

## ABRIDGED CIRCULAR TO SHAREHOLDERS

### Relating to and seeking approvals for:

**The restructuring of First Mutual Holdings Limited’s reinsurance businesses, First Mutual Reinsurance Company Limited (Zimbabwe) and FMRE Property & Casualty (Proprietary) Limited (Botswana) pursuant to a 29.1% subscription by Aleyo Capital in the combined reinsurance businesses.**

### And incorporating NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of First Mutual Holdings Limited, to be held virtually by electronic means, on Monday 5 October 2020, at 1000 hours, which notice was published on Monday 14 September 2020 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange and the Companies and Other Business Entities Act (Chapter 24:311) of Zimbabwe, as set out at the end of this Document.

#### Financial Advisors



#### Sponsoring Brokers



#### Legal Advisors



#### Independent Reporting Accountants



#### Transfer Secretaries



### Action Required

- Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant or other professional advisors.
- Attend and vote at the EGM to be held on Monday 5 October 2020;
- Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of First Mutual Holdings Limited at, First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe so that it is received by the Transfer Secretaries by 1600 hours, on Wednesday 30 September 2020. Shareholders may attend the meeting in person, notwithstanding the completion and return of a Proxy Form.

Date of issue of this document: Monday, 14 September 2020

#### 1. OVERVIEW OF THE RESTRUCTURING AND CAPITALISATION OF FIRST MUTUAL HOLDINGS LIMITED’S REINSURANCE BUSINESSES

FMHL has two wholly owned reinsurance businesses, namely, First Mutual Reinsurance Company Limited (“FMRE Zimbabwe”) and FMRE Property & Casualty (Proprietary) Limited (“FMRE Botswana”), incorporated under the laws of Zimbabwe and Botswana respectively (“the Subsidiaries”). FMHL has launched a capital raising exercise for its reinsurance businesses, FMRE Zimbabwe and FMRE Botswana. The exercise involves the establishment of an already created holding company for the Subsidiaries, namely First Mutual Reinsurance Holdings (Proprietary) Limited (“FMRE HoldCo”) which will own 100% of the two subsidiaries to be domiciled in Botswana by way of transfer of shares of the relevant subsidiaries with the ultimate beneficial ownership remaining the same.

A Botswana private equity firm Aleyo Capital (Proprietary) Limited (“Aleyo”), whose principal investors are Botswana-based pension funds and institutional investors, has been identified as the financing partner for the capital raising exercise. Aleyo, through an investment vehicle called Aleyo Growth Fund I Partnership, is to subscribe for a 29.1% shareholding in FMRE HoldCo for BWP61 million, and the subscription amount is to be used to capitalise the Subsidiaries to enhance their security profile. To that effect, a binding agreement has been signed, subject to conditions precedent listed below.

#### 2. OVERVIEW OF FIRST MUTUAL HOLDINGS LIMITED

First Mutual Holdings Limited is a company incorporated under the laws of Zimbabwe and listed on the Zimbabwe Stock Exchange as the holding company for the First Mutual Group of Companies. First Mutual Holdings Limited is a leading financial services group that is committed to creating value through risk management, wealth creation and wealth management, predominantly in the insurance sector. Our brand is the financial ally that plays an integral role in preparation for a better tomorrow for individuals and institutions, by availing them the economic dignity of being prepared for lifetime obligations through our subsidiaries. Our professional and client-centric team is solution driven, and cares enough to Go Beyond and provide straightforward tools that create sustainable value for our customers. FMHL has diverse interests in life assurance, health insurance, short term insurance, reinsurance, savings, wealth management, as well as property through our vast business portfolio.

#### 3. OVERVIEW OF FIRST MUTUAL REINSURANCE COMPANY LIMITED

First Mutual Reinsurance Company Limited incorporated and domiciled in Zimbabwe is involved in the provision of reinsurance services for all classes of general insurance and life and health insurance, with a stable credit rating of BBB issued by GCR Ratings (“GCR”). In addition, First Mutual Reinsurance Company Limited trades on a strong retrocession panel with A rated regional and international retrocessionaires.

