

PRIMA REINSURANCE PLC

MINUTES OF THE 15TH EXTRAORDINARY GENERAL MEETING OF MEMBERS OF PRIMA REINSURANCE PLC HELD VIA ZOOM TELECONFERENCING ON THURSDAY, 30TH APRIL 2020 AT 10:02 HOURS

PRESENT

Mrs Joyce Muwo- Mwansa	Chairperson
Mrs Exhilda Lumbwe	Managing Director

SECRETARY

Ms Chomba Mwale	For Choice Corporate Services Ltd
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IN ATTENDANCE

Mr Owen Munthali	Chief Operations Officer
Mr Chama Chipulu	Finance Manager
Ms Alice Tembo	Messrs Deloitte & Touche
Mr Charles Mate	Stockbrokers Zambia Limited
Mr Jack Kanyanga	Stockbrokers Zambia Limited
Ms Mukuka Mapemba	Stockbrokers Zambia Limited
Mr Boniface Mwamba	Stockbrokers Zambia Limited
Ms Gertrude Buyungwe	Securities and Exchange Commission
Ms Abigail Ngosa	National Pensions Scheme Authority
Mr Kasongo Kamfwa	Messrs Wilson & Cornhill
Mr Chama Nonde	Share Track
Mr Katongo Mapemba	Share Track
Ms Maline Mayambo	Share Track

1. ELECTION OF CHAIRPERSON

That as the substantive Chairman of the Board Mr David Kombe was unable to attend meeting, therefore a non-executive Director, Mrs Joyce Muwo-Mwansa presided and chaired the meeting.

2. NOTICE

The Notice dated 24th February 2019 convening the meeting was taken as read.

3. PROXIES

The Secretary tabled the Proxies as per attached list.

4. QUORUM

The Secretary confirmed that the Members present constituted a quorum as required by Article 43 (3) of the Company's Articles of Associations.

The Chairperson declared the meeting quorate and duly constituted.

5. MINUTES

Minutes of the 14th Annual General Meeting held on 24th May 2019 were approved as true and correct record of the proceedings and signed by the Chairperson.

6. AUDITED FINANCIAL STATEMENTS FOR 2019

6.1 Mrs Tembo from the Auditor, Messrs Deloitte & Touche presented the auditor's opinion and was of the view that the financial statements gave a true and fair view of the Financial position of Prima Reinsurance Plc, as at 31st December, 2019.

6.1.1 Mr Mundia asked what the Auditor's views were relating to improvements in credit risk attributable to reduction in the credit provisions. In response, Mrs Tembo stated that the Auditors were satisfied with the accuracy of the model pertaining to IFRS 9 standard which was adopted in 2018 and being maintained by the Company.

Furthermore, that the auditors had a meeting with the expert who developed the model and therefore concluded that the provision was sound.

6.2 The Finance Manager presented the audited Financial Statements for the year ended 31st December 2019.

6.2.1 In response to queries by Mr Kabaso on what the Company's market share in Zambia was and which countries constituted the Company's international business, Mr Munthali stated that the Company held a market share of 51% and that the majority of international business was underwritten in Botswana, Kenya, Malawi, Zimbabwe and Mozambique.

6.2.2 Additionally, Mr Kabaso inquired on who the Company's major debtors were and what management was doing to mitigate debtors' risk. Mr Munthali stated that the major debtors included African Grey Limited, A Plus Insurance Limited, Madison General Insurance Limited and Swan Insurance Limited.

Further, Mr Chipulu added that Management was only underwriting on a cash basis and had entered into premium warranties with the above mentioned insurance companies.

6.2.3 Mr Mundia inquired on what attributed to the increase in insurance receivables from ZMW41, 515,310 in 2018 to ZMW43, 100,300 in 2019. Mrs Lumbwe stated that debtors were a challenge to the whole insurance industry so much so that the PIA had undertaken to help resolve this challenge.

6.3 It was **RESOLVED:**

THAT the Chairperson's Statement, the report of the Auditors and audited Financial Statements for the year ended 31st December 2019, be and they are hereby received and adopted.

The motion was proposed by Mr Elijah Kabaso and seconded by Mr Mundia Mundia.

7. DECLARATION OF DIVIDEND

7.1 The Chairperson informed the meeting that the Directors had recommended that a Dividend in the sum of ZMW 0.07 per share be declared for the year ended 31st December, 2019.

7.2 It was **RESOLVED:**

THAT as recommended by the Board of Directors, a Dividend in the sum of ZMW 0.07 per share be and is hereby declared for the year ended 31st December, 2019 to be paid on or before 5th June, 2020 to Shareholders standing in the Register of Members as at 22nd May, 2020.

The motion was proposed by Mr Mundia Mundia and seconded by Ms. Zita Mukelabai.

8. RE-APPOINTMENT OF AUDITORS

It was **RESOLVED:**

THAT Messrs Deloitte and Touche, having expressed their willingness to continue in office, be re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that their remuneration be fixed by the Directors.

The motion was proposed by Mr. Musonda Kombe and seconded by Mrs. Mubanga Lumbwe Chonta.

