

Zambia

International Bank Loan (Approval) Act, 1953

Chapter 372

Legislation as at 31 December 1996

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International Bank Loan (Approval) Act, 1953

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Zambia

International Bank Loan (Approval) Act, 1953

Chapter 372

Commenced on 8 May 1953

[This is the version of this document at 31 December 1996.]

[21 of 1953; Statutory Instrument 159 of 1965]

An Act to provide approval of a loan from the International Bank for Reconstruction and Development.

WHEREAS by section three of the International Bank Loan (Rhodesia Railways) Act, the Governor of the former Protectorate of Northern Rhodesia has been authorised to raise by means of a loan from the International Bank for Reconstruction and Development a sum not exceeding five million pounds sterling or the equivalent thereof in other currencies or partly in sterling and partly in other currencies;

AND WHEREAS there has been raised a loan of fourteen million dollars in currency of the United States of America from the said Bank and a Loan Agreement and Subsidiary Agreement in respect thereof has been executed between the said Bank and the Territory of the former Protectorate of Northern Rhodesia;

AND WHEREAS it is desired to obtain statutory approval of the said agreements;

AND WHEREAS it has been enacted by the Governor of the former Protectorate of Northern Rhodesia with the advice and consent of the Legislative Council thereof as follows:

1. Short title

This Act may be cited as the International Bank Loan (Approval) Act.

2. Interpretation

In this Act, unless the context otherwise requires—

"**Loan Agreements**" means the Loan Agreement and Subsidiary Agreement set out in the Schedule.

3. Loan Agreements approved and provisions thereof to be binding

The Loan Agreements are hereby approved and notwithstanding the provisions of any written law now in force the terms and conditions of the Loan Agreements shall be of full force and effect and binding upon the Government from the date of the execution thereof.

Schedule (Section 2)

Loan Number 74 N.R. Loan Agreement (Rhodesia Railways Project) between Territory of Northern Rhodesia and International Bank for Reconstruction and Development. Dated March 11, 1953

Loan Agreement

Agreement, dated March 11, 1953, between Territory of Northern Rhodesia (hereinafter called the Borrower) and International Bank for Reconstruction and Development (hereinafter called the Bank)

Article I – Loan Regulations; special definitions

- 1.01. The parties to this Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated October 15, 1952, subject, however, to the modifications thereof set forth in Schedule 3 to this Agreement (such Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.
- 1.02. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any Schedule hereto:
- (a) The term "Subsidiary Agreement" means the agreement of even date herewith between the Borrower, the Colony of Southern Rhodesia and the Bank relating to the carrying out of the Project and certain other matters connected with the Loan.
 - (b) The term "Rhodesia Railways" means the Rhodesia Railways, a body corporate established and incorporated under the Rhodesia Railways Act, 1949, as amended, of the Colony of Southern Rhodesia.
 - (c) The term "Southern Rhodesia currency" means currency issued by the Southern Rhodesia Currency Board pursuant to the Coinage and Currency Act, 1938, of the Colony of Southern Rhodesia, as amended, or such other coin and currency as at the time referred to shall be legal tender for the payment of public and private debts in the territory of the Borrower.

Article II – The Loan

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, the sum of Fourteen Million dollars (\$14,000,000), or the equivalent thereof in currencies other than dollars.
- 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.
- 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent. (3/4%) *per annum* on the principal amount of the Loan not so withdrawn from time to time.
- 2.04. The Borrower shall pay interest at the rate of four and three-fourths per cent. (4 3/4%) *per annum* on the principal amount of the Loan so withdrawn and outstanding from time to time.
- 2.05. Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent. (1/2%) *per annum* on the principal amount of such special commitments outstanding.
- 2.06. Interest and other charges shall be payable semi-annually on February 1 and August 1 in each year.
- 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortisation schedule set forth in Schedule 1 to this Agreement.

Article III – Use of proceeds of the Loan

- 3.01. The Borrower shall apply the proceeds of the Loan exclusively to the cost of goods which will be required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be purchased out of the proceeds of the Loan shall be determined by agreement between the Borrower and the Bank, and the list of such goods may be modified from time to time by agreement between them.

- 3.02. The Borrower shall cause all goods purchased in whole or in part with the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Article IV – Bonds

- 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.
- 4.02. The Governor of the Borrower in office at the time in question and such person or persons as he shall appoint in writing are designated as authorised representatives of the Borrower for the purposes of Section 6.12(a) of the Loan Regulations.

