

ZCCM INVESTMENTS HOLDINGS PLC

Proposed Revised Revised Articles of Association for ZCCM Investments Holdings Plc – Summary Proposed Changes

#	Current Articles	Proposed Articles	Rationale/Justification/Comment from the Board
1.	Article 1	Reference to the Current Companies Act From Cap 388 to Companies Act No. 10 of 2017	The 1994 Act was repealed and replaced
2.	New Article	Article 9 – Treasury Shares	<ul style="list-style-type: none"> • New insertion to provide for the Repurchase of Shares • To provide for the possibility of the Company to raise capital out of Treasury Shares.
3.	New Article	Article 7 - Repurchase of Shares	To permit the Company to repurchase shares from existing shareholders when the need arises as this option is not in the current Articles
4.	Articles 12 to 16	Article 2.5 - Share Certificates	The Lusaka Securities Exchange has a Central Shares Depository system for dematerialised shares
5.	Article 47	Notice of Meeting	<p>The Companies Act in section 56 already allows for teleconference or electronic meetings. Therefore, there is no requirement to include it in the Articles.</p> <p>This is also espoused in the electronic communications and Transactions Act.</p>
6.	Article 45	Article 11.1.4	Section 265 of the Companies Act provides to the effect that a company shall hold, within

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			<p>ninety days after the end of each financial year of the company, an annual general meeting. This applies to a single entity.</p> <p>However, ZCCM-IH is a holding company, therefore, section 267 applies. ZCCM-IH, being a Holding Company, must comply with section 267. It must ensure that consolidated financial statements are prepared within six months from the end of the financial year. Section 267 is couched in mandatory terms as such, compliance is mandatory.</p> <p>Consolidated financial statements are the financial statements of a group represented as those of a single enterprise.</p> <p>The difference between sections 265 and 267 is that s.265 relates to all companies, whereas s.267 only applies to holding companies such as ZCCM-IH. Therefore, the ZCCM-IH must reflect this.</p>
7.	New Article	Annual General Meeting - Article 11.1.2	The Act allows for the use of electronic means when conducting an AGM via electronic means.
10	Article 49	Nature of Business to be transacted at an AGM – Article 11.2.7	The Act provides more information on the nature of routine business to be transacted at an AGM. There is no requirement to state the nature of the business in the Articles as the Companies Act prescribes the minimum that should be considered at an AGM. The shareholders have overriding authority;

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			<p>therefore, they can transact any business of the company at an AGM.</p> <p>Clause 11.2.7 has also itemized what can be discussed under AOB.</p>
11	Article 51	Proceedings at General Meetings – Article 12.2	The quorum should include the Majority Shareholder
12	Article 52	Chairperson not present – Article 12.4	5 minutes late after time appointed for a meeting is short. Corporate governance best practice provides for a reasonable time; the proposal is to extend this to 30 minutes.
13	Article 53	Delay in meeting – Article 12.8	The standard time for delay in the commencement of time for the meeting is 30 minutes
14	Article 57	Voting during an AGM – Article 12.9	The inclusion of the use of electronic means This is standard practice and in line with current business trends
15	Article 60	Nominal value of K 0.01- Article 1.1.41	Based on earlier resolutions passed
16	New Article	Appointment of Directors – Article 13.1	<ul style="list-style-type: none"> • Currently, the appointment process of Directors is not specific and subject to interpretation. • Ratification to be included in the Articles.
17	New Article	Appointment of the Board of Directors – Article 13.1	Shareholders to appoint Directors
18	New Article	Appointment of Chairperson – Article 13.1.(l)	Majority shareholder shall appoint the Chairperson

