

## RUDEVIT HOLDINGS PLC

## Information Memorandum

Subscription offer of **9,997,700,000**  
ordinary shares at **MWK1.00** per share

Copies of this Information Memorandum can be obtained from Registered offices of Rural Development Investment Holdings Plc (RUDEVIT Holdings Plc), and from the company's website. [rudevitalawi.com](http://rudevitalawi.com)

**Date of issue 28 October 2020**

A copy of this Information Memorandum has been delivered and has been registered with the Registrar of Companies and The Registrar of Financial Institutions at Reserve Bank of Malawi. Both the Registrar of companies and Registrar of Financial Institutions have not checked the accuracy of any statements made and they accept no responsibility for accuracy of any statements made therefore or for the financial soundness of RUDEVIT Holdings Plc or the value of the securities offered. The Registrar of Companies and the Registrar of Financial Institutions registered this Information Memorandum on 4 November 2020 and 10 November 2020 respectively.

Rural Development Investment Holdings Plc (RUDEVIT HOLDINGS PLC) is a non-listed public limited liability company incorporated under the Companies Act No 15 of 2013, on 31 January 2020

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# 1. NATURE OF THE COMPANY - RURAL DEVELOPMENT INVESTMENT HOLDINGS PLC BUSINESS AND INVESTMENT THESIS

## 1.1 BACKGROUND

It has been observed that there is increasing rural urban migration (National Statistics Office: *Rural Urban Migration 2010*). Several rural areas are experiencing negative net migration where more people migrate out of rural into the urban areas, than those migrating to the rural from the urban. The cities of Lilongwe Blantyre, Zomba and Mzuzu continue to carry positive net migrant numbers thereby creating significant burden on the resources that were meant for the smaller than would be present population. The service providers are struggling to keep up with the demand from the increasing population, thus water, energy, social services and other environmental effects become unbearable. The analysis of the statistics shows that the cities in Malawi continue to exert a pull effect on the migrants despite government efforts to deal with such situations of setting up rural growth centers. Generally, the rural urban migration is concomitant to industrialization and modernization. On the negative side it is feared that the urbanization may be growing at a higher rate than the economy leading to problems of mass unemployment and under employed migrants congregating in cities and towns. No doubt, further effects of this unemployment and under employment apart from the above mentioned is that it leads to an increase in crime rate in the cities and towns. In a nutshell, it is indirectly importing poverty from rural to urban areas.

Among the reasons why there is increasing negative migration to the rural areas include people looking for employment, health and education and generally migrants have hope to an improved quality life. From these causes, it is clear therefore that it is lack of these necessities in the rural areas that the rural urban migration keeps increasing.

Factors of production are generally listed as Land, Labour and Capital (*Economic Lowdown*). While entrepreneurship is listed as a factor of production, an entrepreneur combines the three factors above to generate profit. It is possible to combine Land and Labour to make Capital. It remains undisputable therefore that there is abundant land and labour in the rural areas, whereby if they are put to appropriate productive use, they would transform the rural areas to become productive create employment, create markets and improving agricultural productivity.

It is from the above analysis that a private sector initiative was commenced to analyse the rural wealth potential cognizant of the existence of the abundant land and labour in these rural areas in Malawi. The thought process of a rural based development investment initiative was therefore conceived as a private sector approach to spearhead and addressing the increasing threat of hunger, poverty among others. Such an initiative had a vision to create a company for the people of Malawi with focus on the existing rural wealth potential that leads to improved agricultural activities and industrialization of rural areas thereby creating new markets and employment, improving trade and social economic activities within the rural areas.

While more than 80% of the population is rural based, where there is also abundant unexploited land and labour resources, it remains a myth that the urban areas are now feeding the majority in the rural areas. It is clear therefore that the rural areas with their existing unexploited resources must be invested in to help to eliminate poverty and improving people's livelihoods. The rural areas should be made to be the food baskets for the cities, rather than the small city population feeding the 80% in the rural thus reversing the trend which has left our country in a state of poverty.

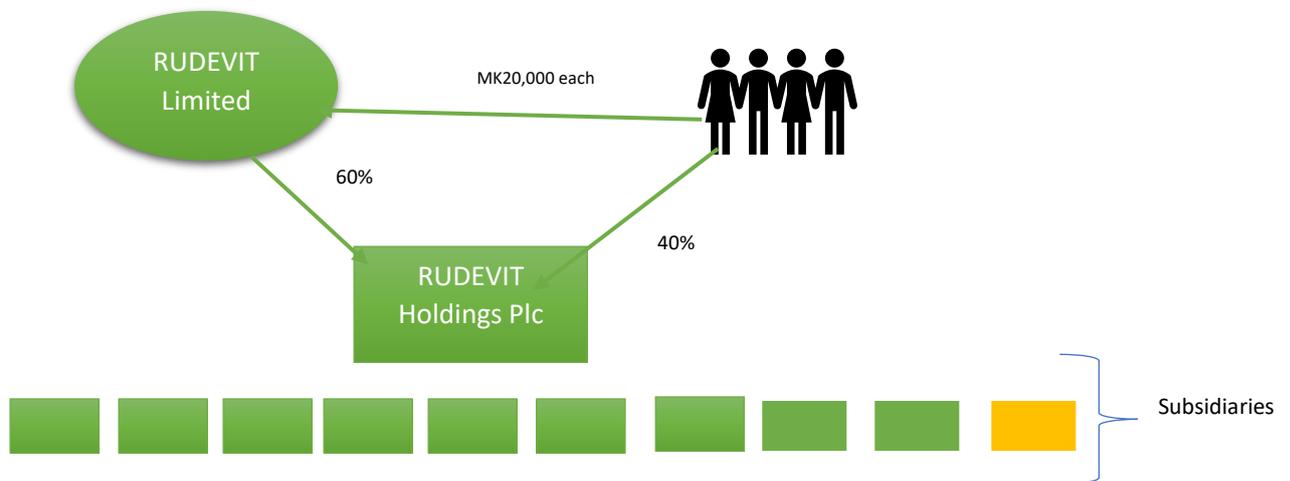
**Incorporation of Rural Development Investment Initiative Limited (RUDEVIT Limited) and Rural Development Investment Holdings Plc (RUDEVIT Holdings Pl)**