Article V – Particular covenants

- 5.01. The Borrower shall make the proceeds of the Loan available to the Rhodesia Railways on terms and conditions satisfactory to the Bank.
- 5.02. It is the mutual intention of the Borrower and the Bank that no debt other than debt payable in Southern Rhodesia currency shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any of the assets of the Borrower as security for any such debt, such lien will ipso facto equally and rateably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect, provided, however, that the foregoing provisions of this Section shall not apply to:
- (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property;
 - (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or
 - (iii) any lien arising in the ordinary course of banking transactions to secure a debt maturing not more than one year after the date on which it is originally incurred.

The word Borrower as used in this Section means the Borrower or any of its political subdivisions or any agency of any of the foregoing.

- 5.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for and free from any taxes or fees imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.
- 5.04. The Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.
- 5.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.
- 5.06. The Borrower shall satisfy the Bank that adequate arrangements have been made to insure the goods financed with the proceeds of the Loan against risks incident to their purchase and delivery for use in the Project.

Article VI – Remedies of the Bank

- 6.01. If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days or if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Loan Agreement or in the Bonds to the contrary notwithstanding.

Article VII – Effective date; Termination

- 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (c) of the Loan Regulations:
- (a) Arrangements satisfactory to the Bank shall have been made for the exchange of information on work in progress in Southern Rhodesia and the Portuguese Province of Mozambique for the construction of the connecting railway lines described in paragraph (i) of Schedule 2 to this Agreement, and for mutual assistance where practicable and desirable between the bodies in Southern Rhodesia and the Province of Mozambique charged with the carrying out of such construction for the completion of such railway lines.
 - (b) The execution and delivery of the Subsidiary Agreement on behalf of the Borrower and on behalf of the Colony of Southern Rhodesia shall have been duly authorised or ratified by all necessary governmental action.
- 7.02. The following is specified as an additional matter within the meaning of Section 9.02 (d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank: That the Subsidiary Agreement has been duly authorised or ratified by, and executed and delivered on behalf of the Borrower and the Colony of Southern Rhodesia and constitutes a valid and binding obligation of the Borrower and of the Colony of Southern Rhodesia in accordance with its terms.
- 7.03. May 31, 1953, is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Article VIII – Miscellaneous

- 8.01. The Closing Date shall be December 31, 1954.
- 8.02. May 1, 1953, or the Effective Date, whichever shall be the earlier, is hereby specified for the purpose of Section 2.02 of the Loan Regulations.
- 8.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Borrower:

The Financial Secretary to the Government of Northern Rhodesia,
The Secretariat,
Lusaka, Northern Rhodesia.

For the Bank:

International Bank for Reconstruction and Development,
1818. H Street, N.W.,
Washington 25, D.C.,

United States of America.

- 8.04. The Governor of the Borrower in office at the time in question is designated for the purposes of Section 8.03 (a) of the Loan Regulations, set forth in Schedule 3 to this Agreement.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorised, have caused this Loan Agreement to be signed in than respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Territory of Northern Rhodesia

by J. B. Ross

Authorised Representative

International Bank for Reconstruction

and Development

by R. L. GARNER

Vice President

Schedule 1

Amortisation Schedule

Date payment due	Principal amount Payment of (Principal (expressed in dollars)*	Outstanding after each payment (expressed in dollars)*
August 1, 1955	\$000,000	\$14,000,000
February 1, 1956	284,000	13,716,000
August 1, 1956	291,000	13,425,000
February 1, 1957	298,000	13,127,000
August 1, 1957	305,000	12,822,000
February 1, 1958	312,000	12,510,000
August 1, 1958	320,000	12,190,000
February 1, 1959	327,000	11,863,000
August 1, 1959	335,000	11,528,000
February 1, 1960	343,000	11,185,000
August 1, 1960	351,000	10,834,000
February 1, 1961	359,000	10,475,000
August 1, 1961	368,000	10,107,000
February 1, 1962	377,000	9,730,000
August 1, 1962	386,000	9,344,000

February 1, 1963	395,000	8,949,000
August 1, 1963	404,000	8,545,000
February 1, 1964	414,000	8,131,000
August 1, 1964	424,000	7,707,000
February 1, 1965	434,000	7,273,000
August 1, 1965	444,000	6,829,000
February 1, 1966	455,000	6,374,000
August 1, 1966	465,000	5,909,000
February 1, 1967	476,000	5,433,000
August 1, 1967	488,000	4,945,000
February 1, 1968	499,000	4,446,000
August 1, 1968	511,000	3,935,000
February 1, 1969	523,000	3,412,000
August 1, 1969	536,000	2,876,000
February 1, 1970	548,000	2,328,000
August 1, 1970	562,000	1,766,000
February 1, 1971	575,000	1,191,000
August 1, 1971	589,000	602,000
February 1, 1972	602,000	-

*To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in these columns represent dollar equivalents determined as for purposes of withdrawal.