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#	Current Articles	Proposed Articles	Rationale/Justification/Comment from the Board
		Appointment of Chairperson	
19	New Article (to expand Article 74B)	Appointment of Executive Director Include the appointment of the Chief Executive Officer as Executive Director	<ul style="list-style-type: none"> To cover the practice of appointing CEO of IH as Executive Director To ensure the current practice of approval of CEO remuneration at the board level is sufficient per the requirement of the Act. Section 101 of the Companies Act applies. The CEO shall be appointed by the shareholders.
20	New Article	Removal of Director – Article 13.1 (b)	Removal of Director when a member ceases to meet the qualifying threshold of 10%.
21	Article 75	Remuneration of Directors – Article 13.1 (m)	Remove the amount in the Articles, as this has changed over time.
22	Article 79, 87 & 91	Contract between Director and Company – Article 14.4.9	The Companies Act provides for the procedure of conflict of interest.
23	Article 83	Appointment of Permanent Alternate Director – Article 13.3.7 Remove the provision to appoint a permanent Alternate Director as this may be similar to holding out of having a shadow, Director. In addition, the reference to GRZ is now redundant.	Basis is given in proposed amendment.
24	Article 88		<ul style="list-style-type: none"> 21 days' notice for a director's meeting notice is excessive. To provide an alternative to how consent to short notice is given.

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			<ul style="list-style-type: none"> Agree to 14 days' notice period for meeting of directors.
25	Article 89	The quorum of Meeting of Directors – Article 12.2	Include the Majority shareholder as part of the Quorum
28	New Article	Committees of the Board – Article 14.3.3	To provide for the establishment of Committees of the Board based on the needs of the business.
29	New Article	Appointment of Co-opted Members – Article 13.3	Include the powers/limitations thereof for Co-opted Members as prescribed in the Act
30	Article 96	Borrowing powers of Directors – Article 14.2	A resolution was passed where the change in value was made, i.e., it increased to USD 1 billion.
32	New Article	Appointment Chief Executive Officer – Article 15.5	To align with the Group Policy
33	Article 104	Appointment of Company Secretary – Article 15.6	To align Articles to the Act
34	New Article	Appointment of Chief Financial Officer and Management – Article 15.7	To align with the Group Policy
35	Article 105 and 106	The Seal – Article 15.9	Alignment with the Act Standard Articles.
36	Article 111	include interim dividends.	Reference to specific dates for payment is redundant.

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#	Current Articles	Proposed Articles	Rationale/Justification/Comment from the Board
37	Article 112	Dividends – Article 20.1.	Reference to the current Dividend Policy aligned with the provisions of the Act and the Group Policy
38	Article 118	Forfeiture and reversion of unclaimed dividend to the Company. – Article 21.5	Aligned with the provisions of the Securities Act No. 41 of 2016
39	Article 120	Include electronic payment of Dividends	To expand the form of payment in line changing business trends
40	Article 127 (B)	Presentation of Accounts- - Article 21.2.3	<ul style="list-style-type: none"> • Harmonise the timelines to Financial Year rather than Calendar Year. • Included the requirement of the Act on the laying of accounts
41	Article 126-127	Accounts – Article 21.2.3	Harmonise the accounting terms as provided by the International Accounting Standards e.g., Balance Sheet etc.
42	Article 132	Audit Report	Align the required reports to the provisions of the Act i.e., section (259) and (260) on provision of access to information by Auditors
43	Article 134	Notices – Article 11.2	Business trends are now moving towards electronic formats/means
44	Article 137	Winding Up – Article 23	Align the winding up proceedings with the provisions of section (22) of the Act
46	New Article	Include an Article to provide for an employee share ownership plan (ESOP) in line with S.193 of CA 2017	To cover for an ESOP
47	New Article	Included is a maximum tenure of office for each director appointed.	To align this to best Corporate Governance Practices to ensure the requisite skills are available on the Board

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49	New Article	Appointment and incorporation of independent experts to serve on Board Committees	<ul style="list-style-type: none"> • This is to complement the Board's expertise, which the Board will determine from time to time.
50	New Article	Provided for Share buyback and procedure under the following circumstances, among others: to return surplus cash to shareholders, to provide an exit route to shareholders wishing to exit the company, when employees with partially paid shares under the ESOP wish to leave and are unable to pay in full for the shares acquired when a company delists or any other.	To allow the Company to conduct a share buyback whenever necessary.
51	New Article- Article 8	Provide for an Odd Lot Offer	To permit the Company to purchase shares below 100 as provided in anticipation of some corporate changes