It is with the above background that the RURAL DEVELOPMENT INVESTMENT INITIATIVE LIMITED (RUDEVIT Limited), a private company limited by guarantee was incorporated on 10<sup>th</sup> December 2019. As RUDEVIT Limited is a private company, it could not contain all interested persons to economically participate in it. This led to the incorporation of a non-listed public company in which more people could participate called RURAL DEVELOPMENT INVESTMENTS HOLDINGS PLC on 31 January 2020. By its articles, to fulfil the agenda of spearheading innovative rural economic development, RUDEVIT Holdings PLC was made to be a 60% subsidiary company of RUDEVIT Limited. The remaining 40% is to be invested by the public and institutional investors whereby they participate by buying shares directly into it. To build the capital for RUDEVIT Limited, by its articles, members are supposed to make a once off contribution of MK20,000.00 (twenty thousand Malawi kwacha) to RUDEVIT Limited, which therefore enables them to participate in the 40% equity in RUDEVIT Holdings Plc. RUDEVIT Limited will receive subscriptions, donations, grants and any other form of contribution that will allow it to build its capital base to invest in RUDEVIT Holdings Plc. It is through this process that the objectives of RUDEVIT Limited be fulfilled. RUDEVIT Holdings Plc will invest in subsidiary companies across all sectors of the economy thereby becoming a highly diversified investment which is self-de-risking by its setup, where the company’s continued going concern assumption is guaranteed by its own members.

**First Members Conference/Meeting**

On 25<sup>th</sup> January 2020, members and other interested participants in RUDEVIT Limited initiative, met and deliberated on several possible investments within the rural set up. The outcome of the meeting led to identification of such areas that would be invested to fulfil the objectives of the company. These areas included primary agriculture through farm mechanization, farm inputs that include improved seeds and organic fertilizer. Other areas such rural tourism, beverages, pharmaceuticals, energy, mining, manufacturing, integrated transport, and textiles were identified as some of the low hanging fruits that could be invested into knowingly that there is an increasing market and demand.

Members resolved that for a wider Malawian economic participation, all the investment activities should be fulfilled through RUDEVIT Holdings Plc, a public company limited by shares where all income earning Malawians would consider acquiring shares and from where they would, while assisting development of the country also receive a dividend.



All would be subsidiary companies will be 100% controlled by the RUDEVIT Holdings Plc, except one entity which will be formed as a Development Finance Company. The Development Finance Company which will be held at 51% will be for mobilizing any additional capital requirement to finance major capital-intensive investments as identified and approved by members from time to time. Through this form of formation, RUDEVIT Holdings Plc investment constitutes the most highly diversified and self-de-risked investment securing the interests of its shareholders and investing members of the public.

From its concept, RUDEVIT Holdings Plc continues to receive inquiries from its own members and public to raise its capital and start investments in earnest. At the time of developing this Information Memorandum, there are already 112 Malawians both resident and in diaspora that have already paid their once off joining fee of Mk20,000, and are now looking to buying the shares. The attraction is driven by the prestige that Malawians are beginning to take in being part of the country's rural development agenda, while directly benefiting from its returns.

As per the Articles, the above members whose names are included in the Appendix 1, have acquired 1 share of MK1.00 each, while the MK19,999.00 is contribution in RUDEVIT Limited, which in turn has been applied towards acquisition of 2,239,888 shares by RUDEVIT Limited in the RUDEVIT Holdings Plc as part of the 60% intended shareholding.

-----End of Investment Thesis.....



### 3. IMPORTANT INFORMATION

This Information Memorandum is issued under the provisions of the Companies Act 2013 and the Securities Act 2010.

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see Documents available for inspection). This Information Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Information Memorandum. RUDEVIT Holdings Plc shares can be issued based on this Information Memorandum after the date of its publication.

No person has been authorized to give any information or to make any representation not contained in or not consistent with the Information Memorandum or any other information supplied in connection with the company and, if given or made such information or representation must not be relied upon as having been authorized by the Board, the Directors, the issuer and any advisor relating to the offer.

Each prospective investor contemplating the purchase of any shares should make his own independent investigation into the financial condition of affairs and his own appraisal of the conditions of the company and if in any doubt about the contents of this document or the nature of the transaction or investment or the risks attached to the investment then consult your personal financial advisors.

#### 3.1 Forward-looking statement

As RUDEVIT Holdings Plc is a new entity, this Information Memorandum contains forward looking information relating to the company. These forward looking statements can be identified by use of forward looking terminology such as believes, expects, may, is expected to, will, will continue, should, would be, seeks or anticipates or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or statements.

These statements indicate the current views of the issuer with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements may be expressed or implied by such forward looking statements. Some of these factors are discussed in more detail under investment considerations section 16. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Information Memorandum as anticipated, believed, estimated or expected. The issuer undertakes no obligation to publicly update or revise any forward-looking estimates, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the future events described in this Information Memorandum may not occur.

#### 3.2 Industry, Economic and other information

The issuer obtained the industry and economic data including where possible industry forecasts used throughout this Information Memorandum from internal surveys carried out by Directors, market research, publicly available information, and where possible industry publications. The issuer has made use of other information published by such institutions as Reserve Bank of Malawi, International Monetary Fund, The World Bank among others. Industry and government information usually make reference to where such information has been obtained and is believed to be reliable at the time to issuing this Information Memorandum. Although the issuer has no reason to believe that any of the information or those reports are inaccurate in any material respect, industry and other data provided

by third parties or by industry or other publications has not been independently verified. The issuer does not make any representation as to the accuracy of such information.

This Information Memorandum is prepared by the Directors of the Issuer company. The Directors of RUDEVIT HOLDINGS PLC whose names appear below, collectively and individually accept the full responsibility and liability for the accuracy of the information given in this Information Memorandum and confirm having made reasonable inquiries that to the best of their knowledge and belief, there are no other facts and omissions of which would render any statement in the Information Memorandum misleading and have dully authorized the release of the Information Memorandum and have signed their declarations below:

Mr Hastings Bofomo Nyirenda



Dr Francis Chinjoka Gondwe



John Robson Kamanga



Mr Martin Anthony Siwu



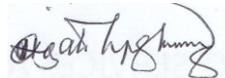
Mr Allan Hans Muhome



Mrs Vera Zulu



Mr Patrick Chingati-Phiri



Mr Isaac Maliba Mvula



Mrs Wezi Moyo



Mr Brian Zagwazatha Kapito



## 4. CORPORATE INFORMATION

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### INSURERS



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### BANKERS



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### CORPORATE SECRETARIES



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### AUDITORS



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Blantyre, Malawi

The concept, preparation and analysis of this Information Memorandum has been solely carried out by the Directors of the company.

