following information over and above the disclosure requirements in Section 4 of the Debt Listing Requirements:

- (a) the ZSE requires an Applicant Issuer to include separate financial statements for each subsidiary guarantor, unless:
 - (i) each subsidiary guarantor is wholly-owned;
 - (ii) each subsidiary guarantee is unconditional, and the Applicant Issuer's obligations are jointly and severally guaranteed by the subsidiary; and
 - (iii) the subsidiary guarantors comprise all of the direct and indirect subsidiaries of the Applicant Issuer.

If these conditions apply, the Applicant Issuer may present financial information required in terms of paragraph 5.5 on a consolidated "EBITDA" basis without having to provide separate financial statements for each subsidiary guarantor.

- (b) the ZSE requires the Applicant Issuer to provide financial information as required in terms of paragraph 5.5 and its audited or reviewed interim financial statements to the ZSE on a semi-annual basis or such intervals as the ZSE may, in its discretion, determine.

Guarantee collateral and security

- (c) details of the guarantee, the collateral and/or the security documents, their application of proceeds, possession, use and release, limitation and effectiveness, and modification thereof;
- (d) details of the Applicant Issuer's and its Restricted Subsidiaries ability to incur additional debt;
- (e) details of any restrictions on any specific payment types;
- (f) details of any prohibition liens imposed on the Applicant Issuer and its Restrictive Subsidiaries, if any, as well as the list of permitted liens;
- (g) details of the restrictions on the Applicant Issuer and its Restrictive Subsidiaries from entering into transaction with affiliates, or any limitations on "Unrestricted Subsidiaries".

Unrestricted Subsidiaries means:

- (i) any subsidiary of the Applicant Issuer that is designated by the Applicant Issuer's Board of Directors to the designation of Unrestricted Subsidiary; and
 - (ii) any subsidiary of an Unrestrictive Subsidiary.
- (h) details of any security agent/security trustee holding and or managing security under the security document;
 - (i) detail of any terms and/or consideration which permit the Applicant Issuer to revoke any designation of a subsidiary as an Unrestricted Subsidiary, after the Issue Date;
 - (j) details of the restrictions placed on the Applicant Issuer to enter into agreements with Restricted Subsidiaries that prevent Restricted Subsidiaries from independently obtaining financing, paying dividends or making other distributions on their capital stock, make any investments in the Applicant Issuer or in another Restrictive Subsidiary, or transfer any of their property or assets;

- (k) details of any limitations placed on the Applicant Issuer and its Restricted Subsidiaries from making any disposition of assets or shares of capital stock of a subsidiary;
- (l) details of any limitations placed on the Applicant Issuer and its Restricted Subsidiaries that may:
 - (i) restrict mergers, consolidations and business combinations;
 - (ii) limit any change in control of ownership of the Applicant Issuer;
 - (iii) restrict sale-leaseback transactions; and
 - (iv) prohibit the Applicant Issuer and its subsidiaries from engaging in any additional business outside of their existing operations;
- (m) any reserve arrangements to be made for interest and redemption obligations;
- (n) provide details of what constitutes incidents of an event of default, and any remedy in terms of the terms and conditions of the debt instrument;
- (o) details of provisions permitting the Applicant Issuer to partially or fully redeem the Listed Debt Securities with the net proceeds of any equity offering by the Applicant Issuer, including the specific period of time, as well as the price at which such purchase may take place;
- (p) details of any amendments and waivers, authorised by the board of directors of the Applicant Issuer to modify, amend or supplement the Indenture, any guarantee, to the Listed Debt Securities, without notice or consent of any investor in the Listed Debt Securities;
- (q) any additional consideration with regards to:
 - (i) the role of and the duties of the appointed Trustee;
 - (ii) ranking and subordination of Listed Debt Securities;
 - (iii) withholding tax on payment to investors;
 - (iv) notices to be issued in respect of the Listed Debt Securities;
 - (v) default procedures;
 - (vi) defeasance covenants;
 - (vii) risk factors; and
 - (viii) Exchange Control,
 - (ix) Prescribed assets status,
 - (x) liquid asset status,
 - (xi) indigenization; and
 - (xii) any other
- (r) Placing Document must fully describe the material risk factors in terms of paragraph 4.9(e) and that Investors of any High Yield Debt Security should ensure that they understand fully the nature of the high yield Debt Security, the extent of their exposure to the risks, and that they consider the suitability of the high yield Debt Security as an investment in the light of their own circumstances and financial position.

Section 7

Continuing Obligations

- 7.2 Continuing obligations
- 7.9 Changes to existing Debt Securities or Placing Document
- 7.20 Communication with Investors of listed Debt Securities
- 7.22 Trustee or representative for the body of investors
- 7.23 ZSE Data Portal Announcements
- 7.24 Register of Note holders

Introduction

- 7.1 The registration of a Programme Memorandum, the Listing of a Debt Security on the ZSE and any additional Listings in respect thereof are granted subject to the Debt Listing Requirements as amended from time to time.

