

NBS Bank Limited
("the Company")
Company registered number 6614

NOTICE OF EXTRAORDINARY GENERAL MEETING

**To: All Members
All Directors**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the members of the Company will be held at Ryalls Hotel on Thursday, 29th December 2016 from 10:00 am or soon thereafter to transact the following business:

**Item no.1
Financial statements**

To receive, and if deemed appropriate to conclude the adoption of the report of the Directors, the report of the Auditors and the Annual Financial Statements of the Company for the year ended 31st December, 2015.

**Item no.2
Increase of share capital**

To consider and, if deemed fit, to pass with or without modifications the following ordinary resolution:

Resolved that pursuant to the provisions of article 46 of the Company's Articles of Association as read with the Companies Act 2013 and in accordance with the Malawi Stock Exchange Listings Requirements (the "Listings Requirements"). The approval of the members is hereby granted for increase in the authorised share capital of the Company by K1,500,000,000 from K500,000,000 to K2,000,000,000 divided into 4,000,000,000 ordinary shares of 50 tambala each ranking *pari passu* with the existing equity shares and that clause 5 of the Company's Memorandum of Association be replaced with the following clause:

The capital of the company is K2,000 000,000 (Two billion Kwacha) divided into 4,000,000,000 (Four billion) ordinary shares of 50 tambala each.

Resolved further that for the purpose of giving effect to the above resolution, the Board of Directors of the Company ("the Directors") be and are hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as they may in their sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto – **see explanatory statement on item no.2.**

**Item no.3
Rights Issue to all Shareholders**

To consider and, if deemed fit, to pass with or without modifications the following ordinary resolution:

Resolved that subject to and contingent upon the passing of the ordinary resolution 2 in this EGM Notice:

- A renounceable underwritten rights issue (the "Rights Issue") of up to **3,000,000,000** new ordinary shares of 50 tambala each or thereabouts in the capital of the Company (the "Rights Shares"), at such price as the directors may find appropriate at the time of issue of the prospectus (the "Issue Price"), on the basis of such number of Rights Shares as the directors shall decide for every one (1) existing ordinary share of the Company ("Share") held by shareholders of the Company (the "Shareholders") who are eligible to participate in the Rights Issue ("Entitled Shareholders") as at a books closure date announced by the Company (the "Books Closure Date"), be and is hereby approved.
- Authority be and is hereby given to the Directors to:
 - issue such number of Rights Shares as the Directors may determine up to 3,000,000,000 Rights Shares at the Issue Price; provisionally allot and issue up to 3,000,000,000 Rights Shares at the Issue Price for each Rights Share on the basis of such number of Rights Share as the directors shall decide for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date;
 - allot and issue the Rights Shares on the terms and conditions set out below and/or otherwise on such terms as the Directors may think fit:
 - the provisional allotment of the Rights Shares pursuant

to the Rights Issue shall be made on a renounceable underwritten basis to Shareholders whose names appear in the Register of Members of the Company as at the Books Closure Date on the basis of such number of Rights Shares as the directors shall decide for every one (1) existing Share.

- to aggregate and allot the provisional allotment of the Rights Shares not taken up or allotted for any reason to satisfy excess applications for the Rights Shares or otherwise dispose of or to deal with such provisional allotment of the Rights Shares and requests for splits in such manner and on such terms and conditions as the Directors may in their absolute discretion deem fit.
 - the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distribution, the record date for which falls before the date of the allotment and issue of the Rights Shares; and
 - The shareholders hereby mandate the directors to make decisions on matters left for director's decisions in resolutions 3(a); b(ii), (iii) (aa)
- c) **THAT** the Directors be and are hereby authorised to take such steps, do all such acts and things, including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue and the issue of the Rights Shares, and making amendments to the terms and conditions of the Rights Issue (including the Issue Price) and obtaining approvals and waivers of the MSE and the RBM as may be necessary and to list the Rights Shares with the MSE and to exercise such discretion as the Directors may in their absolute discretion deem fit or advisable to give full effect to this special resolution and to the Rights Issue, and the allotment and issue of the Rights Shares – **see explanatory statement on item no.3**

Item no.4

Any other business

To transact such other business prior notice of which should have been given to the office of the Company Secretary not less than 7 days before the date of the meeting.