9. APPOINTMENT OF A DIRECTOR

9.1 The Members were informed that as Mrs Dorothy Soko had resigned from the Board of Directors, NAPSA had nominated Mr Mwewa Kyamulanda-Director of investments at NAPSA as its representative on the Company's Board of Directors.

9.2 It was **RESOLVED:**

THAT Mr Mwewa Kyamulanda be and he is hereby appointed a Director on the Board Directors of the Company.

The motion was proposed by Mr Peter Kunda and seconded by Mr. Nathan DeAssis.

10. INCREASE OF NOMINAL SHARE CAPITAL

It was unanimously **RESOLVED** as **SPECIAL RESOLUTION** No. 1:

THAT as recommended by the Board of Directors, pursuant to the provisions of Article 38(a) of the Articles of Association of the Company and section 140 (1) of the Companies Act, No. 10 of 2017, the nominal Share Capital of the Company be increased from ZMW30,000 000 (thirty million Kwacha) to ZMW75,000,000.00 (seventy-five million kwacha) by the creation of ZMW45,000,000.00 (forty-five million) Ordinary Shares of ZMW1.00 each, ranking parri passu with existing shares in the capital of the Company.

The motion was proposed by Mr Mwewa Kyamulanda and seconded by Mr Musonda Kombe.

11. **RIGHTS ISSUE**

The rationale for the Renounceable Rights Issue was presented by the Chairperson while the procedure for the Renounceable Rights Issue was presented by Mr Jack Kanyanga, the Managing Director of Stockbrokers Zambia Limited. The salient points were:

- 11.1 That the Rights Issue would recapitalise the Company, by strengthening the Company's Balance sheet through a fresh capital injection. Furthermore, that once recapitalised the Company would be scalable and its capacity would expand and enable the Company to Underwrite significant portions of larger risks that are obtaining in the domestic market such as the mines, thereby retaining some of the premium which goes outside the Country while Shareholder value would increase.
- 11.2 That to promote growth and recognition on the international platform, the Company also intended to get a fresh rating by international rating companies such as A.M. Best which could only consider rating companies above a certain threshold of capital and that such a rating would be a big marketing tool.
- 11.3 That the Rights Issue would result in the onboarding of a new investor who would become a major shareholder and that it would be necessary to change the name of the Company and further entail rebranding the Company which was anticipated to become a national reinsurance company.
- 11.4 In response to a query from Ms Ngosa on what international rating agencies deem as significant equity in US Dollar terms, Mr Munthali stated that it was a minimum of US \$5 million.
- 11.5 That the Directors of the Company had a strategic intent to tap into opportunities which they had identified in the market and were of the view that additional capital was required to enhance the Balance Sheet by increasing the capital of the Company. Further, that this capital would be in the form of equity, in particular ordinary shares and not quasi equity or debt.
- 11.6 That in order to raise equity, the first port of call was the current Shareholders based on the spirit and letter of the Articles of Association of the Company and Companies Act, Members must be given priority to subscribe for shares which the Company intended to issue in keeping with their respective shareholdings, hence the term "Rights Offer". However, Members could opt not to subscribe for the shares on offer, hence the term "Renounceable".
- 11.7 That the Directors would through Management, arrange for a Circular to be prepared by a team of advisors which would provide further details relating to the Rights Offer; such as use of proceeds, availability of an Underwriter and Terms and Conditions.

The Members would then be asked to subscribe for the shares on offer. The shares would be registered with PACRA, the SEC and listed on the LuSE alongside the shares already in issue.

11.8 It was unanimously **RESOLVED** as **SPECIAL RESOLUTION** No. 2:

THAT with effect from the time of the passing SPECIAL Resolution No.1, the Directors be unconditionally authorised to:

- 11.8.1 Register 45,000,000 (forty-five million) additional authorised ordinary shares of ZMW1.00 each, with the Securities and Exchange Commission (SEC) pursuant to the provisions of the Securities Act No.41 of 2016.
- 11.8.2 Raise capital in the sum of ZMW 40,500,000.00 (forty million five hundred thousand Kwacha) through a 1 for 2 Rights Offer by the issuance of 15,000,000 (fifteen million) Ordinary Shares of ZMW 1.00 each at an Offer price of ZMW 2.70 (Two Kwacha Seventy Ngwee) per share to Shareholders on Record Date (“the Rights Offer”).
- 11.8.3 Issue and allot relevant securities of ZMW1.00 each up to the amount of 15,000,000 (fifteen million) of the additional share capital of the Company to successful subscribers under the Rights Offer, pursuant to Article 2 of the Articles of Association of the Company. And;
- 11.8.4 To apply and list on the Lusaka Securities Exchange (LuSE), the created and issued 15,000,000 (fifteen million) Ordinary Shares for the Rights Offer.’

The motion was proposed by Mr Mundia Mundia and seconded by Mr Elijah Kabaso.