Continuing obligations

- 7.2 An Applicant Issuer granted a Listing of Debt Securities, and where required by the ZSE any guarantor in respect of such Listing, shall, within six months of the end of every financial year, submit its audited annual financial statements to the ZSE. Where interim financial statements are prepared, they must be submitted within three months of the end of the period to which they relate.
- 7.3 In the case of the type of Debt Securities detailed in section 6, the Issuer shall submit within three months of every financial year its audited annual financial statements to the ZSE (or at such intervals and in respect of such periods as the ZSE may in its discretion determine).
- 7.4 Where an Issuer is not obliged by law to file financial statements with the Registrar of Companies, the requirements of 7.2 may be varied at the discretion of the ZSE.
- 7.5 An Applicant Issuer shall within one business day of becoming aware of an event of default in respect of a Debt Security, within the meaning of the relevant terms and conditions of such Debt Security, notify the ZSE thereof.
- 7.6 If the ZSE has reason to believe that an event of default as contemplated in 7.5 has occurred or is about to occur, it may request the Issuer to confirm or deny the existence of such default or potential default in writing within one Business Day of receipt of such request or within such longer period as agreed with the ZSE.
- 7.7 Issuers shall forthwith advise the ZSE in writing of:
- (a) a change in name of the Issuer, together with a certified copy of the certificate of change of name; the Issuer must also submit for publication an announcement relating to the name change on ZSE Data Portal and published in two national newspapers. Publication section should be inserted.
 - (b) a change in the Applicant Issuer's registered address;
 - (c) a change in Transfer Agent, Paying or Calculation Agent, index provider and Index Calculation Agent if applicable;
 - (d) any caveat placed against, or the reported loss of, Listed Debt Security certificates; and
 - (e) any changes to the books closed period.
- 7.8 The ZSE reserves the right to request an Issuer, at any time after the Listing of a Debt Security issued by it, to confirm or refute the happening of an event or existence of a state of affairs which may have a material adverse effect on the ability of such Issuer or its guarantor to maintain any of its obligations in respect of any specific Listed Debt Security, and the Issuer shall be obliged to comply with such request forthwith.

Changes to existing Debt Securities or Placing Document

Placing Document

- 7.9 A Programme Memorandum which has not lapsed in terms of section 1.13 shall be updated by the Applicant Issuer in the event of any of the information therein being outdated in a material respect, within three months after the financial year end of the Issuer. The amendments to the Programme Memorandum must be approved by the ZSE. No update of a Programme Memorandum in respect of the Issuer's financial statements shall be required if such financial statements are incorporated by reference and such statements are published as required by the Companies Act and submitted to

the ZSE within six months after the financial year end of the Issuer.

- 7.10 In the event that the Applicant Issuer makes any changes to the Placing Document that affect the terms and conditions of the Debt Securities or the guarantee, other than the changes which are of a formal, minor or technical nature or are made to correct a manifest error or to comply with mandatory provisions of the law of Zimbabwe, the Issuer must obtain approval from Holders of Debt Securities holding not less than 75% (seventy five percent) of the value of a specific class of notes or all outstanding notes. This approval can be obtained by the relevant Holders of Debt Securities (i) at a general meeting or (ii) may be voted on in writing by Holders of Debt Securities entitled to exercise voting rights in relation to the proposed written resolution within 15 business days after the written resolution was submitted to Holders of Debt Securities. A written resolution as contemplated above would have been adopted if it was supported by Holders of Debt Securities entitled to exercise sufficient voting rights for it to have been adopted in accordance with the voting percentage prescribed above at a properly constituted meeting of Holders of Debt Securities. The notice of the proposed written resolution to Holders of Debt Securities should include the actual written resolution including any restrictions on voting in terms of the program memorandum, the last date on which a Holder of Debt Securities should return the signed written resolution and the address to which it should be sent. The amended placing document must be submitted to the ZSE and the amendments must be published on the ZSE Data Portal and any national newspaper.
- 7.11 Debt Securities issued under a Programme Memorandum and subsequently redeemed may be re-issued under the Programme Memorandum unless restricted in terms of other relevant regulation or the Programme Memorandum itself.

