

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF CBZ HOLDINGS LIMITED
HELD THROUGH TELECONFERENCING ON MONDAY, 31 JANUARY 2022, AT 1530
HOURS (CAT)

PRESENT: MEMBERS

MAZORODZE, T (Akribos Wealth Managers)
ZVANDASARA, E (Government of Zimbabwe)
RAGAB, A (Libyan Foreign Bank)
MUROMBEDZI, M (NSSA)
MUREWA, B (NSSA)
CHIRUME, I (NSSA)
MUZADZI, T (Datvest Nominees)
MPOFU, M (Quant Africa Wealth Management)
RATISAI, C (Old Mutual)
MATEWE, M (Stanbic Nominees)
MAZUMBA, P (PIM Nominees)
MAPONDERA, K (CABS Custodial)
MANGWIZA, N
MUTINGWENDE, B
KUFAZVINEYI, P
SIMBISO, M
TAYI, J
JONGA, J
MANGENA, R
LORIMER, S
MUTSVANGA, P
WATERS, J
MUKONDIWA, C
MUTSWITI, T
CHAWATAMA, R

DIRECTORATE

HOLTZMAN M.L.	-	CHAIRMAN
GERKEN L.C.	-	INDEPENDENT NON-EXECUTIVE DIRECTOR
GASKIN GAIN R.L	-	INDEPENDENT NON-EXECUTIVE DIRECTOR
MASHINGAIDZE E.U-	-	INDEPENDENT NON-EXECUTIVE DIRECTOR
GALANTE E.E.	-	INDEPENDENT NON-EXECUTIVE DIRECTOR

MUDAVANHU B. DR- GROUP CHIEF EXECUTIVE OFFICER
GUMBO T.L. - GROUP CHIEF FINANCE OFFICER

BY INVITATION:

SHAH, J	Independent Non-Executive Director, CBZ Bank
SHANGWA, E	Independent Non-Executive Director, CBZ Bank
BEDDIES, C (DR)	Independent Non-Executive Director, CBZ Bank
MUZA, S	First Transfer Secretaries
KATSANDE, J	First Transfer Secretaries
RUSIKE, D	First Transfer Secretaries
ZULU, B	First Transfer Secretaries
MUSIWA, T	First Transfer Secretaries
MAWERE, T	Mawere & Sibanda
GAHADZA, N	The Herald
NJIKIZANA, B	KPMG
MUKUKU, T	KPMG

MANAGEMENT:

SMITH, JF
NYAZEMA, L
BANSAL, A
NYATHI, M
MAZURU, T
GOMBERA, Y

IN ATTENDANCE: JAKANANI, R A Group Legal Corporate Secretary

1. WELCOME

The Chairman welcomed all Members, Shareholders, invited guests, Directors and Management of the Group and Subsidiary Companies, the Auditors, Legal Practitioners and Transfer Secretaries to the meeting.

2. NOTICE & CONSTITUTION

On a motion proposed by the Chairman and seconded, the notice convening the meeting was taken as having been read.

3. QUORUM

There being a quorum, that is to say, with at least three Members personally present and entitled to vote as required by Article 62(b) of the Company's Articles of Association, the Chairman declared the meeting duly constituted.

4. NOTICE CONVENING THE MEETING

On a motion proposed by Mr Mazorodze and seconded by Mr Zvandasara, with all Members voting in favour of the motion, the Circular to Shareholders and notice convening the meeting having been duly circulated on 31 December 2021, in line with requirements of the Companies and Other Business Entities Act and in line with the Company's Memorandum and Articles of Association, was taken as read.

5. THE CBZ HOLDINGS LIMITED AND FIRST MUTUAL HOLDINGS LIMITED TRANSACTION

The Chairman gave a general overview of the CBZ Holdings Limited and First Mutual Holdings Limited transaction and noted that the Company had issued cautionary statements that had culminated in a full Circular to Shareholders explaining in detail the nature of the CBZ Holdings Limited and First Mutual Holdings transaction.