The company also provides a diverse range of technical training and risk management services as a total risk solution to its clients. The territorial scope for the company is predominantly Zimbabwe with interests in selected African countries in pursuit of the vision to be the major reinsurance company in Africa.

#### 4. OVERVIEW OF FMRE PROPERTY & CASUALTY (PROPRIETARY) LIMITED

FMRE Botswana is a Botswana based reinsurance company and one of the most noticeable regional reinsurers in East and Southern Africa. Besides the traditional segments of reinsurance, the company has a clear orientation towards underwriting of specialty lines of reinsurance in its selected markets.

As part of its market development, the company consistently leverages its expert knowledge and partnership with leading international underwriters to provide insights in risk management and technical training across Africa. The company’s growth in Botswana and the region is linked to the development of customer focused insurance products for emerging risks like cyber, liabilities and agricultural risks.

#### 5. OVERVIEW OF ALEYO CAPITAL (PROPRIETARY) LIMITED

Alejo Capital is a Botswana-based alternative asset investment management firm, specialising in private equity and mezzanine investments in Southern Africa. The Firm and Alejo Growth Fund I are managed by a well-rounded and diverse team of investment professionals with significant experience in private equity investing and operating businesses in Botswana and the sub-Saharan Africa region. The Alejo team has a proven track record of making mid-market growth capital private equity investments having invested, set up and executed mezzanine and private equity transactions for several local, regional and continental focused funds in Botswana, Namibia and South Africa.

#### 6. RATIONALE FOR THE TRANSACTION

The transaction is pursuant to a capital raising exercise undertaken by FMHL for its reinsurance businesses to house the capital in a stable economy, in Botswana. The capital raised will be utilized to capitalise FMRE Zimbabwe and FMRE Botswana in order to provide the businesses with adequate working capital to their enhance reinsurance capabilities, and to further boost the subsidiaries’ solvency, liquidity and other technical considerations to support expansion.

If the transaction is not executed First Mutual’s reinsurance businesses will remain sub-optimally capitalised and won’t be able to take advantage of the opportunities in the reinsurance space.

#### TIMETABLE FOR THE PROPOSED TRANSACTION

Important Dates	
First Mutual EGM Notice and announcement published	Monday 14 September 2020
Last day of lodging Proxy Forms (at 1600 hours)	Wednesday 30 September 2020
First Mutual EGM (at 1000 hours)	Monday 5 October 2020
Publication of First Mutual EGM resolution results	Wednesday 7 October 2020

#### 7. IMPACT OF TRANSACTION ON FIRST MUTUAL’S NET ASSET VALUE

	Unadjusted audited 31 December 2019		Proforma after Transaction 5= (1+2+3)
Net Asset Value	1	2	3
	868 295 494	96 584 350	( 3 585 694)
			961 294 150

- Represents the unadjusted audited statement of financial position for First Mutual Holdings Limited (“FMHL”) for the year ended 31<sup>st</sup> December 2019.  
The results were extracted from the published audited financial statements for the year ended 31 December 2019.
- Represents capital injection of BWP61 million by Alejo Capital (Proprietary) Limited into a wholly owned subsidiary. The amount was converted at an interbank rate of ZWL1.58: BWP1 translating to ZWL 96 584 350.
- Represents the estimated transaction costs of the capital injection borne by FMHL.

#### 8. CONDITIONS PRECEDENT

- The passing by Shareholders of First Mutual of the Resolutions, by the requisite majority, at an EGM to be held on Monday 5 October 2020 in terms of the Notice of the EGM published in the national press dated Monday 14 September 2020;
- Approval of the transaction by all relevant authorities, including:
  - Zimbabwe Stock Exchange
  - Competition and Tariff Commission
  - Reserve Bank of Zimbabwe,
  - Insurance and Pensions Commission of Zimbabwe (“IPEC”)
  - Non-Bank Financial Institutions Regulatory Authority of Botswana (“NBFIRA”)
- Execution and completion of all legal agreements to effect the transaction.