Listed Debt Securities

- 7.12 In the event of a change to an issue of the nature as set out in paragraph 7.13 the details of the change shall be submitted to the ZSE for approval and published on the ZSE Data Portal and any national newspaper as referred in Section 7.7.
- 7.13 The Issuer shall publish on ZSE Data Portal details of the following of new or Tap issues by the Applicant Issuer:
- (a) the Debt Security name, short name and Debt Security code;
 - (b) the issue price;
 - (c) the coupon rate/variable interest rate, the first interest date, and the other interest dates;
 - (d) the change from the previous coupon interest rate to the new interest rate payable;
 - (e) the original date of the issue and the proposed date of any additional issue;
 - (f) the previous Authorised Amount and the new Authorised Amount;
 - (g) the total amount issued after this additional issue;
 - (h) the effective date;
 - (i) nominal value;
 - (j) Last Day to Register;
 - (k) maturity date;
 - (l) Books Closed Period;
 - (m) ISIN;
 - (n) day and method for Interest Calculation Methodology;
 - (o) coupon rate indicator;
 - (p) Programme size;
 - (q) final amount payable on maturity; and
 - (r) any other relevant information.
- 7.14 Where an additional amount of securities to be listed causes the total amount issued to

exceed the original Authorised Amount of the Issuer, if applicable, the notification to the ZSE shall be accompanied by a resolution from the governing body (e.g. Board of Directors) of the Applicant Issuer, authorising such increase in the Authorised Amount.

7.15 Issuers other than Public Sector Issuers, shall on formal submission be required to submit to the ZSE a letter signed by two directors or two duly authorised officers of the Issuer confirming that there has been no material change to the financial position or affairs of the Issuer as reflected or incorporated in the original Placing Document since the date of such Placing Document; alternatively in the event of any such material change, detailed supplementary information shall be submitted to ZSE, specifying the nature and extent of such material change. If the Issuer has one director only, the letter must be signed by at least two directors and another duly authorised official.

7.16 The Issuer shall advise the ZSE and publish as prescribed in Section 7.7 on the ZSE Data Portal:

- (a) at least two business days prior to the notice period as contained in the terms and conditions of its Placing Document or Pricing Supplement, to extend the maturity date of a Listed Debt Security from its scheduled maturity date, or to step-up/call, in writing of its intention; or
- (b) at least one business day prior to the commencement of Books closed period of a Listed Debt Security, where the Issuer requires the expected maturity date to be extended if applicable. Provided that such expected maturity date cannot be extended past its legal maturity date.
- (c) the Issuer may extend the maturity date of any Debt Security beyond its legal maturity date, subject to the terms and conditions of the placing document and by Extraordinary Resolution. The Issuer's written notice to the ZSE and publication on ZSE Data Portal must be made at least two business days prior to the commencement of the notice period provided in the Placing Document, regarding the extension of the maturity date.

7.17 The Issuer is required to deposit additional Securities with the depository for Listed Debt Securities prior to Settlement Date in the event that an Issuer is issuing a Tap Issue.

7.18 Subject to the specific terms and conditions of the approved Programme and Issue, In the event of a proposed permanent reduction in the Authorised Amount, Listed and issued amount of a Debt Security (e.g. invitation to redeem, convert or split), an Issuer shall notify the ZSE and published as described in Section 7.7 on ZSE Data Portal its intention to implement such permanent reduction, providing details of:

- (a) the reduction in the amount;
- (b) the remaining balance;
- (c) the proposed date of reduction;
- (d) the issue date of the notice to the Investors giving formal notice of the proposed reduction; and
- (e) where the Issuer has requested a permanent reduction in the issued amounts, the Issuer is required to withdraw the existing Listed Debt Securities from the depository on or before LDR ("Last Day to Register") date, with the amount of the reduction.

7.19 Subject to the specific terms and conditions of the approved Programme and Issue, in the event of a change in the interest rate, the following information must be published on ZSE Data Portal not less than three Business Days before the interest is payable:

- (a) the name, short name and code of the Debt Security;

- (b) the new rate applicable; and
- (c) the period for which it is applicable.

Communication with investors

- 7.20 Once the Listing of a Debt Security is granted to the Issuer, the Issuer must:
- (a) submit for publication on ZSE Data Portal and per Section 7.7b details of any new issue of Debt Securities (and, if applicable, guarantees, security or credit enhancements relating thereto), as well as any amendments to the terms and conditions attaching to existing Listed Debt Securities;
 - (b) ensure that all information material to the financial or trading position of the Issuer is published on ZSE Data Portal to enable Investors of Listed Debt Securities to make an informed investment decision;
 - (c) ensure that all announcements made by the Issuer relevant to the issue must be approved by the Debt Sponsor and released on ZSE Data Portal, and where the Issuer is Listed on another licensed or recognised exchange, all such announcements released through that licensed or recognised exchange must be published on ZSE Data Portal ; and
 - (d) ensure that the release of any information relating to Debt Securities that are listed on another licensed or recognised exchange, must take place simultaneously on ZSE Data Portal.
- 7.21 To publish on ZSE Data Portal, the annual financial statements as detailed in Section 5, excluding 5.5(i), within the following time frame
- (a) with regards to a public entity, within 3 months of the end of the financial year;
 - (b) with regards to a quasi-governmental entity (most commonly provincial and local authorities/municipalities and state owned entities) or a government, within 12 months of the end of each financial year. Private companies must publish, within 6 months of their financial year end, an announcement on ZSE Data Portal informing the public that the financial information is available and at what address it can be obtained.

