

THE FUTURE
IS BRIGHT



NOTICE AND PROXY OF
ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31 DECEMBER 2018



NBS Bank

Your Caring Bank

NBS A member of the NCO Group



MISSION STATEMENT

**VISION
MISSION
VALUES**

VISION

To be the Bank of choice in Malawi.

MISSION

To create and deliver sustainable returns to our stakeholders.

VALUES

Excellence, Innovation, Transparency, Team work, Integrity, Accountability





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INCLUDED PROXY FORM

NOTICE AND AGENDA OF 15TH ANNUAL GENERAL MEETING

LETTER TO SHAREHOLDERS

Dear Shareholder

On behalf of the board, I invite you to attend the annual general meeting of NBS Bank plc to be held at Ryalls Hotel, Blantyre on Wednesday 5th June 2019 from 1530hrs.

I encourage you to attend and vote at the annual general meeting as this is your opportunity to meet and question members of the NBS Bank plc board regarding the Bank's performance for the year ended 31 December 2018. The detailed notice of the annual general meeting and supporting documentation is attached hereto.

The notice is accompanied by explanatory notes setting out the reasons and the effects of all the proposed resolutions in the notice. You can also access an electronic copy of the notice on the Bank's website at www.nbs.mw.

If you are not able to attend the annual general meeting, you can vote by proxy in accordance with the instructions on the annual general meeting notice and form of proxy.

Yours sincerely

Marsha Ovi Machika

Company Secretary

14 May 2019

NOTICE OF 15th

ANNUAL GENERAL MEETING

NBS BANK PLC

(Incorporated in the Republic of Malawi)
(Registration number 6614)

MSE Code: NBS **ISIN:** MWNBS0010105
("NBS Bank" or "the company")

Notice is hereby given that the 15th annual general meeting of the members of the company will be held on Wednesday 5th June 2019 from 1530hrs, at Ryalls Hotel, Blantyre, Malawi to consider and, if approved, pass the following ordinary and special resolutions with or without modification:

1. Ordinary Resolution Number 1 - Approval of Minutes of the Last Annual General Meeting

To consider and if deemed appropriate to approve the minutes of the 14th Annual General Meeting of the Company held on 21 June 2018.

Refer to annexure 3 for the minutes of the previous AGM.

2. Ordinary Resolution Number 2 – Adoption of the Report of Directors, Report of Auditors and Annual Financial Statements for 2018

To receive, and if deemed appropriate to adopt the report of the Directors, report of the Auditors and the Annual Financial Statements of the Company for the year ended 31 December 2018.

3. Ordinary Resolution Number 3 - Re-Appointment of External Auditors

To re-appoint Deloitte, Certified Public Accountants, as nominated by the Board of Directors, as independent external auditors of the company to hold office until the conclusion of the next annual general meeting of the company and to authorize the directors to fix their remuneration.

4. Ordinary Resolution Number 4 – Appointment of a New Director

On the recommendation of the Board of Directors, to appoint Mrs. Nimia Kambili Mzembe as a Director by virtue of Article 113 of the Company's Articles of Association to fill a vacancy that arose on the Board after the resignation of Mr. Lucius Mandala in June 2018.

Mrs. Mzembe is a seasoned expert in viable operational and credit risk management in Banks. She has proven sound knowledge and experience of the Malawi financial sector accumulated over 35 years of working in the industry.

4. Ordinary Resolution Number 4 – Appointment of a New Director (continued)

As a banking practitioner, Mrs. Mzembe worked in various senior positions with National Bank of Malawi for over 25 years. Six of these were as Head Credit Risk mandated to provide high level strategic guidance and direction on credit risk related issues and ensuring a growing quality loan book. Currently, Mrs. Mzembe works as a Lead Consultant at Frani Consulting specializing in facilitating effective and efficient operational and credit risk management and training.

Mrs. Mzembe graduated with a Bachelor in Public Administration from University of Malawi and an MBA in International Banking & Finance from Birmingham University (UK). She also holds a Certified Diploma in Accounting & Finance. Further, Mrs. Mzembe has gained skills from several training and attachment programmes including Leadership & Management at Said Business School- Oxford University (UK), CITI Bank Advanced Global Credit Risk Management, Euromoney Advanced International Trade Finance & Corporate Investments Management, Israel Galilee College International Banking Management and Best & Brightest African Bankers Programme, USA. Mrs. Mzembe was born on 6 December 1961.

5. Ordinary Resolution Number 5 – Re-election of Mr. Harrison Banda Kalua

To re-elect Mr. Harrison Banda Kalua as a director of the company who will retire by rotation in accordance with article 103 of the company's articles of association. Mr. Kalua is eligible and offers himself for re-election. The Board recommends his re-election.

Mr. Kalua is a Managing Partner and Lead Consultant for Rose – Harris Investments & Consulting. He was the founding Chief Executive Officer for Mzuzu Coffee Planters Cooperative Union. Further, he served as President of both the Malawi and Southern Africa Chambers of Commerce and Industry. Furthermore, he has served as a director on the Boards of Malawi Investment and Trade Centre, Auction Holdings Commodity Exchange, Action Aid, African Fine Coffee Association, Coffee Association of Malawi and TEVETA. Mr. Kalua graduated with a BSc in Agriculture from University of Malawi, an MSc in Agricultural Economics from the University of Wales (UK) and an MSc in Strategic Business Management from the University of Derby (UK).

6. Ordinary Resolution Number 6 – Re-election of Dr. Zolomphi Nkowani

To re-elect Dr. Zolomphi Nkowani as a director of the company who will retire by rotation in accordance with article 103 of the company's articles of association. Dr. Nkowani is eligible and offers himself for re-election. The Board recommends his re-election.

Dr. Nkowani is a Managing Partner of Zolomphi & Co (Attorneys at Law) and a Trade Law Consultant of China – Africa Trade Partnership. He is a Research Fellow at Universities of Liverpool and Manchester. He has previously served as Chief State Advocate in the Ministry of Justice, Senior Lecturer in International Law at Chancellor College, University of Malawi and a PhD examiner in International Trade Law. Dr. Nkowani graduated with a Bachelor of Law (Honours) from University of Malawi, a Master of Law from the University of Warwick (UK) and a PhD in Law from the University of Salford (UK).

7. Ordinary Resolution Number 7 - Re-election of Dr. Matthews Mtumbuka

To re-elect Dr. Matthews Mtumbuka as a director of the company who will retire by rotation in accordance with article 103 of the company's articles of association. Dr. Mtumbuka is eligible and offers himself for re-election. The board recommends his re-election.

7. Ordinary Resolution Number 7 - Re-election of Dr. Matthews Mtumbuka (continued)

Eng. Dr. Matthews Mtumbuka is Chief Executive Officer for UbuntuNet Alliance – a network of providers of technology services to education and research institutions in Eastern and Southern Africa, since 1st May 2019. Prior to this, he worked in several senior executive management roles for Airtel for 8 years. He was IT Director for Airtel Malawi, Airtel Rwanda and later took on a regional IT Operations and Governance role covering all the 14 countries where Airtel operates in Africa. His other previous employers are Malswitch and Shell Oil Europe. He graduated with a BSc in Engineering from University of Malawi and a PhD in Engineering Science from the University of Oxford (UK). He is a Registered Engineer in Malawi and a member of several professional bodies. Dr. Mtumbuka was president of the Malawi Institution of Engineers (MIE) 2011-2013.

8. Ordinary Resolution Number 8 – Directors’ Remuneration

To fix the remuneration of the Chairman and other Directors at the following rates:-

8.1 Director’s fees

8.1.1	Chairman	- MK2,117,887.20 per annum payable quarterly in arrears, up from MK1, 629, 144.00
8.1.2	Directors	- MK1,744,142.40 per annum payable quarterly in arrears, up from MK1, 341, 648.00

8.2 Sitting allowances

8.2.1	Chairman	- MK93, 600.00 (previous year MK72, 000)
8.2.2	Directors	- MK74,880.00 (previous year MK57, 600)

9. Special Resolution Number 1 – Adoption of New Articles of Association

To adopt new articles of association of the company in substitution of the company’s existing articles of association in terms of section 35 of the Companies Act, 2013. The old articles of association are published on the company’s website www.nbs.mw or can be requested from the company secretary.

Refer to annexure 4 for the proposed articles of association.

Reason and Effect

The reason for and effect of special resolution number 1 is to update the existing articles of association (adopted at the annual general meeting on 22 June 2012) in line with the changes in the regulatory environment. Further, the adoption is to remove clauses that were introduced following the issuing of shares to IFC Capitalization Holding as one of the controlling members of the company in 2011. IFC Capitalization Holding ceased to be a shareholder of the company in 2018.

The adoption of the new articles of association will neither reduce shareholder liability nor affect any share redemption.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolution numbers 1 to 8 require the approval by a simple majority of votes cast by shareholders of the company as are entitled to vote, voting in person or by proxy at a general meeting. Special resolution number 1 requires the approval by at least 75% of the votes casted of shareholders as are entitled to vote and voting in person or by proxy.

RECORD DATES

The record date for purposes of determining which shareholders are entitled to attend, participate in and vote at the annual general meeting is Tuesday, 4 June 2019, and the last day to trade in the company’s shares in order to be recorded on the securities register of the company in order to be able to attend, participate and vote at the annual general meeting is Tuesday, 4 June 2019

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration are entitled to attend and vote at the annual general meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the company. Proxy forms must be lodged with the transfer secretaries of the company, NICO Asset Managers Limited, Chibisa House, 19 Glyn Jones road, PO Box 3173, Blantyre, Malawi, or the registered office of the company, NBS Bank plc, NBS House, Corner Masauko Chipembere Highway, Ginney Corner, P.O. Box 32251, Chichiri, Blantyre 3, Malawi addressed to the company secretary, to be received by them not less than 48 hours before the time of holding the meeting or not less than twelve (12) hours before the time of holding an adjourned meeting of less than seven (7) days.

On a show of hands every member present in person or represented by proxy shall have one (1) vote, and on a poll every member present or represented by proxy shall have one (1) vote for each share of which he is the registered voter.

PROOF OF IDENTIFICATION REQUIRED

Any shareholder or proxy who intends to attend or participate at the annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the annual general meeting. A national identity card issued by a sovereign state, valid driver’s licence or passport will be accepted at the annual general meeting as sufficient identification.