## 5. DEFINITIONS AND INTERPRETATIONS

Throughout this Information Memorandum and annexures and appendixes hereto, unless the content indicates otherwise, the words in the column on the left below shall have the meaning stated in the opposite column below, reference to the singular shall include the plural and vice versa, words denoting one gender include the other words, and expressions denoting natural persons include juristic persons and associations of persons.

Terms and abbreviation	Meaning
“Act”	Means Companies Act No. 15 of 2013 of Laws of Malawi
Application Form	Means the form presented at the back of this Information Memorandum outlining the instructions and terms of subscription for shares of the issuer
Articles	Means the articles of the company
Bankers cheque	Means a cheque/draft issued by a licensed commercial bank
Board or Directors	Means the board of RURAL DEVELOPMENT INVESTMENT Holdings Plc
Business Day	Means any day of the week, excluding Saturdays Sundays and any official Malawi public holiday
EIU	Means Economic Intelligence Unit
Financial Crimes Act number 14 of 2017	Means Act that repealed and replaced the Anti-Money Laundering and serious Crimes Act
GDP	Gross Domestic Product
IFRS	Means International Financial Reporting Standards
IM	Information Memorandum
IMF	International Monetary Fund
Kwacha	Means Malawi Kwacha as legal tender of Malawi
Malawi	The Republic of Malawi
Receiving Bank	Any branch that has been designated to receive deposits and application forms
RUDEVIT	Rural Development Investments Initiative Trust Limited
RUDEVIT HOLDINGS PLC	Rural Development Investments Holdings Plc

## 6. MALAWI —AN OVERVIEW

Located in south east Africa, Malawi is landlocked, sharing its borders with Mozambique, Zambia and Tanzania. According to the 2018 population census, the country has an estimated population of 17.5 million, of which more than 85% is located in the rural areas.

According to the World Bank rankings, Malawi remains one of the poorest countries in the world ranked at position 4 from the bottom least. This is despite making significant economic and structural reforms to sustain economic growth.



Source: Economic Intelligence Unit

The economy is heavily dependent on agriculture, which employs nearly 80% of the population. The agriculture sector is largely vulnerable to external shocks, particularly climatic shocks since the country largely relies on rain-fed agriculture.

The country's development is guided by the Malawi Growth and Development Strategies (MGDS), a series of five-year plans that contribute to the long-term goals outlined in Vision 2020. Vision 2020 has since expired. The current MGDS III, "Building a Productive, Competitive and Resilient Nation", will run to 2022 and focuses on education, energy, agriculture, health and tourism as areas mainly identified to accelerate economic growth. (*World Bank report 2019*)

### 6.1 History and Government

Malawi gained independence from the United Kingdom in 1964 and became a republic within the Commonwealth in 1966.

The country was a one-party state until a referendum in June 1993 when majority voters representing 63% opted for multiparty state. The Malawi Constitution which was promulgated in May 1995 is largely based on the United States constitution enshrining multiparty democracy and a bill of rights. An independent judiciary is also provided for, and the legal system is based on English Common law. The president and individual members of the 193-member seat National Assembly together with the ward counselors are elected by direct adult citizen universal suffrage for a term of five years.

The constitution of the Republic of Malawi guarantees protection of life and property of investors. The three branches of Government – executive, legislature and judiciary operate independently. In addition Malawi is a signatory to a number of international treaties for the protection of foreign investment and settlement of investments disputes including the 1966 convention establishing the Multilateral Investment Guarantee Agency and the 1965 Convention on the settlement of investment disputes between states and nationals.

### 6.2 Economic overview

Malawi's emerging free market economy is largely dependent on agriculture. In addition to maize the major food crop, principal cash crops grown are tobacco, tea, sugar and cotton. Agriculture accounts largely for approximately 40% of the country GDP, contributes more than 90% of export earnings and provides the

majority of the rural population with means of existence.

According to World Bank report, in 2019, Malawi's economic growth was projected to reach 4.4%, increasing over the medium term to 5.0% - 5.5%. Growth in 2019 was buoyed by a good harvest overall, despite the impact of Cyclone *Idai*. Solid agricultural growth was likely to support agro-processing and households' disposable income, which should, in turn, drive the service sector. In a greater part of the 2019, the economic gains have been dwarfed by the political impasse following the disputed general elections of May 2019.

The World Bank projected that the FY2018/19 fiscal deficit was expected to stand at 6.4% of gross domestic product (GDP), lower than the previous year (7.8% of GDP) but higher than budgeted (3.8% of GDP). The higher than anticipated deficit was due to lower revenues and grants and higher recurrent expenditure, the latter due to higher than budgeted interest payments, election-related spending, and effects of climate change.

Headline inflation continued in single digit standing at 9.3% in July 2019 compared to 9.0% in July 2018. The decline of inflation in general, was largely as a result of a steady deceleration in non-food inflation which reached 5.5% supported by a relatively tight monetary policy. Food inflation, however, remained elevated at 14.2% with continued pressure from maize prices which by the end of July were 75% higher than July 2018 and 66% higher than the five-year average. The annual inflation rate eased for the seventh month to 8% in July 2020, reaching the lowest level since February 2019.

The price of maize continued to surge in early 2020. While this is assumed to be temporal, the Reserve Bank at its January Monetary Policy meeting maintained the bank policy rate at 13.5%.

The World Bank reports further that poverty and inequality remain stubbornly high. The national poverty rate increased slightly from 50.7% in 2010 to 51.5% in 2016, but extreme national poverty decreased from 24.5% in 2010/11 to 20.1% in 2016/17. Poverty is driven by low productivity in the agriculture sector; limited opportunities in non-farm activities; volatile economic growth, rapid population growth, and limited coverage of safety net programs targeting challenges.