Trustee or representative for the body of Investors

- 7.22 The Trustee and obligor of, or other representative body, for the Holders of Debt Securities ("Beneficial Holders") referred to in 4.12(c) or its successor is required to confirm in writing annually, or as the ZSE may require from time to time:
- (a) that their appointment as Trustee or Representative is still valid; or
 - (b) that their appointment has been terminated and the reasons for termination;
 - (c) that the conditions of the relevant Trust Deed/Representative Agreement relating to a Listing during the year have been met; and
 - (d) that they are not aware of a material event (financial or otherwise) referred to in 7.20 to 7.21 occurring, or that such material event has occurred and if so, the Trustee/Representative shall promptly give notice thereof to the ZSE and Investors.

ZSE Data Portal Announcements

- 7.23 All ZSE Data Portal announcements must be submitted to the ZSE according to the procedure stipulated in Schedule 19 of the ZSE Listings Requirements. ZSE Data Portal

announcements must be approved by the Debt Sponsor and the Debt Sponsor's logo must appear on the ZSE Data Portal announcement.

Register of Debt holders

- 7.24 A Holder is entitled to inspect, at no charge, the holder register for that class of notes held.

Section 8

Documents to be submitted for Listing

- 8.1 General
- 8.2 Annotation of drafts
- 8.3 Documents to be submitted

General

- 8.1 For the guidance and information of Applicant Issuers, it should be noted that:
- (a) all documents submitted by Issuers to the ZSE will become the property of the ZSE and are not returnable;
 - (b) any documentation including proposed amendments to documentation by Issuers must be submitted to the ZSE for approval before being published;
 - (c) Placing Documents submitted to the ZSE for the first time must be accompanied by the declaration detailed in Schedule 2; and
 - (d) drafts of documents to be sent to shareholders that have been approved by the ZSE will not be regarded as final documents until notification is received by the ZSE that a document dispatched to shareholders was identical, other than in minor respects, to the draft approved by the ZSE.

Checklists

- 8.2 All submissions for approval must be accompanied by a checklist (to be provided by the ZSE) duly completed indicating clearly where the specific paragraph numbers in the Debt Listings Requirements have been complied with. Comments of the ZSE should be updated on the checklist on a continuing basis. All submissions subsequent to the first submission must be marked up to reflect changes from the previous submission.

Documents to be submitted

- 8.3 An Applicant Issuer making Application for the approval of a Placing Document by the ZSE shall submit an Application in terms of Schedule 7 to the ZSE through a Debt Sponsor. The Application must be accompanied by the following documents where applicable:
- (a) a copy of the Placing Document;
 - (b) a certified copy of the certificate of registration and certificate of incorporation of the Applicant Issuer;
 - (c) a copy of the resolution or resolutions of the board of directors or the governing authority of the Applicant Issuer authorising the establishment of the Programme Memorandum and/or issue of Debt Securities as the case may be;

- (d) a reference to the provisions of the act or other legislation, regulation, or applicable rules under which the Applicant Issuer is regulated, if not the Companies Act;
- (e) a copy of the Memorandum of Incorporation of the Applicant Issuer or equivalent constitutive documents;
- (f) a certified copy of any applicable guarantee in respect of the Debt Security;
- (g) confirmation that the Applicant Issuer has appointed a settlement agent (define this);
- (h) confirmation from the depository that the Applicant Issuer has been admitted in terms of the central securities depository rules and directives;
- (i) any trust deed relating to the Debt Securities;
- (j) where the Applicant Issuer is a bank, a copy of the RBZ consent to the transaction;
- (k) where the Applicant Issuer is a foreign entity, a copy of the RBZ approval is required;
- (l) written confirmation from the trustee or relevant party holding the guarantee or other security that it has the guarantee in its possession;
- (m) application letter complying with Schedule 1;
- (n) a letter from the Debt Sponsor complying with Schedule 2;
- (o) confirmation by the Applicant issuer:
 - (i) that all applicable regulatory disclosures have been made; and
 - (ii) that there are no material matters, other than disclosed in the Placing Document or otherwise in writing to the ZSE, that should be taken into account by the ZSE in considering suitability for the Listing of Debt Securities;
- (p) the annual financial statements of the Applicant Issuer and/or Guarantor in respect of the period of three years prior to the date of such issue or for such shorter period as agreed to by the ZSE in terms of Section 5.4;
- (q) the independent auditors consent letter;
- (r) letter from the external legal practitioner that all relevant agreements have been signed;
- (s) a letter from the Debt Sponsor confirming that all agreements referred to in the Placing Documents are finalised and signed off by all the parties involved.
- (t) tax clearance
- (u) details of applicable licences

Section 9

Public Sector Issuers

General

9.1 A Public Sector Issuer issuing Debt Securities or an Issuer whose Securities are unconditionally and irrevocably guaranteed by a State or by a State's regional or local authorities is required to comply and satisfy all applicable Debt Listings Requirements, when making an application for authorisation to the Listings Committee.