Premiums on prepayment and redemption

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations:

Time of prepayment or redemption	Premium
Not more than 5 years before maturity	1/2%
More than 5 years but not more than 10 years before maturity	1%
More than 10 years but not more than 15 years before maturity	1 3/4%
More than 15 years before maturity	2 1/2%

Schedule 2**Description of Project**

The Project is the Development Program of the Rhodesia Railways as budgeted for the triennium ending the 31st March 1955 and estimated to cost approximately £28,000,000. The program is designated to increase the capacity of the railway and road transport facilities of the Rhodesia Railways by (a) the improvement and modernisation of, and additions to, the existing facilities, and (b) the construction of a new railway line for the purpose of obtaining another outlet to the sea, all in accordance with sound railway standards and practices, both as to extent and as to manner of performance. The Project consists of:

- (i) The construction of a new railway line in Southern Rhodesia, known as the South East Connection, from Bannockburn to the Mozambique border to connect with a line to be built in the Portuguese Province of Mozambique leading to the port of Lourenco Marques;
- (ii) The strengthening and improvement of existing permanent way and bridges by the replacement of rails and sleepers by heavier materials, the replacement of bridges by stronger bridges, and the construction of deviations and regradings;
- (iii) The improvement and expansion of rolling stock by the acquisition of steam and diesel-electric locomotives, wagons, carriages and other rolling stock items;
- (iv) The modernisation and improvement of repair facilities by the construction and expansion of workshops and running sheds and the acquisition and installation of equipment therefor;
- (v) The rehabilitation, improvement, construction and acquisition of communications and train-control equipment, signalling equipment, construction and coal-handling equipment, goods depots, stations, warehouses, administrative buildings, water supplies, railway yards, sidings and crossing loops, and other railway facilities;
- (vi) The improvement and expansion of road motor services by the acquisition of lorries, trailers, buses, and other motor vehicle items;
- (vii) The improvement and expansion of housing for employees of the Rhodesia Railways by the construction of houses, apartments and related buildings; and auxiliary construction of roads, water and sewer networks, and other amenities.

Schedule 3

Modification of Loan Regulations No. 4

For the purposes of this Agreement, Loan Regulations No. 4 of the Bank, dated October 15, 1952, shall be deemed to be modified as follows:

- (a) Section 4.01 shall read as follows:

"The Borrower shall be entitled, subject to the provisions of these Regulations, to withdraw from the Loan Account (i) such amounts as shall be required by the Borrower to reimburse it for the reasonable cost of goods to be financed under the Loan Agreement, and (ii), if the Bank shall so agree, such amounts as shall be required by the Borrower to meet the reasonable cost of such goods. Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawals shall be made on account of (a) expenditures prior to the Effective Date or (b) expenditures in Southern Rhodesia currency or (c) goods acquired from sources within the Borrower's territory or within the territory of Southern Rhodesia."

- (b) Section 5.02 (c) shall read as follows:

"A default shall have occurred in the performances of any other covenant or agreement on the part of the Borrower or the Guarantor or the Colony of Southern Rhodesia under the Loan Agreement, the Guarantee Agreement, the Bonds or the Subsidiary Agreement."

- (c) Section 5.02 (d) shall read as follows:

-An extraordinary situation shall have arisen which shall make it improbable that the Borrower or the Guarantor or the Colony of Southern Rhodesia will be able to perform its obligations under the Loan Agreement, the Guarantee Agreement or the Subsidiary Agreement."

- (d) Section 5.02 (e) and Section 5.02 (f) shall be deleted, and consequently Section 5.02 (g), (h), (i) and (j) shall become Section 5.02 (e), (f), (g) and (h).