He reported that extensive stakeholder engagement had been undertaken leading to the Extraordinary Meeting of Shareholders. He went on to propose the following transaction that required approval by the Shareholders of CBZ Holdings Limited:-

- i. The acquisition of 226,997,219 First Mutual Holdings Limited shares (constituting 31.22% of the entire issued ordinary shares in First Mutual Holdings Limited as at 31st May 2021) currently held by the National Social Security Authority, at a total consideration of ZWL\$6,355,922,132.00 (six billion three hundred and fifty-five million

nine hundred and twenty-two thousand one hundred and thirty-two Zimbabwe dollars) i.e., ZWL\$28 per share, to be settled as follows:

- a. 70% of the total consideration that is , ZWL\$4,449,145,492.40 (four billion four hundred and forty-nine million one hundred and forty-five thousand four hundred and ninety-two Zimbabwe dollars and forty cents) to be settled through the issuance of 46,833,110 new CBZ Holdings Limited ordinary shares on the basis of 28 CBZ Holdings Limited ordinary shares for every 95 First Mutual Holdings Limited ordinary shares that is, 1 CBZ Holdings Limited ordinary share for every 3.393 First Mutual Holdings Limited ordinary shares held by the National Social Security Authority; and
- b. 30% of the total consideration that is ZWL\$1,906,776,639.60 (one billion nine hundred and six million seven hundred and seventy-six thousand six hundred and thirty-nine Zimbabwe dollars and sixty cents) to be settled in cash, comprises of ZWL\$1,815,353,056 being the net cash proceeds due to National Social Security Authority after trading transaction costs of ZWL\$ 91,423,584. The net cash proceeds due to National Social Security Authority of ZWL\$1,815,353,056 translates to US\$21,197,440 after being converted at the agreed exchange rate of ZWL\$85.6402 /US\$. Of the US\$21,197,440, a deposit of US\$10,000,000 will be paid within ten days of the fulfilment or waiver of the conditions precedent, with the balance of US\$11,197,440 being paid over eighteen (18) months in three (3) equal instalments of US\$3,732,480 (three million seven hundred and thirty-two thousand four hundred and eighty United States Dollars) payable after every six (6) months with effect from the payment of the aforesaid deposit.

The Chairman advised that CBZ Holdings Limited currently held 3.23% shareholding in First Mutual Holdings Limited, through a special purpose vehicle held under PIM Nominees (Private) Limited and the acquisition of the additional shares from National Social Security Authority constituting 31.22% of the issued ordinary shares of First Mutual Holdings Limited would take CBZ Holdings Limited's total shareholding to approximately 34.45%.

Going forward, CBZ Holdings Limited intended to consolidate its position in First Mutual Holdings Limited by acquiring a control block in First Mutual Holdings Limited (that is, 35% as defined in section 234 of the Companies and

Other Business Entities Act as read with Note 2 of the Twenty-Ninth Schedule of the Zimbabwe Stock Exchange Listing Requirements).

The Chairman highlighted that this Transaction was part of CBZ Holdings Limited's diversification and consolidation strategy. He indicated that the Board believed that the transaction presented a compelling strategic opportunity for CBZ Holdings Limited, and this Transaction, in particular:

- i. Would strengthen CBZ Holdings Limited's domestic footprint and would accelerate its successful growth strategy across segments of the financial services and property markets;
- ii. Would significantly enhance CBZ Holding Limited's customer proposition using the combined intellectual properties of the two businesses;
- iii. Would enhance shareholder value for both CBZ Holdings Limited and First Mutual Holdings Limited by allowing for the sharing of financial market infrastructure, riding on CBZ Holdings Limited's physical footprint to offer a broader range of products to customers; and
- iv. Would complement CBZ Holdings Limited's existing multi-asset class strategy to create a regional financial services institution by gaining exposure to First Mutual Holdings Limited's Botswana businesses.

The Chairman stated that the proposed acquisition of First Mutual Holdings Limited ordinary shares from National Social Security Authority was a related party transaction for the purposes of the Zimbabwe Stock Exchange Listings Requirements because the National Social Security Authority was a significant shareholder (holding 10% or more of the voting rights) in CBZ Holdings Limited (with an equity stake of 18.17%).

Consequently, the National Social Security Authority would be precluded from voting at the Extraordinary General Meeting on the resolution regarding the proposed Transaction.