Submission of Documents

9.4 A copy of the following documents shall be submitted to the Listings Committee:

- (a) an application for authorisation for admissibility to Listing signed by a duly

- authorised official of the Issuer
- (b) application forms to purchase or subscribe to the Securities;
 - (c) a copy of the Offering Document satisfying all requirements for the contents of such documents and in the case of an application in respect of Securities of a Class not already authorised as admissible to listing, the Prospectus or Offering Document shall be signed and dated by a duly authorised official of the Issuer or by his agent or attorney and lodged with a certified copy of the authority of any such agent or attorney; and

Material Risk Factors

- 9.3 Material risk factors and the sensitivity of the issue of Debt Instruments to such risk factors pursuant to paragraph 4.9(e) must be addressed in respect of country/government risk.

Approval of Prospectus or Offering Document

- 9.4 The Listings Committee shall notify the Applicant of its decision to accept or refuse an Offering Document within five (5) Working Days of the submission of the draft Offering Document. If the Listings Committee finds, on reasonable grounds, that the documents submitted to it are incomplete or that supplementary information is needed, the said period shall start running again from the date on which such information is provided by the Applicant.

Amendments

- 9.5 Notwithstanding the provisions of paragraph 7.10, in the event that the applicant issuer makes any changes to the placing document, the following shall apply and a statement to that effect must be included in the terms and conditions:

“No modification of these terms and conditions may be effected without the written agreement of the applicant issuer. The applicant issuer may effect, without the consent of the holders of debt securities, any modification of the terms and conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the Republic of Zimbabwe provided that the ZSE must be notified. Any such modification shall be binding on the relevant holders of debt securities.

The applicant issuer may with the prior sanction of an Extraordinary Resolution of holders of debt securities or with the prior written consent of holders of debt securities holding not less than 75% (seventy-five percent) in nominal amount of the debt securities outstanding from time to time, amend these terms and conditions (outside the regulatory (law) changes).

Any modification of these terms and conditions which may have a direct effect on compliance with the Debt Listings Requirements will require the approval of the ZSE.”

- 9.6 The Listings Committee may, at any time, require a Public Sector Issuer to provide it with a copy of any of the following:

- (a) an official copy of any act and a copy of any consent, order, authority and/or resolution, authorising the issue;
- (b) any other document which the Listings Committee deems useful, necessary or beneficial in order for it to decide upon the authorisation of admissibility to listing of

the securities to be issued by the Public Sector Issuer.

Authorisation

- 9.7 The Offering Document shall not be published, advertised or circulated until it has been formally authorised by the Listings Committee in its final form.

Continuing Obligations

- 9.8 Where a Public Sector Issuer or an Issuer whose Securities are unconditionally and irrevocably guaranteed by a State or by a State's regional or local authorities elects to draw up a Prospectus, it shall comply with the continuing obligations contained in these Listing Rules. In appropriate cases, the Listings Committee will have regard to information already available to the public and the particular circumstances of the Issuer in deciding on the applicability of the said continuing obligations.
- 9.9 A Public Sector Issuer which does not fall within the terms of section 9.8 shall, throughout the whole period during which their Securities are listed on the ZSE, be responsible for bringing all useful and relevant facts concerning itself or its Securities to the attention of the market

Section 10

Listing and Other Fees

This section sets out the listing and other fees that are to be charged to listed companies or applicants. Refer to Schedule 4 for the current fees.

The main headings are:

- 10.1 Original listing fees
- 10.3 Additional Listing Fees
- 10.4 Annual sustaining and inspection fees

Original Listing Fees

- 10.1 Where the ZSE has, subject to the provisions of the Securities and Exchange Act [24:25], granted an application made by an issuer for securities issued by him to be included in the official list, the issuer shall pay to the Exchange:
- (a) the fees for the listing shall be computed as stated in Schedule 4
 - (b) an original listing fee stated in Schedule 4 shall be charged in respect of each class of security concerned;
- 10.2 The above-mentioned fees shall be payable at the time of application, except, in the case of an introduction when they are due on the day following the listing.

Additional Listing Fee

- 10.3 The fees for listing additional Debt Securities are as per Schedule 4.