12. **CHANGE OF NAME**

It was unanimously **RESOLVED** as **SPECIAL RESOLUTION** No 3:

THAT the name of the Company be changed from “Prima Reinsurance PLC” to “Zambia Reinsurance PLC”

The motion was proposed by Mrs Mubanga Lumbwe Chonta and seconded by Mr Timothy Ngoma.

13. **ANY OTHER ORDINARY BUSINESS.**

Mr Kyamulanda thanked the Members for approving his appointment as a Director on the Company’s Board of Directors.

14. **END OF MEETING**

There being no further business to transact, the Chairman thanked the Members for their attendance and declared the meeting closed at 12:27 hours.

CHAIRPERSON.....

DATE.....

.....
For the **COMPANY SECRETARY**
Choice Corporate Services Ltd

DATE.....

PRIMA REINSURANCE PLC

**MEMBERS' ATTENDANCE AT THE 15TH EXTRAORDINARY GENERAL MEETING OF
MEMBERS OF PRIMA REINSURANCE PLC HELD VIA ZOOM TELECONFERENCING ON
THURSDAY, 30TH APRIL 2020 AT 10:02 HOURS**

- | | | |
|----|---------------------|--|
| 1. | Mr Mwewa Kyamulanda | Proxy for National Pensions Schemes Authority |
| 2. | Mr Musonda Kombe | Proxy for Mulundu Holdings Ltd |
| 3. | Mr Mundia Mundia | Madison General Insurance Company (Zambia) Limited |

4. Mrs Exhilda Lumbwe Member and Proxy for Dr Chishimba Lumbwe

5. Mr Timothy Ngoma:
 - a. Proxy for Anton Neville Marais
 - b. Proxy for Catherine Mwanamwambwa
 - c. Chishala Kapaya
 - d. Proxy for Conment Tembo
 - e. Proxy for Dominic Mau Tembo
 - f. Proxy for Duncan Kalulu
 - g. Proxy for Giles Yambayamba
 - h. Proxy for Elias Vantra
 - i. Proxy for James Themba Tembo
 - j. Proxy for Nalukena Mutti
 - k. Proxy for Nelly Butete Kashumba Mutti
 - l. Proxy for Paul Kala Jere Tembo
 - m. Proxy for Titus Kalenga
 - n. Proxy for Walter Maujuwa Tembo
 - o. Proxy for Madison General Insurance Company
 - p. Proxy for CEC Pension Trust Scheme
 - q. Proxy for Airtel Zambia Staff Pension Fund
 - r. Proxy for Citibank (Z) Ltd Pension Trust Scheme
 - s. Proxy for Game Stores (Z) Ltd Pension Scheme
 - t. Proxy for GRZ funeral Assistance Scheme
 - u. Proxy for Madison Pension Trust Fund
 - v. Proxy for Motor Mart Group Pension Scheme
 - w. Proxy for Nisir Pension Trust Scheme
 - x. Proxy for Public Service Pension Fund Staff Pension Fund
 - y. Proxy for Pannar Seed Pension Trust Scheme
 - z. Proxy for Zambia Railways Pension Trust Fund

6. Mr Elijah Kabaso:
 - a. Proxy for Standard Chartered Bank Zambia Pension Trust Scheme
 - b. Proxy for Airtel Zambia Staff Pension Fund
 - c. Proxy for Cavmont Capital Pension Trust Scheme
 - d. Proxy for National Breweries Pension Trust Scheme
 - e. Proxy for Indeni Pension Trust Scheme
 - f. Proxy for Zambia Sugar Pension Trust Scheme
 - g. Proxy for Sandvik Mining Pension Trust Scheme
 - h. Proxy for Stanbic Bank Pension Trust Scheme
 - i. Proxy for Konkola Copper Mine Pension Trust Scheme
 - j. Proxy for Barclays bank Zambia Plc Pension Trust Scheme
 - k. Proxy for CEC Pension Trust Scheme
 - l. Proxy for Lafarge Cement Zambia Pension Trust Scheme
 - m. Proxy for Saturnia Regna Pension Trust Scheme
 - n. Proxy for UTI Pension Trust Scheme
 - o. Proxy for Diamond Insurance Pension Trust Scheme
 - p. Proxy for Sanlam Life Insurance
 - q. Proxy for Ecobank Pension Trust Scheme
 - r. Proxy for Deloitte and Touche Pension Trust Scheme
 - s. Proxy for Lubambe Copper Mine Pension Trust Scheme
 - t. Proxy for ZANACO Plc Pension Trust Scheme
 - u. Proxy for Buyantanshi Pension Trust Scheme
 - v. Proxy for Sun International Pension Trust Scheme

- w. Proxy for Sandvik Mining Pension Trust Scheme
- x. Proxy for SCZ International Pension Trust Scheme

7.	Mrs Joyce Muwo Mwansa	Member
8.	Mr Nathan DeAssis	Member
9.	Mrs Mubanga Lumbwe Chonta	Member
10.	Ms Zita Mukelabai	Member
11.	Mr Peter Kunda	Member
12.	Mr Mayford Chikoya	Member
13.	Mr Chonta Clive Cholwe	Member