#### 9. CORPORATE GOVERNANCE

##### 9.1. Introduction

First Mutual is committed to the principles laid out in the National Code of Governance in Zimbabwe. The Directors recognise the need to conduct the affairs of the Group with transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its shareholders, employees and other stakeholders. This process enables the Company’s shareholders and stakeholders to derive the assurance that, in protecting and adding value to First Mutual’s financial and human capital investment, the Company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

##### 9.2. Board of Directors

The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is the highest policy organ of the Company and also acts to direct strategy. The Board meets regularly to monitor the performance of management and to ensure proper control over the strategic direction of the Company. The Board comprises 2 Executive and 6 Non-Executive Directors. The Directors comprise individuals with proven track records and a wide range of different skills and experience, which they employ for the Company’s benefit. The Non-Executive Directors also provide crucial independence and guidance to the Company’s strategic decision-making process and corporate governance practices.

##### 9.3. Directors Interests

As at 14 August 2020, the Directors directly and/or indirectly, held beneficial interests aggregating approximately 956,459 First Mutual shares representing 0.13% of the issued share capital of the Company. The details of the direct and indirect interests held by the Directors are summarised below:

Directors	Direct shareholding	Indirect shareholding	Total
Amos R T Manzai			
Douglas Hoto		1 621 470	
Samuel V Rushwaya	10 100		
Gareth Baines			
Evlyn Mkondo			
Memory Mukondomi			
William M Marere	10 000	946 459	956 459
Elisha K Moyo	924		

##### 9.4. Other interests

Mr Douglas Hoto and Mr William Marere are eligible to participate in the Company’s Share Appreciation Rights (“SARS”) Scheme which was approved by shareholders on 27 June 2019. The exercise of a SAR under this Scheme entitles a participant to receive the Gain for each share. “Gain” means an amount equal to the excess of the market value on the exercise date over the exercise price. The FMHL board has absolute discretion as to whether the aggregate Gain will be paid in shares (which on the date of exercise have a market value equal to the Gain) or in the form of a cash payment or in a combination of cash and shares.

Mr Hoto holds 3,329,121 unexercised SARS and Mr Marere holds 2,154,828 unexercised SARS.

#### 10. FUTURE PROSPECTS FOR THE COMPANY

In the short term, the economy is expected to continue to be adversely impacted by high inflation, shortages of foreign currency and fuel as well as the global impact of the COVID-19 pandemic. The Group is confident of the country’s medium-term economic prospects and will thus continue to invest in its core businesses and complementary areas. We will retain our focus on balance sheet preservation and ensuring that our businesses achieve operating profits in a volatile environment. Efforts will also be made to enhance our regional footprint with a view to increasing our foreign currency earning potential. The Insurance and Pensions Commission (“IPEC”) issued various directives which will have a significant impact on the insurance and reinsurance businesses in the years ahead. The Group is responsible for assessing the extent of compliance and implications with corrective measures implemented.

#### 11. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors, whose names appear below, collectively and individually accept full responsibility for the accuracy of the information provided in this Circular, and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

#### 12. DOCUMENTS AVAILABLE FOR INSPECTION

Between Monday 14 September 2020 and Wednesday 30 September 2020, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers, Financial Advisors and First Mutual Registered Offices:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- The written consents detailed in paragraph 13 of the Document;
- Legal agreements relating to the 29.1% shareholding subscription in FMRE HoldCo;
- The Independent Reporting Accountant’s Report on the historical financial information for the three financial years ended 31 December 2019, which is set out as an Appendix to this circular;
- The Independent Reporting Accountant’s Report on the Proforma Financial Information;
- The audited financial statements for the three financial years ended 31 December 2019 for First Mutual.