In the budget speech by the Minister of Finance prior to the fresh presidential elections presented to the August House for the 2020/21 fiscal year, he stated that the IMF have projected the Sub Saharan Africa to perform as follows: GDP growth has been slashed down from pre-pandemic growth rate of 3.1% to -1.6%, the lowest growth rate ever in the region. The region is however expected to recover in 2021 and record a growth rate of 4.1%. South Africa, Malawi's major trading partner is expected to register a recession of -5.8% in 2020 but to rebound in in 2021 to record a growth of at the rate of 4.0%.

### 6.3 Outcome of Fresh Presidential election

The country has just gone through fresh presidential elections following the annulment of the 2019 elections by the Constitutional and Supreme Courts. The Tonse Alliance comprised of 9 political parties led by Malawi Congress Party's Dr Lazarus McCarthy Chakwera and Dr Saulos Klaus Chilima former vice President and UTM's party torch bearer as his runningmate came out victorious, dislodging the incumbent president Peter Mutharika. The combined manifesto of the alliances has concentrated mostly on improving agricultural productivity and creating new employment and ending poverty. The manifestos also look at value addition through manufacturing and import substitution. The new leadership has stressed on the need to abolish the Farm Input Subsidy but instead introduce a universal farm input subsidy where they have pegged the price of fertilizer at MK4,495.00 per 50kg bag. This is one of the measures of improving agricultural productivity thereby eradicating hunger and poverty whilst improving peoples' livelihoods. The

new administration has sent a strong signal to root-out corruption in its various forms and diligently deal with anyone involved directly or indirectly with any form of corruption in the country. This is an inspiring policy to the investing community in the country and puts to rest political tension and instability for the next foreseeable future and thereby creating a highly conducive investment platform.

#### 6.4 Enabling law- The Control of Goods – Act 15 of 2018

In May 2018 Government of Malawi through Parliament passed a Control of Goods Act 2018. Following the operationalization of the Control of Goods Act on 24 July 2020, the Ministry of Trade has revoked all import and export licenses. This revocation means that all traders requiring import and export permits will have to re-apply for new licenses. In his presentation, the Minister of Trade challenged local manufacturers to produce more for import substitution, saying the new law will protect local production and markets to ensure that only those products in deficit are authorized to be imported. The Control of Goods Act 2018 came into effect following its publishing in the government Gazette on 16 July 2020.

### 7. MALAWI'S DEVELOPMENT CHALLENGES

The World Bank in its 2019 report states that Malawi's development challenges are multi-pronged, including vulnerability to external shocks such as weather and health. Other challenges include rapid population growth and environmental degradation. Energy shortages still stand out, with about 11.4% of the population having access to electricity. Infrastructure development, the manufacturing base, and adoption of new technology are low, and corruption levels remain high with Transparency International ranking Malawi at 123/180 in its January 2020 publication.

These development challenges are opportunities for creating a pool of investments that should positively contribute to the development of the country.

### 8. IMPACT OF CORONA VIRUS ON ECONOMY

The recent outbreak and spread of the Corona virus has disrupted many businesses globally and has had a significant impact on economy. The Malawi government has had various stimulus packages supported by different government functionaries, Reserve Bank and commercial banks. The Reserve Bank lowered the bank rate further to improve liquidity in the market by further encouraging banks and financial institutions to lower interest rates and arranging repayment plans for borrowers in various categories. The aftermath of COVID 19 will have a significant impact on the economic recovery of most economies around the world. The recovery from COVID 19 gives an opportunity for Malawi to be more inward looking in terms of its investments. The country requires an inward thought process in terms of investments that will largely be targeted at developing strong institutions locally which can be invested thereby substituting the dependence on import requirements for the country. The country will be looking at encouraging local investments in all investible areas than ever before. It gives an opportunity for like minds to think deeply in all areas that can be easily substituted by domesticating manufacturing industries. By encouraging local production, the country will be creating employment, creating new markets for locally grown crops and raw materials into manufacturing. This will in the long run having satisfied local demand create an affordable and largely cheap export product lines which will enable Malawian products to compete favorably on the international market. The authorities will work towards rolling out local investments that have hitherto been chasing matured investments and now to support most start-ups as a way of invigorating the economy, through creation of markets for locally manufactured goods.

## 9. MALAWI INVESTMENT OPPORTUNITIES

Malawi remains largely under invested in several sectors of the economy which include:

- Agriculture,
- Manufacturing
- Tourism
- Mining
- Energy
- Textiles
- Transport

While the country remains endowed with several resources, such resources remain unexploited owing to lack of capital.

### 9.1 Agriculture and fisheries sector

The agriculture sector which is a backbone for the Malawi economy remains uninvested. It remains uncontested that the growing population will require to be fed and clothed. There is an existing gap between the growth in agricultural output versus the rate of growth in population. The status quo will lead the county to an absolute food shortage, where the country will be forced to start importing food to supplement local production. Most financial institutions have shunned this sector particularly primary agriculture, because of the perceived risks associated with unpredictable climatic changes. An increase in primary production will increase output which feeds into the tertiary agricultural value chain especially agro-processing. As such there is an opportunity to invest in primary agriculture through Farm Mechanization, Seed development and fertilizer production. It is largely contended that every produce has an existing market, which in turn creates an opportunity for increased investment in agriculture.

According to the Ministry of Finance Economic Report 2019, in 2018, the sector grew by 0.9 percent. Although growth was affected by the decline in crops (maize) as a result of the dry spell and the Fall of Army Worms, there was an increase in tuber production. Growth for 2019 was estimated to be 5.3 percent on account of the good rains the country received. Growth for the sector will mainly be driven by Crop and Animal Production and the Fishing and Aquaculture sub-sectors. There is a contraction in the Forestry sub-sector on account of deforestation that has plagued the country in recent years. Growth in 2020 is projected to be 3.8 percent.

### 9.2 Manufacturing sector

The country's manufacturing sector remains underinvested leaving the country to be importing most of its manufactured goods from neighboring countries even though such goods can be processed locally. Citrus fruits that give a lot of tropical juices and are growing in all parts of Malawi. These remain wasted and rot unprocessed while on the other hand the country continues to import large volumes of fruit juices. The country's fish industry remains uninvested. Although Malawi has over 1,000 species of fish in Lake Malawi none of this fish is processed. Instead the country's supermarkets are heavily stocked with imported fish which are also generally of inferior quality to *tilapia* Chambo or Malawi's Usipa among others.