On behalf of the board

Marsha Ovi Machika
COMPANY SECRETARY
14 MAY 2019

ANNEXURE 1

BOARD OF DIRECTORS

Vizenge Kumwenda 57

Board Chairman

FCCA, CA (Mw), ACII, MSC (FINANCE), BCom

Mr. Vizenge Kumwenda is the Chairman of the Board of NBS Bank Plc and currently the Group Managing Director of NICO Holdings Plc. He has worked for the NICO Group for over 24 years, holding various senior executive positions. Besides NBS Board, he either chairs or is a director on the Boards of other NICO Holdings subsidiary companies and associates. Mr. Kumwenda has also worked for Continental Discount House Ltd, Continental Asset Management Ltd, Deloitte, Malawi College of Accountancy and Malawi Institute of Management.

Matthews Mtumbuka 40

Director

BSc, PhD, R.Eng, MMIE, MIET

Eng. Dr. Matthews Mtumbuka is Chief Executive Officer for UbuntuNet Alliance – a network of providers of technology services to education and research institutions in Eastern and Southern Africa. Prior to this, he worked in several senior executive management roles for Airtel for 8 years. He was IT Director for Airtel Malawi, Airtel Rwanda and later took on a regional IT Operations and Governance role covering all the 14 countries where Airtel operates in Africa. He is a registered engineer in Malawi and member of several professional bodies and was President of the Malawi Institution of Engineers (MIE) 2011-2013.

Chifundo Chiundira 55

Director

Dip Bus, BCom, FCCA, CA(M)

Mr. Chifundo Chiundira is the Group Chief Finance Officer for Nico Holdings Plc. He joined the company in 1995. Mr. Chiundira has also worked for NICO Group in different capacities including General Manager (Finance), Financial Controller. He has also worked for NICO Insurance Zambia. Mr. Chiundira sits on several Boards and brings to NBS Bank Board extensive experience in Financial and General Management.

Harison Banda Kalua 61

Director

BSc (Agric.) Msc (Agriculture Economics), Msc (Strategic Management)

Mr. Harison Banda Kalua is a Managing Partner and Lead Consultant for Rose – Harris Investments & Consulting. Previously, he was a founding Chief Executive Officer for Mzuzu Coffee Planters Cooperative. He served as President of both the Malawi and Southern Africa Chambers of Commerce and Industry. He has also served as a Board Director of Malawi Investment and Trade Centre, Auction Holdings Commodity Exchange, Action Aid, African Fine Coffee Association, Coffee Association of Malawi and TEVETA.

ANNEXURE 1 - BOARD OF DIRECTORS (continued)

Zolomphi Nkowani 49

Director

PhD (International Economic Law), LLM, LLB (Hons)Mw

Dr. Zolomphi Nkowani is a prescribed Legal Practitioner admitted to the Malawi bar to practice law in both the High Court and Supreme Court of Malawi. He is a Managing Partner of Zolomphi & Co Attorneys at Law and a Trade Law Consultant of China – Africa Trade Partnership. He is a Research Fellow at Universities of Liverpool and Manchester. He also served as Chief State Advocate in the Ministry of Justice, Senior Lecturer in International Law at Chancellor College and as PhD examiner in International Trade Law.

Anurag Saxena 53

Director

BE, MBA, FCIM, ICMQ, IIAC

Mr. Anurag Saxena is the Managing Director of Linkcoz Limited. He has over 17 years' extensive banking experience, having previously worked for Barclays Bank, Standard Chartered Bank, Mashreq Bank in various executive management capacities. He is also a Director in NBC Bank in Tanzania among other companies.

Gaffar Hassam 43

Director

MBA, FCCA

Mr. Gaffar Hassam is an Executive for Sanlam Pan Africa (SPA), Life Insurance. He has more than 20 years' experience in financial services industry. He has held various positions in financial services including, Group Chief Executive Officer, Group Chief Finance Officer, Chief Operating Officer, Company Secretary and other roles within financial services. He is a director on Boards of various companies that SPA has invested in on the Africa continent. He started his career with PwC Malawi and Botswana offices.

Wilson Toninga Banda 63

Director

B.Soc. Sc (Econs); M.Phil (Monetary Econs.); M.P. A (International Trade and Finance); PhD (Econs)

Dr. Wilson Toninga Banda has previously worked as a Senior Advisor to the executive Director of Africa Group 1 (AFG1) at the World Bank Group from 2010 to 2017. Prior to this, he worked for the Reserve Bank of Malawi as General Manager from 2003 to 2010, Director of Financial Market Operations from 1999 to 2003, Director of Research and statistics from 1988 to 1999 and Economist from 1979 to 1992. He has also published several papers, especially related to financial sector. He is a founding member of the Economics association of Malawi

Nimia Kambili Mzembe 57

Director

MBA (International Banking & Finance- Birmingham University- UK) ACCA Certified Diploma in Accounting and Finance, BA - Public Administration (University of Malawi)

Mrs. Nimia Kambili Mzembe is a Lead Consultant at Frani Consulting. She has over 30 years of Banking experience, having previously worked as Head of Credit Risk Management at National Bank of Malawi and a senior manager in various roles in customer care, account relationship management, steering committees and operational oversight of big busy branches. She has also sat on boards of some financial and not for profit entities.

ANNEXURE 1 - BOARD OF DIRECTORS (continued)

Emmanuel Melvin Banda 45

Director

BA, Post Grad Dip (Managing Rural Development)

Mr. Emmanuel Melvin Banda currently works with Alliance One Tobacco (Malawi) Ltd. Previously, he worked for Illovo Sugar Malawi Ltd as Group Human Resource Manager. Before this, he worked as HR Manager, Assistant HR Manager and HR Officer- Administration at Illovo Sugar - Nchalo Estate. Mr. Banda is also the President of Employer Consultative Association of Malawi. He also sits on the Board of IndeTrust Ltd and Habitat for Humanity Malawi. Further, he sits on the panels of Industrial Relations Court and Tripartite Labour Advisory Council.

Marsha Ovi Machika 31

Company Secretary

LLB (Hons)Mw, CAMS

Mr. Marsha Ovi Machika is a prescribed Legal Practitioner admitted to the Malawi bar to practice law in both the High Court and Supreme Court of Malawi. He is also a certified anti-money laundering specialist with the Association of Certified Anti-Money Laundering Specialist (ACAMS). He was previously the Bank's Legal Services Manager from 2013 before his appointment as Company Secretary in 2016. Before joining the Bank, he worked for Nicholls & Brookes and Mvalo & Company (law firms).

ANNEXURE 2

EXECUTIVE AND SENIOR MANAGEMENT

Kwanele Ngwenya 50
Chief Executive Officer
MA, MBA

Phillip Madinga 47
Chief Commercial Officer
MBA, BBA (Honours), BSoc Economics

Vera Zulu 41
Chief Finance Officer
MBA, BAC, FCCA, CA(M)

Chinga Chaguluka 38
Chief Information Officer
BSc Electrical Engineering

Shadrack Chikusilo 48
Head of Operations
BACC, ACMA, CGMA, CBCIB, MBA

Ernest Tembo 35
Finance Manager
FCCA, CA (M), BACC

Felister Dossi 36
Head of Legal Services and Loan Recoveries
MBA, LLB (Hons)

Benedicto Nkhoma 49
Head of Treasury
ACB, MBA (Banking and Finance), MBA (General Management), SIRM, ACMA, CA (M), BACC

Sophie Kalambele 43
Acting Head of Corporate & Institutional Banking
BBA, MBA

Harold Phiri 37
Head of Risk
BAcc, ACCA

Austin Thunde 50
Head of Human Resources
BA (Public Administration)

Thokozile Kuwali 43
Head of Audit
MBF, BAcc, FCCA, CIA, CFSa, CRMA

Marsha Machika 31
Company Secretary
LLB (Hons), CAMS

Tryson Kalanda 57
Acting Head of Personal and Business Banking
BSC (Banking & Finance), ACIB, CBCIB, MBA

Vitumbiko Gubuduza 35
Head of Compliance
LLB (Hons), CAMS

ANNEXURE 3

MINUTES OF THE 14TH ANNUAL GENERAL MEETING OF NBS BANK PLC HELD AT RYALLS HOTEL, BLANTYRE ON 21 JUNE 2018 FROM 1000HRS

Present:	Shareholders	38*
	Proxies	43*
In Attendance:	Mr. Vizenge Kumwenda	Chairman
	Mr. Chifundo Chiundira	Director
	Dr. Matthews Mtumbuka	Director
	Dr. Zolomphi Nkowani	Director
	Mr. Emmanuel Banda	Director
	Dr. Wilson Banda	Director
	Mr. Harrison Kalua	Director
	Mr. Kwanele Ngwenya	Chief Executive Officer
	Mr. Phillip Madinga	Chief Commercial Officer
	Mrs. Vera Zulu	Chief Finance Officer
	Mr. John Kamanga	Malawi Stock Exchnage
	Mrs. Esnat Chilije- Suleman	Malawi Stock Exchange
	Mrs. Madalo Mwenelupembe	Deloitte
	Mr. Emmanuel Chokani	NICO Transfer Secretaries
	Mr. Elias Masautso	NICO Transfer Secretaries
	Mr. Marsha Machika	Company Secretary

*As per list, which may be inspected at the Company's Registered Office

14/1 QUORUM

Upon confirmation of quorum by the Company Secretary, the meeting was declared duly constituted at 1000hrs.

14/2 NOTICE OF THE ANNUAL GENERAL MEETING

It was confirmed that a notice of 21 days for the Annual General Meeting was published in the daily papers and in the hand book to shareholders.

14/3 PROXIES

It was confirmed by the Company Secretary that proxies duly signed were received from some of the Shareholders.

14/4 ADOPTION OF AGENDA

On a proposal of a motion duly seconded, it was resolved that the agenda be adopted as presented.

14/5 MINUTES OF THE LAST ANNUAL GENERAL MEETING

Members noted the minutes of the last annual general meeting as a true record of deliberations of that day.

ANNEXURE 3 - MINUTES OF THE 14TH ANNUAL GENERAL MEETING OF NBS BANK PLC HELD AT RYALLS HOTEL, BLANTYRE ON 21 JUNE 2018 FROM 1000HRS (continued)

14/6 RECEIPT OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017, DIRECTOR'S REPORT AND AUDITOR'S REPORT

On a proposal of a motion duly seconded, it was resolved:

"THAT the audited financial statements and the Audit Report for the period ended 31 December 2017 together with the Reports of the Directors and Auditors thereon as presented at this meeting be and are hereby received".