Annual Sustaining and Inspection Fees

- 10.4 An issuer of listed securities shall pay to the Exchange by the date set by the ZSE:

10.4.1 An **annual sustaining fee**, except the calendar year in which the listing was granted, is calculated as prescribed in Schedule 4.

10.4.2A current list of **inspection fees** is contained in Schedule 4.

10.5 The ZSE may vary the fees pertaining to Sections 10.1, 10.2, 10.3 and 10.4 by way of a Practice Note, subject to the approval of the SECZ.

DEBT LISTING REQUIREMENTS SCHEDULES

Schedule 1

Application for registration of a Placing Document by the Applicant Issuer

Application for registration must contain the following:

- (a) A statement that “It is understood that the granting of a formal approval for registration of a Placing Document and pursuant therefore the application for Listing of a Debt Security by utilizing a pricing supplement shall constitute a contract between the Applicant Issuer and the ZSE Limited to comply with the ZSE Debt Listings Requirements from time to time”;
- (b) A statement that “There are no material matters, other than those disclosed in the Placing Document that should be taken into account by the ZSE in considering the suitability for the registration of the Placing Document and/or the Listing of the Debt Securities for which Application is being made”;
- (c) full name of the Applicant Issuer;
- (d) the addresses of the registered transfer agent of the Applicant Issuer in the Republic of Zimbabwe;
- (e) where the Applicant Issuer is a regulated entity, the Applicant Issuer must state the act under which it is regulated;
- (f) the application must be signed by the two authorised signatories or equivalent, of the Applicant Issuer and by the Debt Sponsor;
- (g) the application must be accompanied by a resolution of the directors, or equivalent of the Applicant Issuer authorising the application for Listing;
- (h) statement that the ZSE will be advised in writing of any change in Debt Sponsor, company secretary, address of registered or transfer office; and
- (i) the contact details of the company secretary or other main contact person.

Schedule 2

Declaration by Debt Sponsor

The following declaration format must be used by Debt Sponsors when submitting the first submission of the Placing Document to the ZSE. The declaration must be on their letterhead.

Issuer Regulation
ZSE Limited
44 Ridgeway North,
Highlands
Harare

..... 20.....

Dear Sir/Madam
(Full name of the Debt Sponsor) Declaration

The attached application by (full name of Applicant Issuer) in respect of (brief description of the Listing the Issuer is applying for) is the subject of this declaration.

I, (full name of Debt Sponsor), as approved by the ZSE:

- (a) hereby confirm that I have satisfied myself to the best of my knowledge and belief, having made due and careful enquiry of the Applicant Issuer (and its advisers), that all the documents required by the Debt Listings Requirements to be included in the application have been supplied to the ZSE, that all other relevant requirements of the Debt Listings Requirements have been complied with, and that there are no material matters other than those disclosed in writing to the ZSE that should be taken into account by the ZSE in considering the suitability of the application. Should any further information come to my notice before the approval of the application, I will immediately inform the ZSE; and
- (b) hereby confirm that I will review each submission for full compliance with the Debt Listings Requirements before submitting it to the ZSE.

This declaration is furnished to you in accordance with the Debt Listings Requirements of the ZSE and may not be relied upon for any other purpose or by any other person.

..... Yours faithfully
..... (Signature of Debt Sponsor)

..... (Initials and surname of Debt Sponsor)”

Schedule 3

Debt Sponsor

This schedule contains certain requirements applicable to Debt Sponsors and should be read in conjunction with Section 2 of the ZSE Debt Listings Requirements.

Introduction

- 3.1 This schedule sets out the requirements of the ZSE pertaining to the eligibility criteria of Debt Sponsors.
- 3.2 A Debt Sponsor may be a company, partnership or sole proprietor with sufficient executive staff to execute all Debt Sponsor requirements and responsibilities in accordance with the Debt Listings Requirements.
- 3.3 The responsibilities of a Debt Sponsor are set out in Section 2 of the ZSE Debt Listings Requirements.

Qualifications for approval

- 3.4 A Debt Sponsor must satisfy the ZSE –
- (a) that it is competent to discharge the responsibilities of a Debt Sponsor; and
 - (b) that it accepts the responsibilities of a Debt Sponsor and agrees to discharge those responsibilities at all times to the satisfaction of the ZSE.