The Chairman presented the Resolutions for voting by Members as follows:-

AS ORDINARY RESOLUTION NUMBER 1

The Proposed First Mutual Holdings Limited Acquisition

The Chairman proposed that if Members deemed fit, they would proceed and approve with or without amendment, the following Resolution:-

“That, the proposal that CBZ Holdings Limited be and is hereby authorized, to acquire 226,997,219 (two hundred and twenty-six million nine hundred and ninety-seven thousand two hundred and nineteen) First Mutual Holdings Limited (“FMHL”) ordinary shares (constituting 31.22% of the entire issued shares as at 31st May 2022) from National Social Security Authority (“NSSA”) at a total consideration of ZWL\$6,355,922,132.00 (six billion three hundred and fifty-five million nine hundred and twenty-two thousand one hundred and thirty-two Zimbabwe dollars) i.e., ZWL\$28 per share, to be settled as follows:

- a. *30% of the total consideration i.e. ZWL\$1,906,776,639.60 (one billion nine hundred and six million seven hundred and seventy-six thousand six hundred and thirty-nine Zimbabwe dollars and sixty cents), comprises of ZWL\$1,815,353,056 (one billion eight hundred and fifteen million three hundred and fifty-three thousand and fifty-six Zimbabwe dollars) being the net cash proceeds due to NSSA and trading transaction costs of ZWL\$ 91,423,584 (ninety-one million four hundred and twenty-three thousand five hundred and eighty-four Zimbabwe dollars). The net cash proceeds due to NSSA translate to US\$21,197,440 (twenty-one million one hundred and ninety-seven thousand four hundred and forty United States dollars) after being converted at the agreed exchange rate of ZWL\$85.6402/US\$. Of the US\$21,197,440, a deposit of US\$10,000,000 (ten million United States dollars) will be paid within ten days of the fulfilment or waiver of the conditions precedent and the balance of USD11,197,440 will be settled in instalments over 18 months in three (3) equal instalments of US\$3,732,480 (Three million seven hundred and thirty-two thousand four hundred and eighty United States Dollars) payable after every six (6) months with effect from the payment of the aforesaid deposit; and*
- b. *70% of the total consideration i.e.ZWL\$4,449,145,492.40 (four billion four hundred and forty-nine million one hundred and forty-five thousand four hundred and ninety-two Zimbabwe dollars and forty cents) to be settled through the issuance of 46,833,110 new CBZ Holdings Limited ordinary shares on the basis of 28 CBZHL ordinary share for every 95 FMHL ordinary shares i.e., 1 CBZHL ordinary share for every 3.393 FMHL ordinary shares held by NSSA pursuant to the acquisition, be and is hereby approved”.*

The motion was seconded by Tawanda Mazorodze representing Akribos Wealth Managers.

The Chairman informed Members that before the motion was put to the vote, Members were free to ask any questions.

Mr. Ragab indicated that the Libyan Foreign Bank was not in a position to take a decision on the proposed transaction as they had only come to know of the transaction a few days before the Extraordinary General Meeting and therefore had not had an opportunity to seek Board approval to support the transaction.

He added that the Libyan Foreign Bank had not been represented at the CBZ Holdings Limited Board meetings where decisions concerning the proposed acquisition of First Mutual Holdings Limited were taken. He indicated that the Libyan Foreign Bank was also not privy to the First Mutual Holdings Limited financial statements.

The Chairman made reference to communication which had been taking place between the other Libyan Foreign Bank officials and the CBZ Holdings Chief Executive Officer and his management team over a period of time. He highlighted that he was a recipient of this communication wherein the Libyan Foreign Bank officials had raised various questions regarding the proposed transaction. He stated that the CBZ Holdings Limited senior management team had made every effort to respectfully and properly address all the questions raised within the rules and regulations of what information could be shared.

The Chairman highlighted that in instances where certain information requested by the Libyan Foreign Bank officials was not available in the public domain, the CBZ Holdings Limited senior management team had used its discretion wherever possible, to provide a summary of Board minutes on the proposed CBZ Holdings Limited and First Mutual Holdings Limited transaction. He further commented that CBZ Holdings Limited and First Mutual Holdings Limited were listed entities whose financial statements were open in the public domain and therefore readily available to the public.