14/7 DIVIDEND

Members noted that no dividend would be paid in respect of the year ended 31 December 2017 because of the Bank's performance.

14/8 RE – APPOINTMENT OF EXTERNAL AUDITORS

On a proposal of a motion duly seconded, it was resolved:

"THAT Deloitte be and are hereby appointed as External Auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts would be laid."

"The directors be and they are hereby authorized to fix the remuneration of the auditors for the year 2018."

14/9 CONFIRMATION OF DIRECTORS' RE-ELECTION AND APPOINTMENT

On a proposal of a motion duly seconded, it was resolved:

"THAT Mr. Vizenge Kumwenda, a non- executive director, who retires by rotation and being eligible offers himself for re-election, be and is hereby re-elected as a non-executive director."

On a proposal duly seconded, it was resolved:

"THAT Mr. Anurag Saxena, an independent director, who retires by rotation and being eligible offers himself for re-election, be and is hereby re-elected as an Independent director."

On a proposal duly seconded, it was resolved:

"THAT Mr. Chifundo Chiundira, a non-executive director, who retires by rotation and being eligible offers himself for re-election, be and is hereby re-elected a non-executive director."

On a proposal duly seconded, it was resolved:

"THAT Mr. Emmanuel Melvin Banda be and is hereby appointed as an independent director pursuant to Article 83.3 of the Company's Articles of Association."

On a proposal duly seconded, it was resolved:

"THAT Dr. Wilson Toninga Banda be and is hereby appointed as an independent director pursuant to Article 83.3 of the Company's Articles of Association."

ANNEXURE 3 - MINUTES OF THE 14TH ANNUAL GENERAL MEETING OF NBS BANK PLC HELD AT RYALLS HOTEL, BLANTYRE ON 21 JUNE 2018 FROM 1000HRS (continued)

14/10 REMUNERATION OF CHAIRMAN AND DIRECTORS

On a proposal of the motion duly seconded, it was resolved;

“THAT the fees of the Chairman and other Independent and Non-Executive Directors, with effect from 22 June 2018 be and are hereby fixed as follows:

Chairman: MK1, 629,144 per annum.

Directors: MK1, 341,645 per annum.

“THAT the sitting allowances of the Chairman and other independent and non-executive Directors, with effect from 22 June 2018 be and are hereby fixed as follows:

Chairman: MK72, 000.00 per sitting.

Directors: MK57, 000.00 per sitting.

It was noted that the fees and sitting allowances were the same as the previous year.

14/11 ANY OTHER BUSINESS

The Company Secretary confirmed that there was no other business on the agenda for which prior notice as required by the Articles of Association had been given.

14/12 CLOSING REMARKS

The Chairman thanked all Shareholders present for their participation and declared the meeting closed at 1200hrs.

Signed:

CHAIRMAN

.....

DATE

ANNEXURE 4

PROPOSED ARTICLES OF ASSOCIATION OF NBS BANK PLC

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1. Interpretation

- 1.1 Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act.
- 1.2 In these articles:-
- 1.2.1 "Accounting Standards" means the International Financial Standards ("IFRS") promulgated by the International Accounting Standards Boards ("IASB") (which include standards and interpretations approved by the IASB and International standards issued under previous constitutions) together with its pronouncements thereon from time to time, and applied on a consistent basis).
- 1.2.2 "the Act" means the Companies Act, (Cap. 46:03), as amended from time to time;
- 1.2.3 "Affiliate" means with respect to any Person, any Person directly or indirectly Controlling, Controlled by or under common Control with, that Person;
- 1.2.4 "the Banking Act" means the Banking Act, (Cap. 44:01), as amended from time to time;
- 1.2.5 "Control" means the power or capacity to exert significant influence over the business or financial operations of a Person or to direct the management or policies of a Person, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise. In particular;
- I. where the relevant Person is a body corporate, the following person are deemed to be in control of that Person:
- a) a director or member of the governing body of the body corporate;
 - b) a person that has the power to appoint a person to be a director or member of the governing body of the body corporate;
 - c) a person whose consent is needed for the appointment of a person to be a director of the body corporate;
 - d) a person that holds at least ten percent (10%) of the shares of the body corporate;
 - e) a person that has the power to control at least ten percent (10%) of the voting rights attached to shares or other securities of the body corporate;

- f) a person that holds rights in relation to the body corporate that, if exercised, would result in the person's holding at least ten percent (10%) of the shares of the body corporate or having the power to control at least ten percent (10%) of the voting rights attached to shares or other securities of the body corporate; and
- II. if the relevant person is a subsidiary of another person, each person that is a controlling party of the other body.

Provided always that the percentages mentioned in sub paragraph (i), (d), (e) and (f) of this sub Article may be varied from time to time by the Registrar's Directives.'

- 1.2.6 "Dividend Policy" means the dividend policy formally adopted by the Company from time to time;
- 1.2.7 "Financial Services Act" means the Financial Services Act, 2010.
- 1.2.8 "Financial Year" means the period commencing on January 1 of the year and ending on December 31 of the same year.
- 1.2.9 "Independent Non-Executive Director" means a Director who has no direct or indirect material relationship with the Company other than membership on the Board and who;
 - 1.2.9.1 Is not, and has not been in the past five (5) years; employed by the Company or its Affiliates;
 - 1.2.9.2 does not have, and has not had in the past five (5) years, a business relationship with the Company or its Affiliates and is not a director, officer or senior employee of a Person that has or had such a relationship;
 - 1.2.9.3 is not affiliated with any profit organization that received significant funding from the Company or its Affiliates;
 - 1.2.9.4 does not receive and has not received in the past five (5) years, any additional remuneration from the Company or its Affiliates other than his or her director's fee and such director's fee does not constitute a significant portion of his or her annual income;
 - 1.2.9.5 does not participate in any share option scheme or pension scheme of the Company or any of its Affiliates;

- 1.2.9.6 is not employed as an executive officer of another company where any of the Company's executives serve on that company's board of directors;
- 1.2.9.7 is not, nor has been as any time during the past five (5) years, affiliated with or employed by a present or former auditor of the Company or any of its Affiliates;
- 1.2.9.8 does not hold a material interest in the Company or its Affiliates (either directly or as a partner, shareholder, director, officer or senior employee of a Person that holds such an interest);
- 1.2.9.9 is not a member of the immediate family (and is not the executor, administrator or personal representative of any such Person who is deceased or legally incompetent) of any individual who would not meet any of the tests set out in 1.2.9.1 to 1.2.9.8. (where he or she is a director of the Company);
- 1.2.9.10 is identified in the annual report of the Company distributed to the shareholders of the Company as an independent director; and
- 1.2.9.11 has not served on the Board for more than ten (10) years.

For purposes of this definition "material interest" shall mean a direct or indirect ownership of voting shares representing or least five per cent (5%) of the outstanding voting power or equity of the Company or any of its affiliates.

- 1.2.10 "Liquidation Event" means any liquidation, winding-up, re-organization, composition with creditors or other analogous insolvency proceedings of the Company, whether voluntary or involuntary, or any petition presented or resolution passed for any such event or for the appointment of an Insolvency practitioner;
- 1.2.11 "Listing" means the admission of shares of the Company to listing on any securities exchange and/or to trading on any public trading market;
- 1.2.12 "MSE" means the Malawi Stock Exchange;
- 1.2.13 "Offering" means any primary or secondary public or private offering of shares of the Company and/or Share Equivalents;
- 1.2.14 "Person" means any individual, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, authority or any other entity whether acting in an individual, fiduciary or other capacity;

- 1.2.15 “RBM” means the Reserve Bank of Malawi, established in terms of the Reserve Bank of Malawi Act, (Cap. 44:02), as amended from time to time;
- 1.2.16 “Registrar’s Directive” means a directive issued by the Registrar of Financial Institutions from time to time under the authority of the Banking Act or the Financial Services Act;
- 1.2.17 “Registered Office” means the registered office of the Company;
- 1.2.18 “Related Party” includes any of the following-
- a) A person who is related to an insider of a licensed institution by marriage or consanguinity to the second degree;
 - b) A legal person in which an insider has a business interest, including as a partner, director, manager or guarantor;
 - c) An individual person for whom an insider is a guarantor;
 - d) A subsidiary of the licensed institution or of an insider;
 - e) A company or undertaking in which at least a ten (10%) percent interest is held by the licensed institution or by the insider;
 - f) A percent company that is under common control with the licensed institution or of an insider.
 - g) A company that is under common control with the licensed institution or of an insider;
 - h) A company that holds at least ten percent (10%) interest of another company in which the licensed or an insider holds at least ten percent (10%) interest;
 - i) A company that has common management or common directors with the licensed institution, an insider, or another related party of the licensed institution; and
 - j) A political party that is controlled by an insider or related party or whose funds or services shall benefit an insider or related party;
- 1.2.19 “Seal” means the common seal of the Company;

- 1.2.20 “Secretary” means any person or persons appointed to perform any of the duties of the Secretary of the Company.
- 1.2.21 “Share Equivalents” means preferred shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable from or which carry a right to subscribe for or purchase, ordinary shares of the Company or any instrument or certificate representing a beneficial ownership interest in the ordinary shares of the Company, including global depository receipts or American depository receipts;
- 1.2.22 “Subsidiary” means with respect to the Company and any Person, on affiliate over fifty percent (50%) of whose capital is owned, directly or indirectly by the Company or the concerned Person.
- 1.3 The index and headings are inserted in these articles for convenience of reference only and shall not affect the construction of these articles.

The Liability of Members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Share capital

3. The present share capital of the Company is MK2, 000, 000.000.00 (Two Billion Million Malawi Kwacha) divided into 4,000,000,000 (Four Billion) ordinary shares of K0.50 (Fifty Tambala) each.

Variation of rights

4. Where any shares are issued with voting rights less favourable than the issued shares, then the designating of those shares shall include the words ‘restricted voting’ or ‘limited voting’, where any preference shares are issued which do not carry voting rights the words ‘non-voting’ will appear in the designation of such shares; all ordinary shares shall have unrestricted right to vote.

Power to issue shares of different classes

5. “Subject to these Articles, but without prejudice to any special rights previously conferred on the holders of the existing shares or class of shares, shares in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors, subject to any ordinary resolution of the Company, may from time to time determine.”