ABRIDGED CIRCULAR TO SHAREHOLDERS

13. PROFORMA FINANCIAL INFORMATION

PROFORMA STATEMENT OF COMPREHENSIVE INCOME

	Unadjusted Audited 31 December 2019	2	3	Proforma after Transaction 4 = (1+2+3)
<b>INCOME</b>				
Gross premium written	1 295 799 266	-	-	1 295 799 266
Reinsurance	(312 253 328)	-	-	(312 253 328)
<b>Net premium written</b>	<b>983 545 938</b>	<b>-</b>	<b>-</b>	<b>983 545 938</b>
Movement in unearned premium reserve	(34 066 949)	-	-	(34 066 949)
<b>Net premium earned</b>	<b>949 478 989</b>	<b>-</b>	<b>-</b>	<b>949 478 989</b>
Rental income	52 484 786	-	-	52 484 786
Fair value adjustment - investment property	506 592 397	-	-	506 592 397
Investment/(loss) income	(392 848 248)	-	-	(392 848 248)
Interest income	18 051 398	-	-	18 051 398
Fee income:				
- Insurance contracts	6 669 765	-	-	6 669 765
- investment contracts	26 379 069	-	-	26 379 069
Other income	118 799 142	-	-	118 799 142
Monetary gain/(loss)	(262 033 715)	-	-	(262 033 715)
<b>Total income</b>	<b>1 023 573 583</b>	<b>-</b>	<b>-</b>	<b>1 023 573 583</b>
<b>EXPENDITURE</b>				
Insurance benefits	(38 615 958)	-	-	(38 615 958)
Insurance claims and loss adjustment expenses	(463 320 797)	-	-	(463 320 797)
Insurance claims and loss adjustment expenses recovered from reinsurers	48 868 942	-	-	48 868 942
<b>Net insurance benefits and claims</b>	<b>(453 067 813)</b>	<b>-</b>	<b>-</b>	<b>(453 067 813)</b>
Movement in insurance contract liabilities	174 048 587	-	-	174 048 587
Movement in shareholder risk reserve	(45,839,233)	-	-	(45,839,233)
Investment profit on investment contract liabilities	128 340 584	-	-	128 340 584
Acquisition of insurance and investment contracts expenses	(77 491 889)	-	-	(77 491 889)
Administration expenses	(305 533 281)	-	(4 829 218)	(305 533 281)
Impairment allowances	(22 713 392)	-	-	(22 713 392)
Finance cost on borrowings	(673 023)	-	-	(673 023)
<b>Total expenditure</b>	<b>(602 929 460)</b>	<b>-</b>	<b>(4 829 218)</b>	<b>(602 929 460)</b>
Profit/(loss) before share of profit of associate	420 644 123	-	(4 829 218)	420 644 123
Share of (loss)/profit of associate	(4 237 834)	-	-	(4 237 834)
<b>Profit/(loss) before income tax</b>	<b>416 406 289</b>	<b>-</b>	<b>(4 829 218)</b>	<b>416 406 289</b>
Income tax expense	(388 770 692)	-	1 243 524	(388 770 692)
<b>Profit/(loss) for the year</b>	<b>27 635 597</b>	<b>-</b>	<b>(3 585 694)</b>	<b>27 635 597</b>
<b>Other comprehensive income</b>				
<b>Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods:</b>				
Exchange gain/(loss) on translating foreign operations	61 325 844	-	-	61 325 844
Share of other comprehensive profit of associate	105 972	-	-	105 972
<b>Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods</b>	<b>61 431 816</b>	<b>-</b>	<b>-</b>	<b>61 431 816</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>89 067 413</b>	<b>-</b>	<b>(3 585 694)</b>	<b>89 067 413</b>
<b>Profit/(loss) attributable to:</b>				
Non-controlling interest	104 962 843	2 512 632	-	107 475 475
Equity holders of the parent	(77 327 246)	(2 512 632)	-	( 83 425 572)
<b>Profit/(loss) for the year</b>	<b>27 635 597</b>	<b>-</b>	<b>-</b>	<b>27 635 597</b>
<b>Comprehensive income attributable to:</b>				
Non-controlling interest	104 962 843	2 512 632	-	107 475 475
Equity holders of the parent	(15 895 430)	(2 512 632)	-	(21 993 756)
<b>Total comprehensive income/(loss) for the year</b>	<b>89 067 413</b>	<b>-</b>	<b>-</b>	<b>89 067 413</b>
Basic earnings/(loss) per share (ZWL cents)	(10.72)	-	-	(11.06)
Diluted earnings/(loss) per share (ZWL cents)	(10.71)	-	-	(11.05)
Headline earnings/(loss) per share (ZWL cents)	(8.31)	-	-	(8.31)