The Vitamin A fortified orange hybrid maize that is largely produced in the districts of central region of Kasungu, Mchinji and Lilongwe is left to mainly production as animal feed. Research shows that clear beer that is imported in the country can easily be produced from this maize as has been proven in other neighboring countries, thereby potentially substituting the import bill by mostly using locally produced materials to produce beer.

While the farmers in Kasungu, Mchinji, Lilongwe, Dowa, Ntchisi, Salima, Nkhotakota and larger parts of Mzimba and Rumphu grow groundnuts as a cash crop most of this ends up being exported raw when in fact they could be processed into various products such as cooking oil and peanut butter for both domestic and international markets. The country grows sunflower under the favourable climatic weather in Mzimba, Kasungu, Dowa Mchinji and most parts in Northern and Southern regions. Sunflower can be used for processing vegetable cooking oil and animal feed. In the absence of a reliable processing facility, farmers are shunning the crop because of lack of better market to sell it for processing.

The country's rural areas mostly in Central and Southern Region produce large volumes of soya beans which is sold to neighbouring countries in its raw form. From soya bean the farmers can benefit by having a proper milk plant that will easily supplement the dairy milk that is currently in short supply. The country continues importing milk including the expensive soya milk from neighbouring countries when this can be easily invested locally.

There is excess tomato that is produced in the rural areas of Balaka Ntcheu Mzimba-Jenda that rots as a result of lacking manufacturing facilities. A properly planted machinery that can make tomato sauce will uplift the lives of rural Malawians turning the crop into a real cash crop and raise peoples livelihoods getting them out of poverty.

According to the Ministry of Finance Economic Report 2019, in 2018, growth in the sector was a moderate 3.6 percent due to frequent power cuts. In 2019, there were expectations of improvement in the availability of raw materials due to a better agriculture season. Moreover, improvements in electricity generation and supply will also help to grow the sector, hence growth is estimated to reach 4.6 percent. In 2020, the sector is projected to grow by 3.7 percent.

### 9.3 Mining and quarrying industry

The mining industry remains uninvested largely due to lack of capital. Malawi is endowed with a lot of mineral potentials, yet these remain unexplored. Several associations such as that of women mining association have failed to invest and maximise returns due to lacking technical and financial capacity.

According to the Malawi Economic Report 2019 by Ministry of Finance, the growth estimate for the sector in 2018 was 2.1 percent. Although Mchenga Coal Mine was closed down in late 2018, the company was mining at a smaller site to maintain production. In 2019, growth in the sector was estimated at 3.6 percent and projected to reach 5.8 percent in 2020. Growth in the sector will be driven by major exploration works that are currently in progress at Malingunde in Lilongwe among others and increased revenue from Kasikizi coal mine and the limestone mine in Mangochi. In addition, with a lot of construction activities taking place, quarrying is also expected to increase, thereby contributing to the overall growth of the sector.

### 9.4 Farm inputs - fertilizer

Malawi has since time in memorial been importing most of its fertilizer requirements. There is potential for the country to produce its organic fertilizers that will improve the soil fertility thereby improving productivity. The demand for organic foods is on the increase around the world. The country still has some virgin lands that can potentially produce organic foods to compliment the international demand for organic foods. Organic fertilizers are produced from locally available materials that include animal manure, sewage disposal and compost, among others.

### 9.5 The Energy sector

The energy sector while a major component in manufacturing and a gateway to industrialization remains uninvested. The country's available generation capacity is far below industrial demand. Several investments in energy have come in the country to supplement energy resources which includes solar and mini grids

that are slowly developing on the small rivers in the country. The country has several identified hydro potential areas that remain uninvested subject of conducting proper feasibility studies on such sources and availability of capital. The numerous identified manufacturing processes will largely rely on availability of energy, potentials of which exists in Malawi. The energy sector is guaranteed of immediate 100% uptake by the existing manufacturing potential.

## 9.6 Textile industry

The textile industry is one of the oldest industries in the world. Malawi remains with exceptionally attractive climatic conditions for the growth of cotton in the districts of Karonga, Salima, Balaka, Chikwawa and Nsanje. The textile industry has potential to create employment and thereby transforming people's lives by engaging in growing cotton. The country's history points to the fact that the country grew its cotton and already has excess ginning capacities located in the same geographic area. While production of lint has been the tradition, the Malawi lint is competing unfavorably on the international market leading to farmers obtaining poor market prices for the crop. As a result, most farmers have withdrawn from growing the crop despite having the favorable climatic conditions. The country's uptake of textile industry is sufficient considering the growing population which shall always need clothing. There is every reason to increase productivity of cotton for local manufacturing, demand which remains unsatisfied as demonstrated by the large volume of imported clothing in the country that includes secondhand clothes and imported cloth from other countries. Improved seed varieties, access to cheaper farm inputs and improved market prices has potential to immediately boost cotton production thereby creating employment that will boost the economy.

## 9.7 The Transport and storage sector

The Transport sector is the oldest industry that remains improperly invested. This has hindered development of the rural areas as the existing transport systems have unfavorably been for rural areas. All person plying their trade in this sector have only concentrated on the existing tarmac roads in Malawi. The rural areas have been shunned making it extremely difficult for the rural farmers to move their produce to the markets. The poor road infrastructure comprised of roads and bridges remain in sorry state. Farmers are discouraged to take their crops to the markets hence they remain poor, despite their potential to ably produce and improve their livelihoods. The unintegrated transport system makes the transport sector to become extremely expensive hence shunned by most investors.

According to the Ministry of Finance Economic report for 2019, in 2018, the Transportation and Storage Services sector is estimated to grow by 4.9 percent. In 2019, growth was estimated to tick up, to an annual rate of 5.5 percent mainly due to election related activities. The sector is projected to grow by 4.4 percent in 2020.