Power to issue redeemable preference shares

6. The directors may, subject to section 112 of the Act, issue preference shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may by ordinary resolution determine the terms, conditions and manner of redemption of any such shares.”

Modification of rights

7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these articles relating to general meetings shall mutatis mutandis apply, but subject to the following provisions:

- 7.1 where a class has only one member, that member shall constitute a meeting;
- 7.2 at any meeting of a class of members, one (1) member of the class present in person or by proxy may demand a poll;
- 7.3 at any meeting of a class of members other than an adjourned meeting, the necessary quorum shall be one (1) member present in person or by proxy, if there are not more than two (2) members of that class, and in any other case shall be two (2) members, present in person or by proxy, holding not less than one-third (1/3) of the total voting rights of that class; and
- 7.4 at any adjourned meeting of a class of members, the necessary quorum shall be one (1) member of that class.

Rights not varied by issue of shares pari passu

8. The rights conferred upon the holder of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Commissions

9. The company may pay any person a commission in consideration for that person-
 - a) subscribing, or agreeing to subscribe for shares, or
 - b) procuring, or agreeing to procure, subscriptions for shares.
- 9.1 Any such commission may be paid-
 - a) in cash, or in fully paid or partly paid shares or other securities or partly in one way and partly in the other, and
 - b) in respect of a conditional or an absolute subscription.
- 9.2 The rate of the commission shall not exceed the rate of five per cent (5%) of the price at which the shares in respect whereof are issued.

Trusts

10. Except as required by law, no person may be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even with notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except when by these article or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof of the registered holder.

Share Certificates

- 11.1 The company shall within two months after allotment or lodgment of transfer (or within such shorter period as the conditions of issue shall provide) issue each member with one or more certificates in respect of the shares which that member holds.
- 11.2 This article does not apply to-
 - a) uncertificated shares;
 - b) shares in respect of which a share warrant has been issued; or
 - c) shares in respect of which the Act permits the company not to issue a share certificate.
- 11.3 Except as otherwise specified in these Articles, all certificates shall be issued free of charge.

- 11.4 No certificate may be issued in respect of shares of more than one class.
- 11.5 If more than one person holds a share, one certificate may be issued in respect of it and delivery of a certificate for a share to one of several joint holders shall be delivery to all such holders.

Contents and Execution of Share Certificates.

- 12.1 Every certificate shall specify-
- a) in respect of how many shares, of what class, it is issued;
 - b) the nominal value of those shares;
 - c) the amount paid up on them; and
 - d) any distinguishing number assigned to them.
- 12.2 Every certificate shall-
- (a) have affixed to it the company's common seal or an official seal, which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a 'securities seal') or
 - (b) be otherwise executed in accordance with the Act.

Consolidated share certificates

- 13.1 Where a member's holding of shares of a particular class increases, the company may issue the member with-
- (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds; or
 - (b) a separate certificate in respect of only those shares by which that member's holding has increased.
- 13.2 When a member's holding of shares of a particular class is reduced, the company shall ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not, in the absence of a request from the member, issue a new certificate if-
- (a) all the shares which the member no longer holds as a result of the reduction; and
 - (b) none of the shares which the member retains following the reduction were, immediately before the reduction, represented by the same certificate.
- 13.3 A member may request the company, in writing, to replace-
- (a) the member's separate certificates with a consolidated certificate; or

- (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.
- 13.4 When the company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.
- 13.5 A consolidated certificate shall not be issued unless any certificates which it shall replace have first been surrendered to the company for cancellation.

Replacement share certificates

- 14.1 Where a certificate issued in respect of a member's share is-
 - (a) damaged or defaced; or
 - (b) said to be lost, stolen or destroyed, the member is entitled to be issued with a replacement certificate in respect of the same shares.
- 14.2 A member exercising the right to be issued with such a replacement certificate-
 - (a) may at the same time exercise the right to be issued with a single certificate or separate certificate;
 - (b) shall return the certificate which shall be replaced to the company if it is damaged or defaced; and
 - (c) shall comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Uncertificated shares

- 15.1 In this article, the 'relevant rules' means-
 - (a) any applicable provision of the Act about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
 - (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.
- 15.2 The provisions of this article have effect subject to the relevant rules.
- 15.3 Any provision of the articles which is inconsistent with the relevant rules shall be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.
- 15.4 Any share or class of shares of the company may be issued or held on such terms, or in such a way that-
 - (a) title to it or them is not, or shall not be, evidenced by a certificate; or

- (b) it or they may or shall be transferred wholly or partially without a certificate.
- 15.5 The directors have power to take such steps as they think fit in relation to-
- (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
 - (b) any records relating to the holding of uncertificated shares;
 - (c) the conversion of certificated shares into uncertificated shares; or
 - (d) the conversion of uncertificated shares into certificated shares.
- 15.6 The company may, by notice to the holder of a share, require the share-
- (a) if it is uncertificated, to be converted into certificated form; and
 - (b) if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with the articles.
- 15.7 Where-
- (a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
 - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument, the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- 15.8 In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re- allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- 15.9 Unless the directors otherwise determine, shares which a member holds in uncertified form shall be treated as separate holdings from any shares which that member holds in certificated form.
- 15.10 A class of shares shall not be treated as two classes of shares simply because some shares are held in certificated form and others are held in uncertificated form.

Share warrants

- 16.1 The directors may issue a share warrant in respect of any fully paid share.
- 16.2 A share warrant shall be-
- (a) issued in such form; and

- (b) executed in such manner as the directors may decide.
- 16.3 A share represented by a share warrant may be transferred by delivery of the warrant representing it.
- 16.4 The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.
- 16.5 Subject to these Articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may-
 - (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed;
 - (b) decide the conditions on which the bearers of warrants are entitled to attend and vote at general meetings;
 - (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and
 - (d) vary the conditions of issue of any warrant from time to time, and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.
- 16.6 Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants.
- 16.7 The company shall not in any way be bound by or recognize any interest in a share represented by a share warrant other than an absolute right of the bearer of that warrant to that warrant.

Company's Lien over partly paid shares.

- 17.1 The company shall have a lien ("the company's lien") over every share which is partly paid for any part of-
 - (a) that share's nominal value; and

- (b) any premium at which it was issued, which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.
- 17.2 The company's lien over a share-
 - (a) takes priority over any third party's interest in that share; and
 - (b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 17.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

Enforcement of the company's lien.

- 18.1 Subject to the provisions of these Articles, if-
 - (a) a lien enforcement notice has been given in respect of a share; and
 - (b) the person to whom the notice was given fails to comply with it, the company may sell that share in such manner as the directors decide.
- 18.2 A lien enforcement notice-
 - (a) may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - (b) shall specify the share concerned;
 - (c) shall require payment of the sum payable within fourteen days of the notice;
 - (d) shall be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
 - (e) shall state the company's intention to sell the share if the notice is not complied with.
- 18.3 Where shares are sold under this article-
 - (a) the directors may authorize any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 18.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied-
- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- 18.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date-
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

Call Notices

- 19.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.
- 19.2 A call notice-
- (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares, whether as the share's nominal value or any amount payable to the company by way of premium;
 - (b) shall state when and how any call to which it relates shall be paid; and
 - (c) may permit or require the call to be paid by installments.
- 19.3 A member shall comply with the requirements of a call notice, but no member is obliged to pay any call before fourteen days have passed since the notice was sent.
- 19.4 Before the company has received any call due under a call notice, the directors may-
- (a) revoke it wholly or in part; or

- (b) specify a later time for payment than is specified in the notice, by a further notice in writing to the member in respect of whose shares the call is made.

19.5 Subject to the terms of allotment, the directors may make arrangements on the issue of shares of different classes for a difference between the holders of the different classes in the amounts and times of payment of calls on their shares, but the directors may not so differentiate between holders of the same class.

Liability to pay calls

- 20.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 20.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 20.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to holders of those shares may require them-
 - (a) to pay calls which are not the same; or
 - (c) to pay calls at different times.

When call notice need not be issued

- 21.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share, whether in respect of nominal value or premium-
 - (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 21.2 Where the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned shall be treated in all respects as having failed to comply with a call notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.

Failure to comply with a call notice: automatic consequences

- 22.1 Where a person is liable to pay a call and fails to do so by the call payment date-
 - (a) the directors may issue a notice of intended forfeiture to that person; and
 - (b) until the call is paid, the person shall pay the company interest on the call from the call payment date at the relevant rate.

- 22.2 For the purposes of this article-
- (a) the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date.
 - (b) the "relevant rate" is-
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
 - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
 - (iii) if no rate is fixed in either of these ways, five percent per annum.
- 22.3 The relevant rate shall not exceed by more than five percentage points the base lending rate most recently set by the Reserve Bank of Malawi.

Advance Payments

23. The directors may, if they think fit, receive from any member willing to advise the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may pay interest upon the monies so paid in advance, or upon so much thereof as from time to time remains in advance of the calls then made upon such shares at such a rate per annum, as may be agreed upon between the directors and the member paying such sum in advance, subject to any directives of the Company in general meeting but such advance payment shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared

Restriction on member

24. Whilst any call or other sum shall be due and payable to the Company in respect of any of the shares held by him, whether alone or jointly with any other person, that member shall not be entitled, in respect of those shares, to receive any dividend or to be present or to vote on any question, wither personally or by proxy, at any general meeting, or upon a poll, or to be recognized in a quorum.

Forfeiture of shares

Notice of intended forfeiture

25. A notice of intended forfeiture-
- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

- (b) shall be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- (d) shall require payment of the call and any accrued interest by a date which is not less than fourteen days after the date of the notice;
- (e) shall state how the payment shall be made; and
- (f) shall state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

Directors' power to forfeit shares

26. If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given be forfeited, and the forfeiture shall include all dividends or other monies payable in respect of the forfeited shares and not paid before the forfeiture.

Notice of forfeiture

27. When any share shall have been so forfeited, notice of forfeiture shall be given to the holder of the share, or the person entitled to the share by transmission, and any entry of the forfeiture, with the date thereof, shall forthwith be made in the register of the Company but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

Sale of forfeited shares

28. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the directors think fit.

Effects of forfeiture

- 29.1 Subject to these Articles, the forfeiture of a share extinguishes-
- (a) all interest in that share, and all claims and demands against the company in respect of it; and
 - (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- 29.2 Any share which is forfeited in accordance with these articles-
- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
 - (b) is deemed to be the property of the company; and
 - (c) may be sold, re- allotted or otherwise disposed of as the directors think fit.