- (e) Section 7.02 shall read as follows:

"The obligations of the Guarantor under the Guarantee Agreement shall not be discharged except by performance and then only to the extent of such performance. Such obligations shall not be subject to any prior notice to, demand upon or action against the Borrower or the Colony of Southern Rhodesia or to any prior notice to or demand upon the Guarantor with regard to any default by the Borrower under the Loan Agreement or by the Borrower or the Colony of Southern Rhodesia under the Subsidiary Agreement, and shall not be impaired by any of the following: any extension of time, forbearance or concession given to the Borrower or to the Colony of Southern Rhodesia; any assertion of, or failure to assert, any right or remedy against the Borrower or the Colony of Southern Rhodesia or in respect of any security for the Loan; any modification or amplification of the provisions of the Loan Agreement or of the Subsidiary Agreement contemplated by the terms thereof; any failure of the Borrower or the Colony of Southern Rhodesia to comply with any requirement of any law, regulation or order of the Guarantor or of any political subdivision or agency of the Guarantor."

- (f) Section 7.03 shall read as follows:

"No delay in exercising or omission to exercise, any right or power accruing to any party under the Loan Agreement, the Guarantee Agreement, or the Subsidiary Agreement upon any default shall impair any such right or power or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default or any acquiescence in any default, affect or impair any right or power of such party in respect of any other or subsequent default."

- (g) The term "Guarantor" as used in the last sentence of Section 7.04 (k) shall be deemed to mean the Guarantor or the Borrower.

- (h) A new Section 8.03 (a) shall be inserted:

"Action on behalf of Borrower. Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Loan Agreement on behalf of the Borrower may be taken or executed by the representative of the Borrower designated in the Loan Agreement for the purpose of this Section or any person thereunto authorised in writing by him. Any modification or amplification of the provisions of the Loan Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by the representative so designated or any person thereunto authorised in writing by him; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under the Loan Agreement. The Bank may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the Loan Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Borrower thereunder."

- (i) Section 10.01 (12) shall read as follows:

The term "Project" means the project or projects or program or programs for which the Loan is granted, as described in the Loan Agreement and as the description thereof shall be amended from time to time by agreement between the Bank, the Borrower, the Colony of Southern Rhodesia and the Guarantor.

Loan Number 74. N.R.

Subsidiary Agreement (Rhodesia Railways Project) between Colony of Southern Rhodesia and Territory of Northern Rhodesia and International Bank for Reconstruction and Development. Dated March 11, 1953

Subsidiary Agreement

AGREEMENT, dated March 11, 1953, between the COLONY OF SOUTHERN RHODESIA and the TERRITORY OF NORTHERN RHODESIA (hereinafter collectively called the Rhodesias) parties of the first part, and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) party of the second part.

WHEREAS by an agreement of even date herewith between the Territory of Northern Rhodesia and the Bank (hereinafter called the Loan Agreement), the Bank has agreed to make to the Territory of Northern Rhodesia a loan in the aggregate principal amount of fourteen million dollars (\$14,000,000) or the equivalent thereof in other currencies to finance a program for the development of the Rhodesia Railways, all as set forth in the Loan Agreement; and

WHEREAS such program is to be carried out in the territories of Southern Rhodesia, Northern Rhodesia and Bechuanaland and the execution and the financing of such program are dependent on the joint efforts of the Rhodesias, the part to be played by each to be allocated between them as they may from time to time determine; and

WHEREAS the Bank has therefore agreed to make said loan only on the condition that the Rhodesias agree to enter into a subsidiary agreement with the Bank relating to the carrying out of such program and certain other matters connected with said loan; and

WHEREAS the Rhodesias, in consideration of the Bank's entering into said agreement with the Territory of Northern Rhodesia, have agreed to enter into such a subsidiary agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:

Article I – Loan Regulations; Definitions

- 1.01. Except where the context otherwise requires, any terms used in this Subsidiary Agreement shall have the meanings set forth or referred to in the Loan Agreement.

- 1.02. The parties to this Subsidiary Agreement accept the provisions of Sections 7.01 and 7.04 of the Loan Regulations with the same force and effect as if they were fully set forth herein provided that (i) the term "Loan Agreement" as used in said Sections shall be deemed to mean this Subsidiary Agreement, (ii) the term "Borrower" as used in said Sections shall be deemed to mean the Rhodesias and (iii) the term "Guarantor" as used in the last sentence of paragraph (k) of Section 7.04 shall be deemed to mean the Guarantor or either of the Rhodesias notwithstanding the modification of said paragraph set forth in Schedule 3 of the Loan Agreement.