## 9.9 Tourism sector - rural

Malawi's rural tourism remains heavily unexploited. With the numerous existing rural touristic destinations that exist in Malawi, such investment has not been carried out due to lack of capital. Malawi has concentrated their tourism activities in hotels and lodges that exist around the cities while the rural potentials remain unexploited. Mulanje Mountain is highest point in Central East Africa. Lake Malawi with over 1,000 fish species has been unexploited. The northern region with Vwaza Marsh, Nyika plateau and Livingstonia escarpments remain uninvested. The southern region with the Zomba plateau and the historical old capital site remains attractive destinations yet has hitherto remained uninvested. The lower Shire with the rural attractive Lengwe and Ndindi marshes have not been opened up as much to tourists including Malawians. The country's various water falls on the beautiful rivers on Malawi, Shire, Rukuru, Luwawa among others have vast rural tourism potential that require investments.

According to the Ministry of Finance Economic Report 2019, growth estimates for the Accommodation and Food Services Sector for 2018 and 2019 are 5.9 and 4.0 percent respectively. Growth was mainly driven by activities related to the Population and Housing Census in 2018 and by the elections in 2019. In 2020, growth is projected at 3.8 percent.

## 10. THE BUSINESS AND INDUSTRY

### 10.1 RUDEVIT LIMITED AND RUDEVIT HOLDINGS PLC

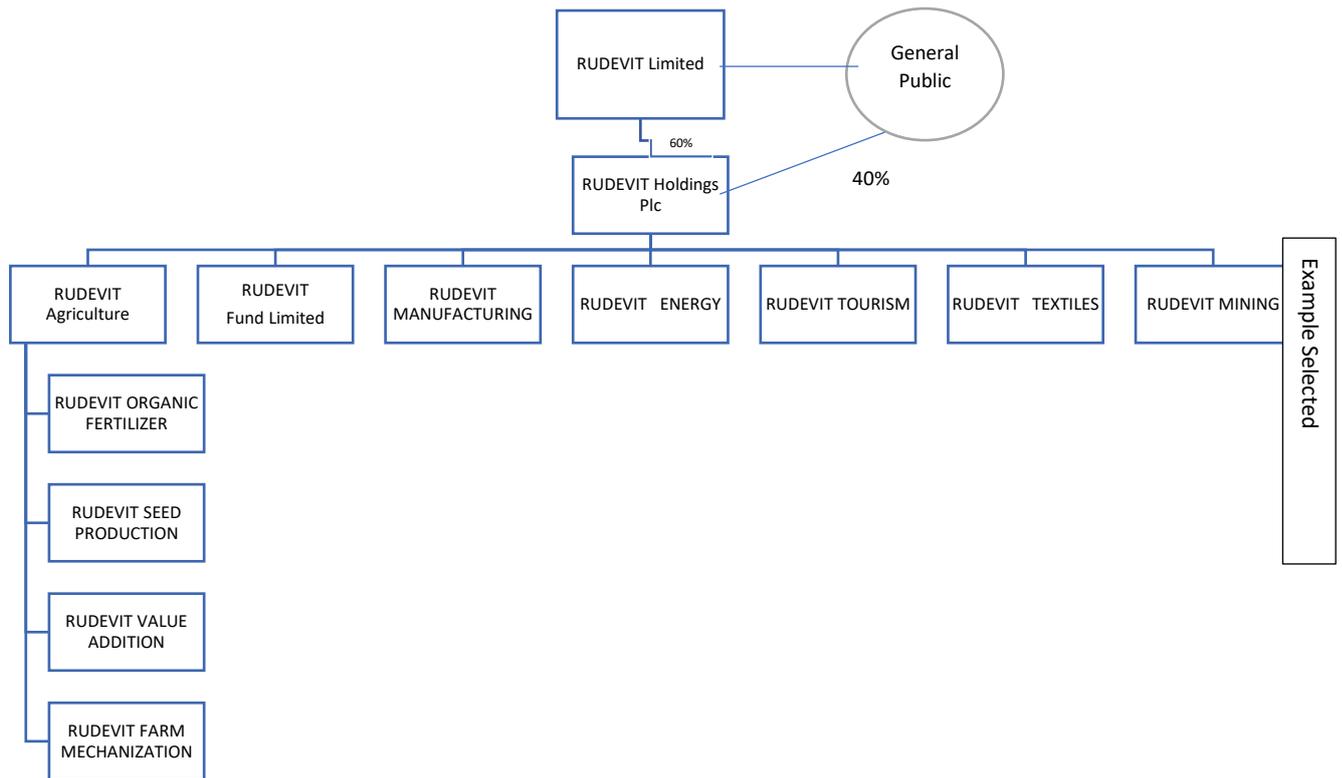
It is against this background that a certain group of Malawians decided to incorporate Rural Development Investment Initiative Trust Limited (RUDEVIT Limited) with a view to compliment government efforts and be implementers of some of the development strategies. Accordingly, RUDEVIT wishes to invest in all investible economic sectors of Malawi with emphasis in exploiting the rural wealth potential by investing in farm mechanization, farm inputs and value addition, manufacturing, integrated transport, tourism, energy and mining, which will create employment, open up markets to farmers thereby eradicating poverty, improving agricultural productivity which in turn leads to eradication of hunger among the so many benefits that accrue from it. RUDEVIT seeks to set up manufacturing industries in rural areas reviving the textile industry, investing in value addition for specified crops for both domestic and international markets.

RUDEVIT Limited is a company limited by guarantee, which has invested in Rural Development Investment Holdings PLC (RUDEVIT Holdings Plc). RUDEVIT Holdings Plc in turn is investing 100% into subsidiary companies that are being set up in each of the identified economic sectors. RUDEVIT Limited does not have share capital. Instead its funding is from subscriptions, donations and grants that can be received from its members as joining fees, government, and other donation agencies. All proceeds received by RUDEVIT are subject of investment in a subsidiary companies through the RUDEVIT Holding Plc.

### 10.2 Group Structure and history

RUDEVIT Limited was incorporated as a company limited by guarantee on 10 December 2019. Its membership is drawn from representation in Malawi to act as its guarantors. By its articles, RUDEVIT Limited is a 60% equity holder in RUDEVIT Holdings Plc. RUDEVIT Holdings Plc is a public company limited by shares. The holding company was specifically set up to carry out commercially viable investments for the sustainability of its operations. RUDEVIT Holdings Plc will at all times hold 100% equity in the subsidiary companies that are under promotion to invest in all sectors of the economy in Malawi, making it a highly diversified investment and self-de-risked by the fact that it is guaranteed by the Malawians as such the company has potential to live for as long as the country mother Malawi lives in the world. Rural Development Investment Holdings Plc was incorporated on 31 January 2020.