- 29.3 Where a person's shares have been forfeited-
- (a) the company shall send the person notice that forfeiture has occurred and record it in the register of members;
 - (b) the person ceases to be a member in respect of those shares;
 - (c) the person shall surrender the certificate for the shares forfeited to the company for cancellation;
 - (d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest, whether accrued before or after the date of forfeiture; and
 - (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 29.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such terms as they think fit.

Procedure following forfeiture

- 30.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorize any person to execute the instrument of transfer.
- 30.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date-
- (a) is conclusive evidence of the facts stated in it against all persons claiming to be entitled to the share; and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by the law, constitutes a good title to the share; and
- 30.3 A person to whom a forfeited share is transferred shall not be bound to see to the application of the consideration, if any, nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

- 30.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which-
- (a) was, or would have become payable; and
 - (b) had not, when that share was forfeited, been paid by that person in respect of that share.

Provided no interest is payable to such person in respect of such proceeds and the company is not required to account for any money earned on them.

Surrender of shares

- 31.1 A member may surrender any share-
- (a) in respect of which the directors may issue a notice of intended forfeiture;
 - (b) which the directors may forfeit; or
 - (c) which has been forfeited.
- 31.2 The directors may accept the surrender of any such share.
- 31.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 31.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

Transfer of certificated shares

- 32.1 Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of-
- (a) the transferor; and
 - (b) if any of the shares is partly paid, the transferee
- 32.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 32.3 The company may retain any instrument of transfer which is registered.
- 32.4 The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

- 32.5 The directors may refuse to register the transfer of a certificated share if-
- (a) the share is not fully paid or the company has a lien on it;
 - (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed;
 - (c) the transfer is not accompanied by the certificate for the shares to which it relate, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
 - (d) the transfer is in respect of more than one class of share; or
 - (e) the transfer is in favour of more than four joint transferees.
- 32.6 Where the directors refuse to register the transfer of a share, the instrument of transfer shall be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transfer of uncertificated shares

33. A transfer of an uncertificated share shall not be registered if it is in favour of more than four joint transferees.

Transmission of shares

- 34.1 Where title to a share passes to a transferee, the company may only recognize the transferee as having title to that share.
- 34.2 Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

Transferee's rights

- 35.1 A transferee who produces such evidence of entitlement to shares as the directors may properly require-
- (a) may, subject to these Articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - (b) subject to these Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 35.2 A transferee shall not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become holders of those shares.

Exercise of transmittee's rights

- 36.1 Transmittees who wish to become the holders of shares to which they have become entitled shall notify the company of that wish.
- 36.2 If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee shall execute an instrument of transfer in respect of it.
- 36.3 If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee shall-
- (a) procure that all appropriate instructions are given to effect the transfer; or
 - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- 36.4 Any transfer made or executed under this article shall be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

37. If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name had been entered in the register of members.

Procedure for disposing of fractions of shares.

- 38.1 This article applies where-
- (a) there has been a consolidation or division of shares; and
 - (b) as a result, members are entitled to fractions of shares.
- 38.2 The directors may-
- (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;
 - (b) in the case of a certificated share, authorize any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - (c) distribute the net proceeds of sale in due proportion among the holders of the shares.

- 38.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organization which is a charity for the purposes of any written laws.

A person to whom the shares are transferred shall not be obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

- 38.4 The transferee's title to the shares shall not be affected by any irregularity in or invalidity of the process leading to their sale.

Alteration of Capital

Power to increase

39. The company may from time to time by ordinary resolution increase the share capital by additional shares of such sum, to be divided into shares of such amount and of such class as the resolution shall prescribe.

Increase to be offered to Existing Members

40. New shares shall be offered in their first instant, either at par or at a premium, to all existing holders of that class of shares, in proportion as nearly as possible to the amount of the capital or the number of shares of such class held by them respectively, unless the company shall by ordinary resolution before the issue of any new shares make any provisions as to the issue and allotment of the new shares. Where the company by ordinary resolution specifically authorizes the directors to issue the new shares as the directors, in their discretion may think fit, such shares shall be issued within twelve (12) months of such resolution.

New shares to rank with original capital

41. Except as far as otherwise provided by the conditions of issue, or by these articles, the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, surrender and otherwise. Unless otherwise provided in accordance with these articles, the new shares shall be ordinary shares.

Consolidation and Subdivision

42. The company may by special resolution-
- 42.1 consolidate and divide all or any of its shares or share capital into shares of larger amount than its existing shares;

- 42.2 sub- divide its existing shares, or any of them into shares of smaller amount than is fixed by its memorandum of association subject nevertheless to the provisions of **Section 90(3) of the Act**;
- 42.3 Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Reduction

43. The company may subject to **Section 100 of the Act** by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorized, and consent required by law, provided that no share capital of the company may be repaid on the footing that it may be called up again.

General meeting

Place of meeting

44. All general meetings shall be held within Malawi at such times and places as the directors shall determine from time to time.

Annual general meetings

45. The company shall hold a general meeting as its annual general meeting in addition to any other meetings in each year and shall specify the meeting as such in the notices calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting and the next, provided that the company shall after its first meeting hold an annual general meeting within not more than six (6) months after the end of every ensuing financial year. The annual general meeting shall be held at such time and place as the directors shall appoint.

Other meetings

46. All general meetings other than annual general meetings shall be called extraordinary general meetings.

Extraordinary general meetings

- 47.1 The directors may, whenever they think fit, convene an extraordinary general meeting.

- 47.2 The directors shall, on the requisition of any member or members of the Company holding at the date of the deposit of the requisition not less than one – twentieth of the total voting rights of all the members having a right to vote at general meetings of the Company forthwith proceed duly to convene an extraordinary general meeting of the Company.
- 47.3 Should the directors omit to convene an extraordinary general meeting duly requisitioned in accordance with [article 47.2](#) above within twenty one (21) days of the deposit of the requisition the requisitionists or any one of them may themselves convene an extraordinary general meeting, but any such extraordinary general meeting so convened shall not be held after the expiration of three (3) months from the date of the requisition.
- 47.4 An extraordinary general meeting convened by requisitionists in terms of this article shall be convened in the same manner, as nearly as possible, as the general meetings convened by the directors.

Notice of general meetings

Notice and agenda

- 48.1 At least twenty one (21) days written notice shall be given of any general meeting of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business shall be given, in such manner hereinafter mentioned or in such manner if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Act or article of the Company entitled to receive such notices from the Company.
- 48.2 An agenda and accompanying materials setting out the business proposed to be transacted at a general meeting shall be circulated to all persons entitled to attend the meeting at the same time as the notice of the meeting. No business shall be transacted at any general meeting of the Company duly convened and held other than that specified in the notice without the prior consent of all members entitled to attend and vote thereat.
- 48.3 Notwithstanding [article 48.2](#) the Company's previous financial year's audited financial statement shall be sent to all members entitled to attend and vote at least thirty (30) days before the general meeting which is held to approve and adopt such audited financial statements.

Shorter notice

49. A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these articles, be deemed to have been duly called if it is so agreed-
- 49.1. in the case of a meeting called as the annual general meeting by all members entitled to attend and vote thereat; and
 - 49.2. In the case of any other meeting, by a majority in numbers of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety- five per centum (95%) in nominal value of the shares giving that right.
50. Notices of general meetings shall be accompanied by any statements required to be circulated therewith on behalf of members.

Omission

51. The accidental omission to give notice of a meeting to or the non- receipt of a notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at general meetings

Special business

52. All business shall be deemed special if it is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts balance sheets, and the reports of the directors and auditors, the remuneration of and election of directors and the appointment of and fixing of the remuneration of the auditors. Special business will only be transacted by special resolution if required by the Act or these articles; otherwise it will be transacted by ordinary resolution.

Quorum

53. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided in these articles, a quorum shall be two (2) members present in person or by proxy and having the right to attend and vote upon the business to be transacted.

Dissolution and adjournment

54. If within half (1/2) an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same time and place not earlier than ten (10) days but not later than twenty- one (21) days thereafter as the chairman may determine. If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the meeting shall likewise be adjourned to such other day as the same time and same place as the chairman may determine. Provided that if two (2) consecutive meetings of which notice has been duly provided are inquorate, the quorum for the next meeting shall be one (1) member holding not less than 30% of the voting shares of the Company.

Chairman

55. The chairman or failing him the vice chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman or vice chairman, or if they shall not be present within fifteen (15) minutes after the time prescribed for the holding of the meeting or are unwilling to act, the directors present shall choose one of their number to be the chairman of the meeting.
56. If at any meeting no director is willing to act as chairman or if no director is present within fifteen (15) minutes after the time appointed for holding the meeting, the members present and having the right to vote shall choose one of their numbers to be the chairman of the meeting.

Adjournments

57. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than twenty – one (21) days then notice of the adjourned meeting shall be given by advertisement. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Decisions of general meetings

58. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded-
- 58.1. by the chairman; or
 - 58.2. at least two members present and having the right to vote in person or by proxy; or
 - 58.3. by any member or members present and having the right to vote in person or by proxy and representing not less than one twentieth (1/20) of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried unanimously, or by a particular majority, or lost, and on entry to that effect in the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Resolution in writing by members

- 59.1 Subject to the provisions of the Act and **article 59.2**, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being bodies corporate or unincorporated associations, by their duly authorized representatives) shall be as valid and effective as if it had been passed at a general meeting of the Company duly convened and held.
- 59.2 No resolution shall be deemed to have been duly passed by the Company's members by circulation or written consent unless the resolution has been duly circulated in draft form, together with the information required to make a fully informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, to all members of the company at their usual addresses, and has been unanimously approved in writing by the members entitled to vote on the resolution.

Amendment to resolutions

- 60.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if-

- 60.1.1 a notice of the proposed amendment is given to the Secretary in writing by a person entitled to vote at the general meeting at which it shall be proposed not less than forty – eight hours before the meeting is to take place or such later time as the chairman of the meeting may determine; and
- 60.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 60.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 60.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution shall be proposed; and
 - 60.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 60.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error shall not invalidate the vote on that resolution.