The Chairman stated that the Board valued the support and contribution of all the shareholders and sought to accommodate and work with all of them. He

indicated that the Board had been as transparent as possible in providing appropriate information on the proposed transaction which was part of an exciting and dynamic evolution of the company, but understood and respected the highlighted Libyan Foreign Bank's position regarding the proposed transaction.

Mr. Ragab sought confirmation of the Libyan Foreign Bank's shareholding in CBZ Holdings Limited and further enquired if the decision to carry the proposed motion would be passed irrespective of the position taken by the Libyan Foreign Bank.

The Chairman indicated that Management would revert to the Libyan Foreign Bank in respect of its current percentage shareholding in CBZ Holdings Limited. He advised that the proposed motion would be passed by a simple majority of the shareholders with the National Social Security Authority recusing itself from voting as an interested party.

The Chairman further advised Members that the proposed CBZ Holdings Limited and First Mutual Holdings transaction carried a unanimous support from the CBZ Holdings Limited Board of Directors.

There being no questions, the motion was put to the meeting with the majority, by a show of hands, voting in favour and the Libyan Foreign Bank abstaining from the vote.

The motion was carried.

It was **Resolved:**

“That, the proposal that CBZ Holdings Limited be and is hereby authorized, to acquire 226,997,219 (two hundred and twenty-six million nine hundred and ninety-seven thousand two hundred and nineteen) First Mutual Holdings Limited (“FMHL”) ordinary shares (constituting 31.22% of the entire issued shares as at 31st May 2022) from National Social Security Authority (“NSSA”) at a total consideration of ZWL\$6,355,922,132.00 (six billion three hundred and fifty-five million nine hundred and twenty-two thousand one hundred and thirty-two Zimbabwe dollars) i.e., ZWL\$28 per share, to be settled as follows:

- a. 30% of the total consideration i.e. ZWL\$1,906,776,639.60 (one billion nine hundred and six million seven hundred and seventy-six thousand six hundred and thirty-nine Zimbabwe dollars and sixty cents), comprises of ZWL\$1,815,353,056 (one billion eight hundred and fifteen million three hundred and fifty-three thousand and fifty-six Zimbabwe dollars) being the net cash proceeds due to NSSA and trading transaction costs of ZWL\$ 91,423,584 (ninety-one million four hundred and twenty-three thousand five hundred and eighty-four Zimbabwe dollars). The net cash proceeds due to NSSA translate to US\$21,197,440 (twenty-one million one hundred and ninety-seven thousand four hundred and forty United States dollars) after being converted at the agreed exchange rate of ZWL\$85.6402/US\$. Of the US\$21,197,440, a deposit of US\$10,000,000 (ten million United States dollars) will be paid within ten days of the fulfilment or waiver of the conditions precedent and the balance of USD11,197,440 will be settled in instalments over 18 months in three (3) equal instalments of US\$3,732,480 (Three million seven hundred and thirty-two thousand four hundred and eighty United States Dollars) payable after every six (6) months with effect from the payment of the aforesaid deposit; and
- b. 70% of the total consideration i.e.ZWL\$4,449,145,492.40 (four billion four hundred and forty-nine million one hundred and forty-five thousand four hundred and ninety-two Zimbabwe dollars and forty cents) to be settled through the issuance of 46,833,110 new CBZ Holdings Limited ordinary shares on the basis of 28 CBZHL ordinary share for every 95 FMHL ordinary shares i.e., 1 CBZHL ordinary share for every 3.393 FMHL ordinary shares held by NSSA pursuant to the acquisition, be and is hereby approved”.

AS ORDINARY RESOLUTION NUMBER 2

Directors’ Authority to settle 70% of the Proposed First Mutual Holdings Limited Acquisition using the Company’s authorised but unissued shares within their control

The Chairman proposed that if Members deemed fit, they would proceed and approve with or without amendment, the following Resolution:-

“That, subject to the passing of ordinary resolution number 1, the Directors be

and are hereby authorized to issue the authorized unissued shares, currently placed under their control, being 46,833,110 new CBZ Holdings Limited ordinary shares to settle 70% of the proposed acquisition pursuant to the said resolution.”

The motion was seconded by Mr Zvandasara representing the Government of Zimbabwe .