Eligibility criteria

- 3.5 The following criteria must be met by a Debt Sponsor in order to satisfy the ZSE that it is competent to fulfill the role of Debt Sponsor:
- (a) Employment of staff with relevant experience
 - (i) a Debt Sponsor will be expected to have staff that has considerable relevant debt market experience;
 - (ii) a Debt Sponsor must be able to demonstrate to the ZSE's satisfaction, that at least three of its executive staff have relevant debt market experience. Such Executive staff will be classified as Debt approved executives and recorded as such by the ZSE.
 - (iii) the Debt Sponsor's approved executives must not have been:
 - (1) convicted of an offence resulting from dishonesty, fraud or embezzlement;
 - (2) censured or fined by a self-regulatory organisation, or recognised professional body;
 - (3) barred from entry into any profession or occupation; or
 - (4) convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act, or been a director or alternate director or officer of a company at the time such company was convicted of any similar offence;
 - (iv) if the relevant criteria detailed in 3.5(a)(i) and 3.5(a)(ii) above are not satisfied, the ZSE may still accept the applicant as a Debt Sponsor, provided that such Debt Sponsor has demonstrated to the ZSE's satisfaction that it has the necessary expertise and adequacy of staff to properly discharge the responsibilities of a Debt Sponsor. In such

instance such Debt Sponsor must have at least one executive approved as a Debt Approved Executive by the ZSE. In this instance the ZSE will record whichever executive staff members have qualified for approved executive classification as well as the details of the other Debt Sponsor staff employed ("employment status"). The ZSE reserves the right to review such Debt Sponsor's status if and when there is any change to such Debt Sponsor's employment status, which must be notified to the ZSE within 48 hours of such change.

- (b) Adequate supervision of staff –
 - (i) a Debt Sponsor must ensure that all staff who do not qualify for classification are supervised and managed by debt approved executives whenever they are involved in Debt Sponsor activities; and
 - (ii) a Debt Sponsor must have appropriate controls and procedures to ensure that staff involved in Debt Sponsor activities do not act beyond their authority.
- (c) Sufficiency of staff –
 - (i) arrangements must be in place to ensure that a sufficient number of debt approved executives are always available to ensure that the Debt Sponsor's responsibilities are properly discharged at all times.

The application process

- 3.6 Application to become a Debt Sponsor must be made to the ZSE by submitting the Debt Sponsor application form (as set out in the Appendix to this Schedule).
- 3.7 An applicant will be required to nominate a person to act as the primary contact with the ZSE concerning the application.
- 3.8 The ZSE will advise the applicant of the result of the application in writing.

Register

- 3.11 A register of Debt Sponsors will be published by the ZSE.

Designations

- 3.12 A Debt Sponsor is permitted, but not required, to state on its business documentation that it is a Debt Sponsor approved by the ZSE and may similarly disclose its debt approved executives.

Continuing requirements

Annual confirmation

- 3.13 By the 31st of January of each year the Debt Sponsor is required to advise the ZSE whether or not it still meets the eligibility criteria, and, specifically, whether or not it continues to have a minimum of three approved executives in its employ.
- 3.14 Individuals who wish to remain as registered Debt approved executives must submit a sworn affidavit to the ZSE by no later than 31 January of each year confirming that they were actively involved in providing advice on the application of the Debt Listings Requirements during the previous twelve months and that they will continue to do so in the next twelve months. Failure to make this submission will result in the removal of the individual from the register.

Issues affecting approved executive status

- 3.15 Whenever an approved executive of a Debt Sponsor resigns and moves employment to another Debt Sponsor, such person must notify the ZSE.

Issues affecting Debt Sponsor status

- 3.16 A Debt Sponsor must inform the ZSE within 48 hours, in writing, if any of its approved executives leave its employment (including the situation where an approved executive is no longer physically present in the Debt Sponsor's offices and providing advice to Applicant Issuers), and, if such departure causes the Debt Sponsor to have less than three approved executives in its employ it will have a period of three months in which to re-satisfy the eligibility criteria detailed in 3.5 above, failing which (unless the ZSE provides dispensation in terms of Schedule 3.5(a)(iv)) the Debt Sponsor's status will be suspended until such criteria are satisfied. The ZSE will publish such details of the suspension of Debt Sponsors.
- 3.17 A Debt Sponsor may resign as a sponsor by giving written notice to the ZSE and the relevant Applicant Issuer's on whose behalf it acts.
- 3.18 If the departure of approved executives results in a Debt Sponsor no longer meeting the eligibility criteria in 3.5 above, the ZSE will suspend the Debt Sponsor's status, announcing same through the ZSE Data Portal, until the Debt Sponsor re-qualifies in accordance with 3.5.
- 3.19 If at any time the ZSE considers that a Debt Sponsor or approved executive is no longer competent, the ZSE may suspend the Debt Sponsor or approved executive on reasonable notice to the Debt Sponsor. If the Debt Sponsor or approved executive is dissatisfied with the ZSE's decision in this regard they should notify the ZSE in accordance with paragraph 1.4 of Section 1.
- 3.20 Notwithstanding acceptance by the ZSE of a Debt Sponsor's resignation, or withdrawal by the ZSE of a Debt Sponsor's status, the Debt Sponsor shall continue to be subject to the jurisdiction of the ZSE for a period of one year following the resignation or withdrawal of status.
- 3.21 A Debt Sponsor must immediately notify the ZSE by email, or facsimile and letter if any of the events below occur (failure to make full disclosure to the ZSE may result in disciplinary action against the sponsor):
- (a) any of the Debt Sponsor's executives are:
 - (i) convicted of an offence resulting from dishonesty, fraud or embezzlement
 - (ii) censured or fined by a self-regulatory organisation, or recognised professional body;
 - (iii) barred from entry into any profession or occupation; or
 - (iv) convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act, or was a director or alternate director or officer of a company at the time such company was convicted of any similar offence; or
 - (b) an approved executive ceases to meet the criteria for approved executive classification.