Poll

- 61. Except as provided in [article 63](#) if a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Casting vote

- 62. In the case of an equality of votes, whether on show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

When poll taken

- 63. A poll on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

Voting of members

Right to vote

64. Subject to any rights or restrictions for the time being attached to any classes of shares, on a show of hands every member present in person or represented by proxy shall have one (1) vote, and on a poll every member present or represented by proxy shall have one (1) vote for each share of which he is the registered voter.

Voting shares in different ways

65. On a poll, votes may be given either personally or by proxy. A member having more than one (1) share carrying voting rights may appoint separate proxies to represent respectively such number of shares held by him as may be specified by him in their instrument of appointment.

Joint holders

66. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which their names stand in the register of members.

Calls on arrears

67. No member having the right to vote shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Objection to vote

68. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

Votes by proxy

69. On a poll, votes may be given either personally or by proxy.

Proxy to be in writing

70. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorized in writing, or, of the appointer is a body corporate, either under seal, or under the hand of an officer duly authorized. A proxy need not be a member of the Company.

Instrument of proxy to be deposited

- 71. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office or at such other place within Malawi as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting or not less than twelve (12) hours before the time for holding an adjourned meeting of less than seven(7) days at which the person named in the instrument proposes to vote.
- 72. An instrument appointing a proxy shall be in the following form or a form as near as circumstances admit

**Form of Proxy
NBS Bank plc**

I/Weof.....(address)
 being a member / members of the abovenamed Company, hereby appoint.....
 of.....of failing him.....
 of.....as my/ our proxy to vote for me/ us on my/ our
 behalf at the (annual or extraordinary, as the case may be) general meeting of the company, to be held on
 the.....day of.....20.....
 and at any adjourned meeting thereof.

This form to be used:

In favour of

*.....Resolution no.....

Against

In favour of

*.....Resolution no.....

Against

In favour of

*.....Resolution no.....

Against

Unless otherwise instructed, the proxy will vote as he thinks fit.

*.....Resolution no.....

- Strike out whichever is not desired.

A proxy need not be a member of the Company

Proxy may demand a poll

73. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Revocation of authority

74. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, bankruptcy, liquidation or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, bankruptcy, liquidation, revocation or transfer as aforesaid shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
75. Even after the giving or lodging of notice of revocation of power of attorney, the Company shall be entitled to give effect to any instrument signed under power of attorney and certified by any officer of the Company as being in order before the giving or lodging of such notices of revocation.

Corporations acting by representatives at meetings

76. Any body corporate or unincorporated association which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the body corporate or unincorporated association which he represents as that body corporate or unincorporated association could exercise if it were an individual member of the Company.

Class meetings

77. The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

Directors

Number

- 78.1 The number of directors comprising the board of the Company shall be not less than six (6) and not more than ten (10) and shall be fixed by the board of directors within this limit from time to time.

- 78.2 At all times at least sixty (60) per centum of the directors shall be Independent Non-Executive Directors.
- 78.3 Subject to applicable written law any member who holds ten percent (10%) or more in nominal value of issued share capital of the Company shall be entitled to appoint, remove and/ or replace one (1) director in respect of his/ its every ten percent (10%) holding in the equity shares of the Company (with no rounding up).

Remuneration

- 79.1 The remuneration of non- executive directors of the Company shall be such sum as shall be decided by the Company in general meeting and such remuneration shall be deemed to accrue from day to day.
- 79.2 Executive directors of the Company shall receive such remuneration (whether by way of salary, commission or participation in profits, pensions or otherwise) as the board of directors may determine. Such remuneration shall be confirmed by the Company in general meeting.
- 79.3 The Company shall reimburse any director reasonable travelling, hotel and other expenses properly incurred by the director in attending and returning from meetings of the directors or any committee of the directors or general meeting of the Company or **in connection with the exercise of their powers and the discharge of their responsibilities in relation to the business of the Company.**

Special remuneration

80. Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of a disinterested quorum of directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration as a disinterested quorum of the directors may determine.

Qualification

81. The shareholding qualification of a director may be fixed by the Company in general meeting and unless and until so fixed, no qualification shall be required.

Holding office in subsidiary companies

82. A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a member, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of or from his interest in, such other company unless the Company otherwise directs.

Provided that if a director shall be or become a director and/ or an employee of a subsidiary company, the appointment and the terms thereof and the remuneration payable shall be determined by a disinterested quorum of Directors.

Borrowing Powers

83. The directors may from time to time at their discretion and in accordance with the Banking Act, the Financial Services Act, and the Registrar's Directives raise and borrow or secure the payment of any sum or sums of money for the purposes of the Company, save that the directors shall procure that the aggregate amount for the time being remaining undischarged of moneys borrowed by the Company and its subsidiaries (exclusive of inter- company borrowing and apart from temporary loans obtained from the Company's bankers and deposits received from the public in the ordinary course of banking business) shall not, without the sanction of the Company in general meeting by ordinary resolution, exceed such percentages in relation to the issued share capital and reserves of the Company as the Registrar's Directives may specify from time to time, and the directors will procure that the aggregate amount at any time owing in respect of monies borrowed by the Company (including creditors) will not exceed the said limit, but nevertheless, no lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed.

Powers and duties of directors

Powers and duties

- 84.1 Subject to these Articles, the business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting.
- 84.2 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 84.3 No resolution made by the Company in general meeting which restricts the powers and duties of the Company directors shall invalidate any prior act of the directors which would have been valid if that resolution had not been made.

Company to comply with principles of corporate governance, the Banking Act, the Financial Services Act and the Registrar's Directives.

85. The directors shall ensure that the Company complies generally with the principles of corporate governance, the Banking Act, the Financial Services Act and the **Registrar's Directives**.

Disposal of assets

86. Subject to any consent that may be required under the Banking Act, the Financial Services Act and the **Registrar's Directives**, the directors shall have power to enter into a provisional agreement for the sale or other disposition of all or the major portion of the assets of the Company, but any such provisional agreement shall require ratification by the Company in general meeting in accordance with **Section 160 of the Act**.

Powers of attorney

87. The directors may from time to time and any time by powers of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the agent or agents of the Company for such purposes, **to such an extent** and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions and **for such matters or territories** as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent as the directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

Branch Register

88. The Company may exercise the powers conferred upon the Company by **sections 145** of the Act with regard to the keeping up of a branch register, and the directors may (subject to the provision of those sections) make and vary such regulations as they think fit in respect of the keeping of any such register.

Contracts

89. A director who is in any way, whether directly or indirectly, interested in any contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors, in accordance with **sections 182 and 187** of the Act.

Subject to the other provisions of these articles, a director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so, his vote shall not be counted, nor shall he be counted in computing the quorum present at the meeting, but neither prohibitions shall apply to-

- (a) Any arrangement for giving the director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) Any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
- (c) Any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself has assumed responsibility in whole or in part under guarantee or indemnity or by deposit of a security;

And these prohibitions may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract arrangement or transaction by the Company in general meeting.

90. A director may hold any other office or place of profit under the Company (other than that of the auditor) in conjunction with his office of director for such terms (as to remuneration and otherwise) as the directors or a committee of at least a quorum of disinterested directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit, or as a vendor, purchaser, or otherwise, nor shall any such contract, or any contract, or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.
91. A director may not be counted in the quorum present at any meeting at which he or any other director is appointed to hold any such office or place of profit in the Company or at which meeting the terms of such appointment are arranged, and he may not vote at any such appointment or the arrangement of the terms thereof.

92. If at any meeting of the directors or committee of directors, the appointment of the terms thereof or the remuneration of a director in his capacity as an employee or in his capacity as a director and/ or an employee of a subsidiary company shall be considered, such director shall not be counted in the quorum present and shall not be entitled to vote in respect of any such business so considered.
93. Any director may, if permitted by a meeting of directors in which he did not participate or vote, act by himself or on behalf of his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services rendered as if he were not a director provided that nothing herein contained shall authorize the director or his firm to act as auditor to the Company.

Signing of cheques, etc

94. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed drawn accepted, endorsed or otherwise executed, as the same may be, in such manner as the directors shall from time to time by resolution determine.

Minutes

95. The directors shall cause minutes to be made in books provided for the purpose-
- 95.1. of all appointments of officers made by the directors;
 - 95.2. of the names of directors present at each meeting of the directors and of any committee of the directors;
 - 95.3. of all resolutions and proceedings at all meetings of the Company, and of the directors and of committees of directors.

Disqualification of directors

96. The office of a director shall be vacated if a director-
- 96.1. ceases to be a director by virtue of any provision of the Act; or
 - 96.2. becomes bankrupt or makes any arrangement or composition with his creditors generally, or assigns his estate; or

- 96.3. becomes prohibited or disqualified from being a director in terms of Section 164(2) (e) of the Act, the Banking Act, the Financial Services Act, or the Registrar's Directives; or
- 96.4. is lawfully declared to be determined to be unfit or not proper to hold such office in terms of the Registrar's Directives; or
- 96.5. becomes of unsound mind or physically incapable of acting as a director and remains so for more than three months
- 96.6. resigns his office by notice in writing to the Company; or
- 96.7. has been convicted of an offence involving dishonesty or fraud (including forgery, perjury, money laundering or any similar offence); or

Disqualification of directors (continued)

- 96.8. has been removed from office at a licensed institution pursuant to a directive by the Registrar of Financial Institutions;
- 96.9. is disqualified or suspended from practicing any profession on the grounds of professional misconduct;
- 96.10. subject to article 96.13. serves as a director and/ or audit committee member of or is employed (directly or indirectly) by an institution licensed under the Banking Act (other than the Company, the Company's subsidiaries or associates)
- 96.11. who was appointed by virtue of being an executive pursuant and ceases to hold such executive office for any reason whatsoever; or
- 96.12. shall have been absent for more than three (3) consecutive meetings of the directors without permission or without reasonable explanation.
- 96.13. Article 96.10 will only apply to existing directors sixty (60) days after the date of adoption of these articles by the Company.

Rotation of directors

Rotation by retirement

97. At the annual general meeting of the Company in every year, one third (1/3) of the directors, or, if their number is not a multiple of three, then the number nearest to one third (1/3), shall retire from office.

Directors to retire

98. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become directors on the same day, those who retire shall (unless they otherwise agree among themselves) be determined by lot.

Retiring director eligible

99. A retiring director shall be eligible for re- election

Persons eligible for election

100. No person other than a director retiring at the meeting (unless recommended by the directors) shall be eligible for election to the office of director at any general meeting unless not less than three (3) and not more than seven(7) days before the date appointed for the meeting there shall have been left or received by fax at the Registered Office notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to serve in that capacity if elected.