- Notes:**
- Represents the unadjusted audited statement of comprehensive income for First Mutual Holdings Limited ("FMHL") for the year ended 31st December 2019. The results were extracted from the published audited financial statements for the year ended 31 December 2019.
  - Represents the allocation of First Mutual Reinsurance Holdings (Proprietary) ("FMRE HoldCo") Limited profit as at 31 December 2019 to NCI as if FMRE HoldCo had been accounted for as a subsidiary from 1 January 2019. The adjustment of ZWL2.5 million to NCI decreases the total retained earnings accounted for by FMHL.
  - Represents the impact of the transaction costs related to the capital injection of BWP61 million.
  - Represents the proforma statement of comprehensive income for FMHL after the proposed transaction.

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("EGM") of the Shareholders of First Mutual Holdings Limited is to be held by virtual means, on Monday 5 October 2020 at 1000 hours, for the purpose of transacting the following business: -

**TO CONSIDER** and, if deemed fit, to pass, with or without modification, the following Resolutions:

**ORDINARY RESOLUTION 1 – APPROVAL OF THE TRANSACTION**

**"THAT** the Transaction as outlined in the Circular to Shareholders dated Monday the 14 September 2020, resulting in the subscription by Aleyo Growth Fund I Partnership, for a 29.1% shareholding in FMRE HoldCo for BWP61 million, which sum shall capitalise FMRE Property & Casualty (Proprietary) Limited and First Mutual Reinsurance Company Limited, be and is hereby approved.

**ORDINARY RESOLUTION 2 – AUTHORISATION OF DIRECTORS**

**"THAT** directors of the company be and are hereby authorised to exercise all powers to give effect to the Transaction."

**BY ORDER OF THE BOARD**

**NOTES:**

Details of the Virtual EGM will be sent by our transfer secretaries, First Transfer Secretaries (Pvt) Ltd through email to shareholders. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts:

**First Transfer Secretaries (Private) Limited**  
**1 Armagh Avenue**  
**Eastlea,**  
**Harare Telephone: +263 242 782869/7**  
**Email: info@fts-net.com**

13. PROFORMA FINANCIAL INFORMATION (CONTINUED)

PROFORMA STATEMENT OF FINANCIAL POSITION

	Unadjusted audited 31 December 2019"	2	3	Proforma after Transaction 4 5= (1+2+3+4)
<b>ASSETS</b>				
Property, plant and equipment	51 035 737	-	-	- 51 035 737
Investment property	1 413 176 336	-	-	- 1 413 176 336
Right of use of assets	18 955 797	-	-	- 18 955 797
Intangible assets	8 484 159	-	-	- 8 484 159
Investment in associate	29 754 474	-	-	- 29 754 474
Financial assets:				
- equity securities at fair value through profit or loss ("FVPL")	348 766 929	-	-	- 348 766 929
- debt securities at amortised cost	9 416 077	-	-	- 9 416 077
Deferred acquisition costs	24 336 527	-	-	- 24 336 527
Income tax asset	116 967	-	-	- 116 967
Inventory	12 995 371	-	-	- 12 995 371
Insurance, tenant and other receivables	208 347 639	-	-	- 208 347 639
Cash and balances with banks	279 515 881	96 584 350	(4 829 218)	- 371 271 014
<b>TOTAL ASSETS</b>	<b>2 404 901 894</b>	<b>96 584 350</b>	<b>(4 829 218)</b>	<b>- 2 496 657 027</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	6 194 499	-	-	- 6 194 499
Share premium	334 293 098	-	-	- 334 293 098
Non-distributable reserves	121 782 442	-	-	- 121 782 442
(Accumulated losses)/retained profits	(76 241 888)	- (3 585 694)	(2 512 632)	(82 340 214)
<b>Total equity attributable to equity holders of the parent</b>	<b>386 028 151</b>	<b>-</b>	<b>(3 585 694)</b>	<b>(2 512 632) 379 929 825</b>
<b>Non-controlling interests</b>	<b>482 267 343</b>	<b>96 584 350</b>	<b>-</b>	<b>2 512 632 581 364 325</b>
<b>Total equity</b>	<b>868 295 494</b>	<b>96 584 350</b>	<b>(3 585 694)</b>	<b>- 961 294 150</b>
<b>Liabilities</b>				
Life insurance contract liabilities:				
- with Discretionary Participating Features ("DPF")	55 097 091	-	-	- 55 097 091
- without DPF	37 505 429	-	-	- 37 505 429
Investment contract liabilities:				
- with DPF	611 255 766	-	-	- 611 255 766
- without DPF	45 639 382	-	-	- 45 639 382
Shareholder risk reserve	26 646 706	-	-	- 26 646 706
Lease liability	3 304 006	-	-	- 3 304 006
Share based payment liability	5 017 934	-	-	- 5 017 934
Insurance contract liabilities - short term	375 689 164	-	-	- 375 689 164
Insurance liabilities - life assurance	4 078 742	-	-	- 4 078 742
Other payables	80 799 186	-	-	- 80 799 186
Deferred tax	290 710 061	- (1 243 524)	-	- 289 466 537
Current income tax liabilities	862 933	-	-	- 862 933
<b>Total liabilities</b>	<b>1 536 606 400</b>	<b>-</b>	<b>(1 243 524)</b>	<b>- 1 535 362 876</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 404 901 894</b>	<b>96 584 350</b>	<b>(4 829 218)</b>	<b>- 2 496 657 027</b>

