

TAX RATES AND ALLOWANCES

The following tax rates and allowances are to be used in answering the questions:

Income Tax: Individuals

| Band | Quantum | % rate | Band tax (US\$) | Cumulative tax (US\$) |
|-----------------|---------|--------|-----------------|-----------------------|
| 1 – 1 800 | 1 800 | 0 | 0 | 0 |
| 1 801 – 6 000 | 4 200 | 20 | 840 | 840 |
| 6 001 - 12 000 | 6 000 | 25 | 1 500 | 2 340 |
| 12 001 – 18 000 | 6 000 | 30 | 1 800 | 4 140 |
| 18 001 – 36 000 | 18 000 | 35 | 6 300 | 10 440 |
| 36 000 + | | 37.5 | | |

NB. The AIDS levy of 3% of income tax payable, less credits remains in place.

Pension Contributions

Maximum permissible deduction

| | US\$ |
|---|--------------------|
| In relation to employers: | |
| Contribution to employer's pension fund per employee | 3 600 |
| In relation to employee | |
| Contribution to employer's pension fund | 3 600 |
| Retirement annuity fund / Self employed pension fund | 1 800 |
| National Social Security: | 4% of gross salary |
| Aggregate maximum contributions to all above per employee per year: | 3 600 |

Deemed motoring benefits year ended 31 December 2009

| Engine capacity | Annual benefit (US\$) |
|-----------------|-----------------------|
| Up to 1500cc | 600 |
| 1501 – 2000cc | 720 |
| 2001 – 3000cc | 960 |
| 3001 and above | 1 200 |

Credits

| | US\$ |
|------------------------------------|----------------------------------|
| Elderly person (55 years and over) | 900 |
| Physically disabled person | 900 |
| Blind Person | 900 |
| Medical Aid and expenses | 50% of amount paid in each year. |

Capital Allowances

| | 2009 | 2010 |
|---------------------------|-------------|-------------|
| Special initial allowance | 50% | 50% |
| Accelerated wear and tear | 25% | 25% |
| Industrial building | 5% | 5% |
| Commercial building | 2,5% | 2,5% |
| Motor <i>vehicles</i> | 20% | 20% |
| Movable assets in general | 10% | 10% |

Corporation Tax

| | | |
|----------------|-----|-----|
| Basic tax rate | 30% | 30% |
| Aids Levy | 3% | 3% |

Value Added Tax

| | |
|---------------|-----|
| Standard rate | 15% |
|---------------|-----|

Income Tax

| | |
|---------------------------------|----|
| Informal traders | 10 |
| Income from trade or investment | 30 |
| Foreign dividends | 20 |
| AIDS levy | 3 |

Capital Gains Tax

| | |
|--|----------------------|
| Disposal of listed marketable securities acquired after 1.02.09 | 1% of gross proceeds |
| Disposal of specified assets acquired prior to 1.02.09 | 5% of gross proceeds |
| Disposal of specified assets acquired on or after 1.02.09 | 20% of gain |
| Gains on disposal of Principal Private Residence by persons of 55 years or over: | NIL |
| Inflation adjustment rate per year | 2.5% |

Capital gains withholding tax on sale proceeds

| | |
|--------------------|-----|
| Immovable property | 15% |
|--------------------|-----|

Note: The withholding tax is not a final tax. Actual liability is determined on assessment and the withholding tax is set off against the liability ascertained.

Withholding taxes

On dividends distributed by a Zimbabwean resident company to resident shareholders other than companies and to non-resident shareholders:

| | |
|--|----|
| By a company listed on the Zimbabwe Stock Exchange | 15 |
| By any other company | 20 |

Non-residents' tax

| | |
|---------------------------------|----|
| On interest | 10 |
| On certain fees and remittances | 20 |
| On royalties | 20 |

Residents' tax on interest

| | |
|---|----|
| From building societies | 20 |
| From other financial institutions (including discounted securities) | 20 |

Elderly taxpayers (55 years and over)

The exemptions from income tax are as follows:

| | Year ended 31 December 2009 |
|---|------------------------------------|
| | US\$ |
| Rental income | 3 000 |
| Interest on deposits with a financial institution | 3 000 |
| Interest on discounted instruments | 3 000 |
| Pension | No limit |

Income from the sale or disposal of marketable securities or a principal private residence is also exempted.