The Chairman informed Members that before the motion was put to the vote, Members were free to ask any questions.

There being no questions, the motion was put to the meeting with the majority, by a show of hands, voting in favour and the Libyan Foreign Bank abstaining from the vote.

The motion was carried.

It was **Resolved**:

“That, subject to the passing ordinary resolution in (1) above, the Directors be and are hereby authorised to issue the authorised unissued shares, currently placed under their control, to settle 70% of the proposed FMHL acquisition pursuant to the said resolution.”

AS ORDINARY RESOLUTION NUMBER 3

Directors’ Authority to Acquire a Control Block and to make a Mandatory Offer

The Chairman proposed that if Members deemed fit, they would proceed and approve with or without amendment, the following Resolution:-

“That upon acquisition of the shares in terms of Resolution 1 above, the Directors be and are hereby authorized to make further acquisitions sufficient to achieve a control block in First Mutual Holdings Limited and thereafter to make a mandatory offer to the remaining shareholders of First Mutual Holdings Limited in compliance with the Companies and Other Business Entities Act as read with the Zimbabwe Stock Exchange Listing Requirements pursuant to which the consideration shall be settled through cash and/or the issuance of

new CBZ Holdings Limited shares.”

The motion was seconded by Mr Mpfu representing Quant Africa Wealth Managers.

The Chairman informed Members that before the motion was put to the vote, Members were free to ask any questions.

There being no questions, the motion was put to the meeting and the majority voted in favour of the motion. The Libyan Foreign Bank abstained from the vote.

The motion was passed.

It was **Resolved**:

“That upon acquisition of the shares in terms of Resolution 1 above, the Directors be and are hereby authorized to make further acquisitions sufficient to achieve a control block in First Mutual Holdings Limited and thereafter to make a mandatory offer to the remaining shareholders of First Mutual Holdings Limited in compliance with the Companies and Other Business Entities Act as read with the Zimbabwe Stock Exchange Listing Requirements pursuant to which the consideration shall be settled through cash and/or the issuance of new CBZ Holdings Limited shares.”

AS ORDINARY RESOLUTION NUMBER 4

Directors’ Authority to Make Strategic Acquisitions

The Chairman proposed that if Members deemed fit, they would proceed and approve with or without amendment, the following Resolution:-

“That hereinafter, the Directors be and are hereby authorized to issue shares constituting up to 10% of issued shares of the Company from the authorized but unissued shares of the Company under their control for the sole purpose of acquisition of shares in strategic or complimentary businesses.”

The motion was seconded by Mr. Matewe representing Stanbic Nominees.

The Chairman informed Members that before the motion was put to the vote, Members were free to ask any questions.

There being no questions, the motion was put to the meeting with the majority, by a show of hands, voting in favour and the Libyan Foreign Bank abstaining from the vote.

The motion was carried.

It was **Resolved**:

“That hereinafter, the Directors be and are hereby authorized to issue shares constituting up to 10% of issued shares of the Company from the authorized but unissued shares of the Company under their control for the sole purpose of acquisition of shares in strategic or complimentary businesses.”

AS ORDINARY RESOLUTION NUMBER 5

Directors’ Authority to give effect to the above Resolutions

The Chairman proposed that if Members deemed fit, they would proceed and approve with or without amendment, the following Resolution:-

“That, subject to the passing of any one or all of the ordinary resolutions above, the Directors be and are hereby authorized, instructed and empowered to do all such things and sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to the resolutions.”

The motion was seconded by Tendai Muzadzi representing Datvest Asset Management.

The Chairman informed Members that before the motion was put to the vote, Members were free to ask any questions.

There being no questions, the motion was put to the meeting with the majority, by a show of hands, voting in favour and the Libyan Foreign Bank abstaining from the vote.

The motion was carried.

It was **Resolved**:

“That, subject to the passing of any one or all of the ordinary resolutions above, the Directors be and are hereby authorized, instructed and empowered to do all such things and sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to the resolutions.”

6. ANY OTHER BUSINESS

There being no further business to discuss, the Chairman thanked Members for their attendance and declared the Extraordinary General Meeting closed.

The meeting ended at 1605 hours.

MARC KOTTMAN

Chairman

22 July 2022

Date