- Notes:**
- Represents the unadjusted audited statement of financial position for First Mutual Holdings Limited ("FMHL") for the year ended 31st December 2019. The results were extracted from the published audited financial statements for the year ended 31 December 2019.
  - Represents capital injection of BWP61 million by Aleyo Capital (Proprietary) Limited into a wholly owned subsidiary. The amount was converted at an interbank rate of ZWL1.58: BWP1 translating to ZWL 96 584 350.
  - Represents the estimated transaction costs of the capital injection borne by FMHL.
  - Represents the allocation of First Mutual Reinsurance Holdings (Proprietary) ("FMRE HoldCo") Limited profit as at 31 December 2019 to NCI as if FMRE HoldCo had been accounted for as a subsidiary from 1 January 2019. The adjustments of ZWL2.5 million to NCI decreases the total retained earnings accounted for by FMHL.
  - Represents the proforma statement of financial position for First Mutual Holdings Limited after the proposed transaction.

FORM OF PROXY

I/We (block letters) .....  
Of .....  
Being a member of First Mutual Holdings Limited hereby appoint .....  
.....  
or .....  
or failing him/her.....  
of .....  
or failing him/her the Chairman of the EGM;

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Monday 5 October 2020 by virtual means at 1000hrs hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
<b>ORDINARY RESOLUTION 1 – APPROVAL OF TRANSACTION</b> <b>"THAT</b> the Transaction as outlined in the Circular to Shareholders dated Monday 14 September 2020, resulting in the subscription by Aleyo Growth Fund I Partnership, for a 29.1% shareholding in FMRE HoldCo for BWP61 million, which sum shall capitalise FMRE Property & Casualty (Proprietary) Limited and First Mutual Reinsurance Company Limited, be and is hereby approved.			
<b>ORDINARY RESOLUTION 2 – AUTHORISATION OF DIRECTORS</b> <b>"THAT</b> directors of the company be and are hereby authorised to exercise all powers to give effect to the Transaction."			

Signed this .....day of .....2020

Signature(s) of member .....

**NOTE**

- In terms of Section 171 of the Companies Act (Chapter 24:31) members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
- The Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity, this authority must take the form of a resolution of the corporate body.

**FOR OFFICIAL USE**  
**NUMBER OF SHARES HELD**

**INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY**

- A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initiated by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
- A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable there at. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
- A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initiated by the signatory/ies.
- The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
  - under a power of attorney
  - on behalf of a company unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
- If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
- When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
- The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
- Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.