Directors to be appointed separately

101. At a general meeting, a motion for the appointment of two (2) or more persons as directors of the Company by a single resolution shall not be made, unless a resolution that it shall be made has first been agreed to by the meeting without any vote being against it.

New Directors to be approved in terms of the Registrar's Directives

102. Notwithstanding anything contained in these articles, where a new director is appointed by the Company, such a person shall not serve as a director until and unless prior written approval has been obtained from the Registrar in terms of the Banking Act, the Financial Services Act, and relevant Registrar's Directives. Where such approval is not obtained within sixty (60) days then the director shall be deemed to have been disqualified and a casual vacancy shall be deemed to have arisen.

Vacated office may be filled

103. The Company, at the meeting at which a director retires in the manner aforesaid, may fill the vacated office by electing a person thereto, and in default the retiring director shall if offering himself for re- election be deemed to have been re- elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re- election of such director shall have been put to the meeting and lost.

Number of directors may be increased or reduced

104. Subject to article 78.1 the Company may from time to time by ordinary resolution increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office. If not so determined, the rotation, the rotation of the increased or reduced number shall be determined in accordance with the provisions of article 97 and 98 hereof.

Casual vacancy

105. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but the total number of directors shall not at any time exceed the number fixed in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re- election but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

Power to remove directors

106. The Company may by ordinary resolution, of which special notice has been given in accordance with section 169 of the Act, remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of contract of service between him and the Company.

Company may appoint additional directors

107. The Company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding articles, and without prejudice to the powers of the directors under article 105, the Company in general meeting may appoint any person to be a director either to fill a casual vacancy or as an additional director. A person appointed in place of a director removed under article 106 shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

Proceedings of directors

Meetings of directors

108. The directors may, whenever they think fit, meet together for the dispatch of business, adjourn and otherwise regulate their meetings. The directors shall meet at least once every three (3) months in each Financial Year. Any two directors may at any time request in writing to the Secretary to summons a special meeting of the directors for any cause that seems to be sufficient. Upon receipt of such a request together with the proposed general nature of the meeting, the Secretary shall, after consulting the other directors, summons a meeting. All meetings shall be held in Malawi at such times and places as the directors shall determine from time to time. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

Notice and Agenda

109.1 Unless a longer notice is required in terms of these articles or any other statutory provision, at least seven (7) days written notice shall be given of a meeting of the directors. The notice shall be sent to the directors and such other persons as are, under the Act or these Articles, entitled to receive such notices, addressed to the respective address notified from time to time by the directors, their alternates, if any, and any such entitled person and shall be exclusive of the day on which it is served or deemed to be served and of the day of which it is given, and shall specify the place, the day and the hour of the meeting.

Provided that where, exceptionally, the board of directors is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, such notice requirements may be waived with the unanimous approval of all directors entitled to attend the subject meeting.

109.2 An agenda setting out in detail the items of business proposed to be transacted at a meeting of the directors together with the necessary information and supporting documents shall be circulated to each of the directors and their alternates, if any, at the same time as the notice of the relevant meeting is circulated.

Provided that where, exceptionally, the board of directors is required to make a decision in circumstances in which the foregoing agenda requirements cannot be observed, such requirement to circulate agenda information and documents may be waived with the unanimous approval of all directors entitled to attend the subject meeting.

Shorter notice

110. A meeting of the directors shall, notwithstanding that it is called by shorter notice than that specified in these articles be deemed to have been duly called if it is so agreed by all the directors entitled to attend.

Quorum

- 111.1 The quorum necessary for the transaction of business of a director's meeting shall be a majority of the directors then in office including at least an independent Non-Executive Director.
- 111.2 If within thirty (30) minutes from the time appointed for the meeting of the directors a quorum is not present, the meeting shall be adjourned to the same time and same place not earlier than ten (10) days but not later than twenty one (21) days thereafter as the chairman may determine. The quorum requirement as stipulated in article 111.1 shall apply to such adjourned meeting.
- 111.3 Any director shall be entitled to participate in a meeting of the directors, at which he or she is not physically present, by telephone or video conference or similar electronic means and the chairman of the meeting shall ensure that such directors' observations are duly recorded in the minutes of the meeting. A director participating in a meeting by telephone or video conference or similar electronic means shall be counted as present for purposes of quorum.

Decisions at directors meetings

112. At any meeting of directors, a resolution put to vote of the meeting shall be decided on a show of hands and each director, or his alternate, present shall be entitled to one vote.

Directors may act notwithstanding vacancy

113. The continuing directors or director may act notwithstanding any vacancy in their body, but if, and so long as, their number is reduced below the number fixed by or pursuant to these articles as the minimum number of directors, the continuing directors or director may only act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

Chairman

114. The directors may elect a chairman of their meeting and determine the period not exceeding one (1) year for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

Power to delegate

- 115.1 The directors may delegate any of their numbers to committees as may be required from time to time in terms of, amongst others, the Act, the Financial Services Act, the Banking Act and the **Registrar's Directives**, consisting of such member or members of their body as they may think fit. Provided that every committee shall have at least one Independent Non-Executive Director.
- 115.2 At the very least the board of directors shall always have the following committees-
- 115.2.1. finance and audit committee;
 - 115.2.2. appointments and remuneration committee;
 - 115.2.4. credit committee
 - 115.2.5. risk committee
- 115.3 The provisions on the notice of meetings of directors, quorum of meetings of directors, adjournments of meetings of directors and written resolutions of directors apply to the meetings and decisions of the committee *mutatis mutandis*.
116. A committee may elect a chairman of its committee, but if no such chairman is elected, or at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting. The chairman of any such committee shall not have a second or casting vote.
117. Any committee formed in terms of **article 115** shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it in terms of the **Registrar's Directives** and or by the directors.

Validity of acts

118. All acts done by any meeting of the directors or of a committee of directors or by any person acting as director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if such person had been duly appointed was qualified to be a director.

Signed resolution

- 119.1 A director's resolution signed by all the directors for the time being entitled to receive notice of a meeting shall be as valid and effectual as if it had been passed at a meeting of directors duly convened and held.
- 119.2 No resolution of the directors shall be deemed to have been duly passed by circulation or written consent, unless the resolution has been circulated in draft form, together with the information required to make a fully informed, good faith decision with respect to such decision and appropriate documents required to evidence passage of such resolution, if any, to all directors entitled to receive notice of a meeting of directors at their usual addresses, and has been unanimously approved in writing by such directors.

Managing Director and executive directors

Power to appoint Managing and Executive Director

120. The directors may from time to time appoint under contract executive directors including the managing director, the finance director and such other executive directors as may be required or permitted in terms of the **Registrar's Directives**, for a period not exceeding five years, and may from time to time renew such appointment for a period or periods not exceeding five years on such terms as they may think fit, and, subject to terms of any agreement entered into in any particular case, may revoke such appointment. A director so appointed shall be subject to retirement by rotation except during the period of the contract.

Remuneration of managing director and executive directors

121. The remuneration of the managing director and executive directors shall be fixed in accordance with **article 79.2**.

Pensions

122. The directors, on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company, or to his widow or dependents, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Powers of executive directors

123. The directors may entrust to and confer upon executive directors any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit, and either collectively with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary any of such powers.

Secretary

Appointment

124. The Secretary shall be appointed by the Directors for such terms, at such remuneration and upon such conditions as they think fit, and any Secretary so appointed may be removed by them.

Disqualification

125. A provision of the Act or these articles requiring or authorizing a thing to be done by or to a director and by or to a Secretary shall not be satisfied by its being done by or to the same person acting both as director and, or in place of, the Secretary.

The Seal

- 126.1 Any common seal may only be used by the authority of the directors.
- 126.2 The directors may decide by what means and in what form any common seal or securities seal shall be used.
- 126.3 Unless otherwise decided by the directors, every instrument to which the common seal of the Company shall be affixed shall be signed by at least one director and the Company Secretary or in his/her absence any person authorized by the directors for the purpose of signing documents to which the common seal is applied.
- 126.4 If the Company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorized by a decision of the directors.
- 126.5 If the Company has a securities seal, it may only be affixed to securities by the company secretary or a person authorized to apply it to securities by the company secretary.

- 126.6 For the purposes of these Articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on it or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

Dividends and reserve

Declaration of dividends

- 127.1 The final dividends may only be declared by the Company by **ordinary resolution** in general meeting on the recommendation of the directors, but no dividend shall exceed the amount recommended by the directors.
- 127.2 A dividend shall not be declared unless the directors have made a recommendation as to its amount. Such a dividend shall not exceed the amount recommended by the directors.
- 127.3 No dividend may be declared or paid unless it is in accordance with member's respective rights.
- 127.4 Unless the members' resolution to declare or director's decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it shall be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- 127.5 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

Directors' powers to declare interim dividends

128. The directors may from time to time declare and pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company. If such interim dividend is paid prior to the publication of the annual accounts, the dividend notice given to members will contain a statement of the ascertained or combined net trading profits of the Company or group for the year, and any abnormal receipts or payments, detail appropriation of those profits and also particulars of any amounts appropriated from reserves, capital profits, accumulated profits of the past years or other special source, to provide wholly or partly for the dividend.

129. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
130. If the directors act in good faith, they shall not incur any liability to the holders of shares conferring preferential rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Directors' powers to declare interim dividends (continued)

131. If the directors do not recommend a dividend on any class of quoted shares for any year, then the directors shall notify the secretary to the MSE.

Calculation of dividends

- 132.1 Except as otherwise provided by these Articles or the rights attached to share, all dividends shall be-
- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
 - (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 132.2 If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.
- 132.3 For the purposes of calculating dividends, no account shall be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

Payment of dividends

133. No dividend shall be paid otherwise than out of profits and in accordance with the provisions of the Act.
134. Any dividend or interim dividend shall be expressed to be payable to persons registered at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the latter, as the holders of the shares in respect of which the dividend is declared, notwithstanding that such persons may not be so registered on the date of the decision. A period of fourteen (14) days at least shall be allowed between the date of declaration or date of confirmation of the dividend, whichever is the later, and the date of the closing of the share register in respect of such dividend.