Article II – Particular covenants

- 2.01. The Rhodesias shall provide for the financing of the Project and shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.
- 2.02. (a) The Rhodesias shall cause to be furnished to the Bank, in such detail as the Bank shall from time to time require and promptly upon their preparation, the plans and specifications for the Project, including plans for its financing, and any material modifications subsequently made therein.
- (b) The Rhodesias shall cause to be maintained records showing the use made of the goods and the progress of the Project (including the cost thereof) and the financial conditions and operations of the Rhodesia Railways; shall enable the Bank's representatives to examine the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the goods, the Project, and the financial condition and operations of the Rhodesia Railways.
- (c) The Rhodesias and the Bank shall co-operate fully to assure that the purposes of the Loan will be accomplished. To that end, each of the parties hereto shall furnish to any other such party all such information as such other party shall reasonably request with regard to the general status of the Loan. On the part of the Rhodesias, such information shall include information with respect to financial and economic conditions in their territories and their respective external balance of payments position, including their respective balance of payments position with the United Kingdom.
- (d) The Rhodesias and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Rhodesias shall promptly inform the Bank of any condition which shall arise that shall interfere with, or threaten to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.
- (e) The Rhodesias shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of their respective territories for purposes related to the Loan.

Article III – Miscellaneous

- 3.01. Any notice or request required or permitted to be given or made under this Subsidiary Agreement and any agreement between the parties contemplated by this Subsidiary Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at such party's address specified in this Subsidiary Agreement, or at such other address as such party shall have designated by notice to the party giving such notice or making such request.
- 3.02. Each of the Rhodesias shall furnish to the Bank sufficient evidence of the authority of the person or persons who will on its behalf take any action or execute any documents required or permitted to be taken or executed by it under this Subsidiary Agreement, and the authenticated specimen signature of each such person.
- 3.03. Any modification or amplification of the provisions of this Subsidiary Agreement may be agreed to (a) on behalf of Southern Rhodesia by written instrument executed on behalf of Southern Rhodesia by the

Prime Minister of Southern Rhodesia in office at the time in question or any person thereunto authorised in writing by him, (b) on behalf of Northern Rhodesia by written instrument executed on behalf of Northern Rhodesia by the Governor of Northern Rhodesia in office at the time in question or by any person thereunto authorised in writing by him; provided that in the opinion of such Prime Minister or such Governor, as the case may be, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of Southern Rhodesia or Northern Rhodesia, as the case may be, under this Subsidiary Agreement. The Bank may accept the execution by such Prime Minister or such Governor, as the case may be, or any such other person, of any such instrument as conclusive evidence that in the opinion of such Prime Minister or such Governor, as the case may be, any modification or amplification of the provisions of this Subsidiary Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of Southern Rhodesia or Northern Rhodesia, as the case may be, thereunder.

3.04. The following addresses are specified for the purposes of Section 3.01 of this Subsidiary Agreement:

For the Colony of Southern Rhodesia:

Minister of Finance

Treasury

Salisbury, Southern Rhodesia

For the Territory of Northern Rhodesia:

The Financial Secretary to the Government of Northern Rhodesia

The Secretariat

Lusaka, Northern Rhodesia

For the Bank:

International Bank for Reconstruction and Development

1818. H Street, N. W.

Washington 25, D. C.

United States of America.

3.05. This Subsidiary Agreement shall come into force and effect on the Effective Date of the Loan Agreement.

3.06. This Subsidiary Agreement and all obligations of the parties thereunder shall terminate on the date on which the Loan Agreement is terminated.

3.07. All obligations of the Rhodesias under this Subsidiary Agreement shall be joint and several and the obligation of either of them to comply with any provision of this Subsidiary Agreement is not subject to any prior notice to, demand upon or action against the other.

3.08. No delay in exercising or omission to exercise, any right or power accruing to any party under the Loan Agreement, the Guarantee Agreement, or the Subsidiary Agreement upon any default shall impair any such right or power or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default or any acquiescence in any default, affect or impair any right or power of such party in respect of any other or subsequent default.

3.09. This Subsidiary Agreement may be executed in several counterparts, each of which shall be an original. All such counterparts shall collectively be but one instrument.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorised, have caused this Subsidiary Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.