RUDEVIT Holdings Plc is a public company limited by shares as defined by its articles. In terms of its memorandum and articles of association, the shares of the RUDEVIT Holdings plc are available to the public. For a person to qualify to buy the shares, there is a requirement to make a once-off non-refundable joining fee/donation of K20,000 in RUDEVIT Limited (a company limited by guarantee). The objective is to help RUDEVIT build its capital base for onward investment in the Holding Company. On the first call, a person can buy as many shares as possible. Corporate investors may by arrangement agree on a joining fee with the Directors.



### 10.3 Company Objectives

1. To commercially carry out investments in the various sectors of the Malawi economy with the ultimate objective of exploiting the wealth potential of the rural areas that will lead to the establishment of markets, industries and linkages that will create sustainable value chains.
2. To invest in commercially viable technology that will support and increase productivity in the agricultural sector with the objective of creating employment and development of rural infrastructure that will sustainably allow rural areas access to markets while providing a return to the stakeholders.
3. To invest in development finance entity that will raise capital, attract local and foreign capital as debt, equity, grants, donations, technical assistance for creating and expansion of sustainable investments in rural areas for the benefit of the people of Malawi living in rural areas.
4. To provide support to the under-served sectors of the economy by exploiting their potential through the deployment of modern technology, financial and human capital. To support commercially viable investments in the public and private sectors of the economy to consolidate and promote growth, productivity, employment, wealth creation and broad-based economic development of Malawi.
5. To support commercially viable investments in the public and private sectors of the economy to consolidate and promote growth, productivity, employment, wealth creation and broad-based economic development of Malawi.

### 10.4 Our Vision

To be a leader of implementing sustainable economic development targeted at rural areas while delivering a return to stakeholders

## 10.5 Our Mission

We exist to exploit the wealth potential of the country's rural resources in a sustainable manner while alleviating poverty, creating employment, and delivering a return to our stakeholders.

## 10.6 Our core Values

### 10.6.1 Accountability and Integrity

We diligently serve as stewards of the rural development as we hold ourselves to the highest level of ethics, integrity, and responsibility.

We believe that transparency leads us to the highest accountability within and outside the group. We maintain and report our records accurately and share to relevant stakeholders.

### 10.6.2 Commitment to rural communities

We hold ourselves to a strong commitment to rural communities and stakeholders in whatever we do.

### 10.6.3 Sustainability and Teamwork

As a multidisciplinary organization with membership from diverse background investing in a highly diversified corporation, we leverage our strength on team work to deliver value to our stakeholders sustainably.

## 10.7 Our Motto

Spearheading innovative rural economic development in Malawi.

## 10.8 GOVERNANCE

### 10.8.1 Corporate Governance

RUDEVIT Holdings Plc has a unitary board structure comprising of 10 non-executive directors whose responsibilities are being set out in a formal board charter.

RUDEVIT Holdings Plc directors are committed to ensuring that the company conforms to modern principles of corporate governance namely accountability, integrity and transparency as generally enshrined in the King Code III and adopted by the Malawi Code of Corporate Governance and making part of accountability section in the Malawi Companies Act 2013.

### 10.8.2 Directors' profiles

The directors and their profiles are included in this Information Memorandum as follows:

1. Mr Hastings Bofomo Nyirenda
2. Dr Francis Gondwe
3. Mr Allan Muhome
4. Mr John Robson Kamanga
5. Mr Martin Anthony Siwu
6. Ms Wezie Moyo
7. Mrs Vera Zulu
8. Mr Mr Isaac Maliba Mvula.
9. Mr Brian Zagwazatha Kapito
10. Mr Patrick Chingati-Phiri

Below are the profiles of the directors:



**Hastings Bofomo Nyirenda, Bcom; FCCA, MSc;  
CA (Age: 52);**

**Residential Address Plot Kabula 5/60, Postal  
address: P O Box 508, Blantyre, Malawi**

Hastings Nyirenda is currently Executive Director at Grant Thornton Consulting Limited and also a Partner at Grant Thornton Chartered Accountants. Backed by over 27 years work experience Hastings started his career in 1993 with the then Coopers & Lybrand a firm of chartered accountants. He later assumed roles as Internal Audit Manager for the then Oil Company of Malawi, Group Chief Internal Auditor for the Import & Export and later Group Financial Controller for Import & Export before moving back to public practice in 2002 when he joined KPMG from where he rose ranks up to, Partner and Executive Director of the transitioned firm of Grant Thornton Chartered Accountants and Grant Thornton Consulting Limited, respectively.



**Dr Francis Chinjoka Gondwe (Age; 52)  
FCCA, CA (M), MBA, Ph.D.  
Residential: Kameza Gulliver  
C/O ICAM Box 1 Blantyre, Malawi**

Dr Francis Chinjoka Gondwe is a go-to professional who has held finance and non – finance positions in his career. Francis started his professional career in 1992 as an Assistant Accountant at Kamwai Corporation Limited Group of Companies which comprised PEW, Maltaco, Wade Adams and Median Biao Bank.

He joined Christian Health Association of Malawi (CHAM) in 1998 as an Accountant. After a year, he was promoted to the rank of Head of Department. Between 1999 and 2009, CHAM promoted Francis to the positions of Deputy Executive Director and Executive Director.

Francis joined AMG Global in 2010 as Audit and Advisory Services Director. He was admitted as Partner responsible for Lilongwe office in 2014.

He is the current Chief Executive Officer of the Institute of Chartered Accountants in Malawi.

He has served in a number of boards including Global Alliance for Vaccines and Immunization (Switzerland), Ecumenical Pharmaceuticals Network (Kenya). He is also a founding member of the Africa Christian Health Associations Human Resources for Health Technical Working Group.



**Allan Hans Muhome (Age 39) MBA, LLB (Hons)  
Mw. Residential: Mpemba Plot Number 302  
P O Box 1712; Blantyre**

Allan has been admitted to practice law in the High Court of Malawi and the Supreme Court of Appeal for the past 14 years.