- 135.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it shall be paid by one or more of the following means:
- a) transfer to a bank account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share) or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 135.2 In these Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable-
- (a) the holder of the share;
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

Reserve fund

136. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves, which shall, at the discretion of the directors be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at their discretion, either be employed in the business of the Company or be invested in such investments (other than the shares of the Company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute.

Authority to capitalize and appropriation of capitalized sums

- 137.1 The directors may, if so authorized by an ordinary resolution-
- (a) decide to capitalize any profits of the Company whether or not they are available for distribution, which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

- (b) appropriate any sum which they so decide to capitalize (a "capitalized sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- 137.2 The sums capitalized under paragraph (1), shall be applied-
 - (c) on behalf of the persons entitled; and
 - (d) in the same proportions as a dividend would have been distributed to them.
- 137.3 Any capitalized sum may be applied in paying up new shares of a nominal amount equal to the capitalized sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 137.4 A capitalized sum which was appropriated from profits available for distribution may be applied-
 - (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled;
 - (b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct;
- 137.1 Subject to these Articles, the directors may-
 - (a) apply capitalized sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article including the issuing of fractional certificates or the making of cash payments; and
 - (c) authorize any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

Right to dividend and apportionment

138. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated as for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for the dividend as from a particular date such share shall rank for the dividend accordingly.

Reduction of debts due to company

139. The directors may deduct from any dividend or bonus payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares (other than fully paid shares) of the Company.
140. If-
- (a) a share is subject to the company's lien; and
 - (b) the directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.
141. The sums of money deducted shall be used to pay any of the sums payable in respect of that share.
142. The Company shall notify the distribution recipient in writing of-
- (a) the fact and amount of any such deduction;
 - (b) any non- payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
 - (c) how the money has been applied.

Distribution of assets or shares

- 143.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non- cash assets of equivalent value including, without limitation, shares or other securities in any company.
- 143.2 If the shares in respect of which such a non- cash distribution is paid are uncertificated, any shares in the Company which are issued as a non- cash distribution in respect of them shall be uncertificated.

- 143.3 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution-
- (a) fixing the value of any assets;
 - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - (c) vesting any assets in trustees.

Interest

144. No dividend shall bear interest against the Company unless otherwise provided by-
- (a) the terms on which the share was issued; or
 - (b) the provisions of another agreement between the holder of that share and the Company.

Waiver of distributions

145. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if-
- (a) the share has more than one holder; or

Waiver of distributions (continued)

- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

Unclaimed dividends

146. Any dividend, interest or other monies payable to a member in cash in respect of shares which shall remain unclaimed for twelve (12) years from the date upon which such monies are payable shall become the property of the Company.

Accounting records

147. The directors shall cause proper accounting records to be kept with respect to-
- 147.1 all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - 147.2 all assets and liabilities of the Company.
148. The accounting records that the directors shall keep shall:

- (a) correctly record and explain all transactions of the Company;
- (b) at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- (c) enable the financial statements of the Company to be readily and properly audited.

149. The accounting records shall be kept at the registered office of the Company, or, subject to section 180 of the Act, at such other place or places in Malawi as the directors think fit, and shall always be open to the inspection of any director.

General reporting requirements

150. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspection of any account or book or document of the Company except as conferred by any statutory law or authorized by the directors or by the Company in general meeting.

Annual accounts and balance sheet

151. The directors shall from time to time, in accordance with sections 251, 252, 253, 255 and 256 of the Act cause to be prepared and to be laid before the Company at each annual general meeting such profit and loss account and balance sheet as are referred to in those sections.

152. If the Company is a holding company as defined in the Act, the directors report attached to each annual balance sheet issued by the Company pursuant to the Act shall disclose full details of all resolutions passed at extraordinary general meetings of the Company's subsidiary companies since the date of the directors report attached to the previous annual balance sheet of the company.

Copy of accounts to be sent to members, MSE and RBM

153. A copy of every profit and loss account and balance sheet (inclusive of every document required by the Act to be annexed thereto) and the directors annual report which is laid before the Company at the annual general meeting, together with a copy of the auditor's report shall be sent-

- (a) not less than twenty- one (21) days before the date of the meeting to every member and every holder of debenture of the Company;

- (b) to the secretary of MSE (in triplicate) at the same time when it is sent to the members)
- (c) to the RBM in terms of the Banking Act.

Provided that this article shall not require a copy of such documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares, stock or debentures.

Appointment of auditors.

- 154.1 The Company shall appoint auditors at the annual general meeting.
- 154.2 The duties of the auditors **and all aspects relating to their involvement with the Company** shall be regulated in accordance with the Act, the Banking Act and the **Registrar's Directives**.

Notices

- 155.1 A notice may be given by the Company to any member either personally or by sending it by post to such member or to the member's registered address on the register of members. Any notice shall be in writing and may be given by sending the same in a prepaid letter by post or recorded personal delivery to the member concerned at the address given on the register of members.
- 155.2 A notice may be given by the Company to joint holders of a share by giving notice to the joint holder first named in the register of members in respect of the share.
- 155.3 A notice may be given by the Company to the persons entitled to a share in consequence of death, bankruptcy or receivership of a member by sending it through the post in a letter addressed to them by name or by title of the representative of the deceased, trustee of the insolvent, receiver of a corporate member or assignee of a member, or by any like description, at the address if any, supplied for the purpose by the persons claiming to be so entitled or (until such address has been supplied) by giving the notice in any manner in which the same might have been given if death, bankruptcy or receivership had not occurred.
- 155.4 Notice of every general meeting shall be given in any manner authorized by these articles to-
 - (a) Every member of the Company;

- (b) Every person upon whom the ownership of a share devolves by reason of his being the legal representative, trustee in bankruptcy, receiver of a corporate member, or assignee of a member having the right to vote where the member but for his death, bankruptcy or receivership would be entitled to receive notice of the meeting;
- (c) every director of the Company
- (d) the secretary
- (e) the auditor for the time being of the Company; and
- (f) the secretary of the MSE at the same time when it is given to the members.

155.5 No other person shall be entitled to receive notices of general meetings.

155.6 All members of the Company (including all joint holders of shares and person entitled to a share in consequence of death, bankruptcy or receivership of a member) shall register with the Company an address in Malawi or outside Malawi for the service of notices.

156 Any notice required to be given by the Company to the members or any of them shall also be given by advertisement which is inserted in at least one (1) national daily newspaper, and such notice shall be sufficiently given by such advertisement. Any notice given by advertisement shall be deemed to have been served before noon on the day on which the advertisement appears.

Failure to notify contact details

- 157.1 If-
- (a) the Company sends two consecutive documents to a member over a period of at least twelve months; and
 - (b) each of these documents is returned undelivered, or the Company receives notification that it has not been delivered, that member ceases to be entitled to receive notices from the Company.
- 157.2 A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again by sending the Company:
- (c) a new address to be recorded in the register of members; or
 - (d) if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively.

Winding up

158 The winding up of the Company shall be done following the provisions of section 25 and Part IV of the Banking Act.

Indemnity

- 159.1 Subject to paragraph 2 of this article, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against-
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
 - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme; and
 - (c) any other liability incurred by that director as an officer of the Company or an associated company.
- 159.2 This article shall not authorize any indemnity which would be prohibited or rendered void by any provision of the Act or by any other law.
- 159.3 In this article-
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - (b) a "relevant director" means any director or former director of the Company or an associated company.

Untraced members

160 The Company shall be entitled to sell any share of a member or any share to which a person is entitled by transmission or bankruptcy if and provided that-

- (a) for a period of twelve (12) years no cheque or warrant sent by the Company through the post in prepaid letter addressed to the member, or to the person entitled by transmission or bankruptcy, at his address on the register or the last known address given by the member, or the person so entitled by transmission or bankruptcy, to which cheques, dividends and warrants are to be sent, has been cashed and no communication has been received by the Company from the member, or the person so entitled by transmission or bankruptcy, and during such period at least three dividends in respect of the shares in question have been paid by the Company.

- (b) The Company has at the expiration of the said period of twelve (12) years by advertisement in a national daily newspaper given notice of its intention to sell the shares;
- (c) The Company has not during the further period of three (3) months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled to transmission; and
- (d) The Company has first given notice in writing to MSE or its successor of its intention to sell such shares.

161 To give effect to any such sale as provided in **article 160**, the Company may appoint any person to execute as transferor an instrument of transfer of such shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder or the person entitled by transmission or bankruptcy to such shares. The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company, and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company) as the directors may from time to time think fit. No interest shall be payable in respect of the proceeds and the Company shall not be required to account for any money earned on the same.

Destruction of documents

- 162.1 The Company shall be entitled to destroy-
- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;
 - (b) all dividend mandates, variations or cancellations of dividend mandates, and notification of change of address, from two years after they have been recorded;
 - (c) all share certificates which have been cancelled from one year after the date of cancellation;
 - (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
 - (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.

- 162.2 If the Company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that-
- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
 - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
 - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
 - (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.
- 162.3 This article shall not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- 162.4 In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

Provision for employees on cessation of business

163. The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, other than a director or former director or shadow director, in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

Insurance

- 164.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.
- 164.2 In this article-
- (a) a "relevant director" means any director or former director of the Company or an associated company;
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated

company or any pension fund or employees' share scheme of the Company or associated company;
and

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.



NBS Bank

Your Caring Bank

 A member of the NICO Group

NBS Bank plc
("the Company")

Company registered number 6614

PROXY FORM

(Article 77)

(For use at the 15th Annual General Meeting)

I/We
 of
 (address), being a member/members of the above named company, hereby appoint of
 or failing him
 of as my/our proxy to vote for me/us on my/our
 behalf at the General Meeting of the Company to be held on the,
 2019 at, Malawi and at any adjournment thereof.

This form is to be used:-

- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number
- * In favour of/against Resolution Number

Unless otherwise instructed, the proxy will vote as he/she thinks fit.

Date: Signed:

* Strike out whichever is not desired.

A PROXY NEED NOT BE A MEMBER OF THE COMPANY

Registered Offices:

NBS House
Corner Masauko Chipembere Highway/
Johnstone Road
Ginnery Corner,
Blantyre
MALAWI

A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or more than one proxy) to attend and vote in his/her stead. A proxy need not be a member of the company.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company Secretary's Office (Registered Office – NBS House), not less than forty eight (48) hours before the time for holding the meeting or not less than twelve (12) hours before the time of holding an adjourned meeting of less than seven (7) days at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.





NBS Bank

Your Caring Bank

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NBS Bank PLC

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