By order of the Board

Marsha Ovi Machika
Acting Company Secretary
Dated December 5th 2016

Registered office
NBS House
Ginnery Corner
PO Box 32251,
Blantyre 3

NOTES:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
- A Form of Proxy is enclosed with this document. Instructions for use are shown on the form. Lodging a form of proxy will not prevent a member from attending and voting in person.
- To be valid, the Form of Proxy (together with any power of attorney or authority under which it is signed, or a notarially certified copy of such power or authority) must be received by the Company Secretary not less than 48 hours before the time appointed for the meeting or, as the case may be, the adjourned meeting.
- To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes cast), members must be entered on the Company's register of members at 6.00pm on 27th December 2016 or, in the event that the meeting is adjourned, on the Company's register of members at 6.00p.m. on the date two days before the date of any adjourned

meeting.

- A shareholder which is a corporate and which wishes to be represented at the meeting by a person (a corporate representative) with authority to speak, vote on a show of hands and on a poll must appoint such a person by resolution of its directors or. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company.

Explanatory statement:

Item No 2

The present authorized share capital of the Company is K500,000,000 divided into 1,000,000,000 ordinary shares of 50 tambala each. The Company is proposing to do a rights issue to all shareholders (the "Rights Issue") and proposals in this regard are contained in this notice. Considering the proposed Rights Issue and future capital growth, the Board has approved, subject to the members' approval, an increase in the authorized share capital to K2,000,000,000 divided into 4,000,000,000 ordinary shares of 50 tambala each to cater for future capitalization needs.

Pursuant to the provisions of Section 90 of the Companies Act, 2013 and Article 46 of the Company's Amended Articles of Association, an increase in the share capital of the Company and consequent amendment in the capital clause in the Memorandum of Association of the Company requires approval of the members. Approval of the members is, therefore, sought in terms of the said provisions by way of ordinary resolution.

The Board of Directors recommend the resolution under Item no.2 of the EGM Notice for approval of members.

None of the directors of the Company is in any way personally concerned or interested in the resolution.

Item No.3

At the Board Meeting of 30th November 2016, the Directors recommended that the company raises further capital by way of a Rights Issue to all members of the Company. The minimum capital to be raised is K10,000,000,000. If the said capital is raised, the Company will have met the regulatory requirements and realized the means for growth and being competitive in the market.

Pursuant to Article 47 of the Company's Articles of Association and paragraphs 5.84 and 5.89 of the MSE Listings Requirements a resolution of the members is required to approve the Rights Issue. The members are also required to approve the price and discount, if any, at which the shares are to be issued for cash.

The article also requires that an issue of new shares of the company be offered in the first instance to existing shareholders unless the shareholders by ordinary resolution proportionate to their existing shareholding ("Pre-emption Rights") before the issue of the new shares make provision that the new shares be issued and allotted otherwise. However, when shares are offered to existing Shareholders, the Shareholders are not bound to accept the offer. Others may accept only part of the offered shares. Dealing with the Shares not taken up during a Rights Issue in accordance with Pre-empting Rights can be cumbersome, expensive and slow. The resolution in Item No. 3 seeks to empower the Directors to execute the Rights Issue in an efficient and orderly manner having first respected the Pre-emption Right of every Shareholder and thereafter deal with renunciations and application for splits and other attendant matters as expeditiously and efficiently as possible without being bound to consider Pre-emption Rights again.

The Directors recommend the resolution under Item No.3 of the EGM Notice for approval of members.

None of the Directors of the Company is in any way personally concerned or interested in the resolution except to the extent to the extent that Directors holding shares in the Company will have their Pre-emption Rights treated the same way as the rest of the Shareholders and they will vote in favour of the resolution.



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