Appendix to Schedule 3

Application to be a Debt Sponsor

The criteria to be complied with by the applicant for approval as a Debt Sponsor by the ZSE are listed in the Debt Sponsor's application and declaration below. The information is required to satisfy the ZSE that the applicant is competent to fulfill the role of Debt Sponsor.

Details of the Sponsor application form to be submitted by the applying Debt Sponsor to the ZSE are set out below:

1. Name of applicant

.....

2. Trading name (if different)

.....

Tel:..... Fax:

Website:

E-mail:

Address:

.....

.....

.....

3. Nature of entity (private company, public company, unlimited company, partnership, sole trader)

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4. Name of contact person and contact details

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5. Is the applicant a member of any self-regulating organisation or recognised professional body ` (specify)?

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6. Which Debt related financial services does the applicant intend offering?

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7. Describe debt market experience of the applicant and its executive staff in the last three years (provide a suitably detailed table)

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8. Names and other details of executive staff that will be involved in Debt Sponsor activities

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9. What procedures and controls are in place to ensure that personnel do not act outside their authority?

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10. Please state any other information that you may think is relevant to your application

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.....
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.....

11. With respect to your approved executives, have any of them ever been:

(a) convicted of an offence resulting from dishonesty, fraud or embezzlement? If yes, provide details:

.....
.....

(b) censured or fined by a self-regulatory organisation, or recognised professional body? If yes, provide details:

.....
.....

(c) barred from entry into any profession or occupation?

.....
.....

(d) convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act, or was a director or alternate director or officer of a company at the time such company was convicted of any similar offence? All such convictions must be disclosed even though they may now be

“spent convictions”.

12. Applicant’s undertaking to the ZSE:

We hereby apply for approval as a Debt Sponsor as defined in the ZSE Debt Listings Requirements. Should such application be successful we undertake to:

- (i) be bound by and discharge our responsibilities as a Sponsor under the Debt Listings Requirements as amended from time to time;
- (ii) advise the ZSE, in writing, without delay, of our resignation or dismissal from a Sponsor appointment, giving details of any relevant facts or circumstances;
- (iii) acknowledge that the ZSE may censure us if ZSE considers that we are in breach of our responsibilities, and that the ZSE may publicize the fact that it has done so; and
- (iv) apply the spirit of the Debt Listings Requirements and uphold the integrity of ZSE.

We declare that the information supplied is complete and correct, and we agree to comply with the additional notification requirements.

We have read the eligibility criteria for a Debt Sponsor and believe that this application conforms to the criteria (except as specifically notified to you with this application).

.....
Signature	Signature
.....
Name of signatory	Name of signatory
.....
Position	Position
.....
Date	Date

Schedule 4

Listing and Other Fees

1. Document Fees

Document	Fees – USD
Placing document	3,000
Offering circular	3,000
Programme memorandum	3,000
Pricing supplement	1,500

2. Initial Listing Fees

The ZSE initial listing fees (excluding VAT) for debt securities shall be charged as follows:

Nominal Value of Debt Instrument (USD)		Fee per new Listed Instrument/Programme (USD)
Min	Max	
1,000,000	10,000,000	1,000
10,000,001	25,000,000	2,000
25,000,001	45,000,000	3,000
45,000,001	70,000,000	4,000
70,000,001	100,000,000	5,000
100,000,001	140,000,000	6,000
140,000,001	190,000,000	7,000
190,000,001	250,000,000	8,000
250,000,001	320,000,000	9,000
320,000,001	-	10,000

Where listing is done through a number of tranches, the first 20 tranches issued under a programme in a year shall be billed at \$400 per tranche. The next twenty tranches shall be billed at \$200 per tranche, and all tranches in excess of 40 under a programme in a year shall be billed \$50 per tranche.

3. Annual Listing Fees*

- The ZSE annual listing fees (excluding VAT) for debt securities shall be charged at 0.0125% of the amount issued subject to the following:
 - Minimum - \$1,000
 - Maximum - \$20,000

* If the legal entity issuing a bond is already listed either on the ZSE Main Board or ZEEM—then the issuer shall pay 50% of the Applicable Annual Debt Listing Fees.