He worked briefly for the Ministry of Justice, Attorney General's Chambers. He later joined one of the leading legal firms in Malawi, Sacranie, Gow and Co. for a period of 5 years, concentrating on commercial law advisory and litigation. He has held executive positions at Indebank Limited and National Bank of Malawi plc between 2012 and 2017. Currently, he is serving as Company Secretary for the leading hotel chain in Malawi, Sunbird Tourism plc. He has published three books touching on labour law and corporate laws of Malawi.



**Martin Anthony Siwu [Age: 51]**  
**MSc [Finance, London], BSoc [Economics, Malawi] Residential: Plot Number LK928, Michiru, Blantyre; PO Box 31175 Chichiri Blantyre 3**

Martin is the Managing Director of Maximus Africa Investment Management Limited, a corporate advisory and investment management firm. Martin has extensive experience in development finance and commercial banking extending over a period of 29 years. He has previously worked for Reserve Bank of Malawi as an Economist, Investment & Development Bank of Malawi as a Project Appraisal Executive, Standard Bank Malawi as Head of Credit and Head of Client Coverage, NBS Bank as Chief Operating Officer & Head of Credit and Nedbank Malawi as Head of Wholesale Sales. Martin has extensive knowledge and experience in Project Appraisal and Due Diligence, Investment Analysis, Credit and Operational Risk Management and Corporate and Investment Banking.

He has a Masters Degree in Finance from London Business School, University of London, United Kingdom and a Bachelors Degree in Economics from Chancellor College, University of Malawi,



**Wezi Moyo (age: 45) MA Gender and International Development (Warwick) BA – Public Administration (UNIMA) Residential: Katoto SOS Mcsteel Building PO Box 317, Mzuzu**

An international development practitioner working in the field for 17 years. Her expertise is gender and governance and include strategic planning, researching and designing programs, management monitoring and evaluation. She has proven experience in mainstreaming gender and social issues in policies, programs and at institutional level in African settings. Currently working as a Consultant (gender and development); She has worked for:-

Action Aid as Country Program Women's Rights/ HIV&AIDS Thematic Head doubling as Regional Manager (North and Central). She provided leadership to the country program to mainstream gender and social inclusion, in development of country strategy, design and management of program/ projects, M&E and influence a gender responsive and socially inclusive national and international policy agenda and practice.

Geneva Global as Program Manager to identify projects, conduct due diligence and manage grants for management of multiple projects in Southern Africa. She has further worked for Harvest Help/ Find Your Feet, Plan International among others in project coordination role to improve rural livelihoods.

She is a serial entrepreneur with business interests in hospitality industry, agriculture, construction and transportation.



**Vera Zulu (Mrs) (Age: 43)**  
**Bcom, FCCA, CA, MBA**  
**Residential: Nancholi 84, Blantyre**  
**Postal: C/O NBS Bank**  
**P O Box 32251, Chichiri, Blantyre 3**

Vera is the Chief Financial Officer at NBS Bank. She has previously worked for Nedbank Malawi, Standard Bank and INDE Bank in various Senior managerial capacities and also has worked for several other financial services

organizations. Vera has over sixteen years' experience working in the Banking sector and twenty years' experience in the accountancy field.

Vera is a senior level executive with extensive hands on experience in management, business leadership, and corporate governance. Her areas of expertise include Asset and Liability management, Taxation, Budgeting and forecasting, Financial analysis, Risk management, Corporate governance, staff management and development and regulatory reporting. Vera also has extensive experience in Strategic Planning, problem solving, team building and project management skills.

Vera Zulu is a member of the Institute of Chartered Accountants in Malawi (CA), a qualified Fellow Chartered Certified Accountant (FCCA) and holds an MBA from the University of Derby (UK). She also holds a Bachelor of Accountancy Degree ( BACC) obtained from the University of Malawi.



**Isaac Maliba Mvula (age: 48)**  
**BCom, MSc (Mgmt), MSc (Crim Just), ACCA,**  
**CPA(US), CPA(Canada)**  
**Residential: 515 Milnne Cresent, Eastvan,**  
**Saskatchewan S4A2K2, Canada**

Isaac Maliba is an entrepreneur in Southeastern Saskatchewan, Canada where he and his wife own and run a group of audiological clinics. As well, he has his own public accounting practice, offering accounting, tax and business consultancy services. Over the past twenty six years Maliba has lived in Botswana, the US and Canada where he picked up extensive experience in business, accounting and financial management. This includes working in public accounting (both with Big Four and smaller firms) and assuming controllership positions in a variety of industries. His

experiences extend beyond business and finance, as he also worked as an adjunct professor of financial management in the masters program at the University of Mary's School of Business in Bismarck, North Dakota and also as a criminal justice researcher (which included working at the world's largest law enforcement training center, the Federal Law Enforcement Training Center in Glynco, Georgia, USA). He also served on the board of the South East Sport, Culture & Recreation District, an organization created and funded by the Saskatchewan provincial government.



**Brian Zagwa-zatha Kapito**  
**FCII (Fellow of the Chartered Insurance**  
**Institute of London), Chartered Insurer- UK,**  
**Master of Business Administration (UWIC-UK).**  
**Residential address: Plot BW411/11, South**  
**Katunga Road, P O Box 31937, Blantyre 3**

Brian Zagwa-zatha Kapito has over 20 years' experience in insurance company management. He has worked with management teams and attended full-time education in countries including Zimbabwe, Malawi, Zambia, Kenya, South Africa, Tanzania, Malta, Morocco, Mozambique, Uganda, Ghana and the United Kingdom

Brian is currently the main shareholder in Black rose insurance brokers and Blackrose holdings limited. He has prior to this worked as Managing Director for Saham Assurances Ghana. CEO for Niko Insurance Uganda Limited. Projects Manager for Nico Holdings Limited (Malawi), Deputy CEO for NICO Insurance Zambia limited, Deputy General Manager for Niko Insurance Tanzania limited, Assistant General Manager for Nico General Insurance Company Limited and various positions within the United General Insurance Company of Malawi



**Patrick Chingati-Phiri (Age 53)**  
**MBA,BA,Dip.Bus**  
**Residential: NgombeKwana Drive Area**  
**47/3/300 P O Box 2443 Lilongwe**

Patrick Chingati-Phiri is a versatile and well-rounded individual with a rare combination of experience and skill sets in general and Business Management and Administration, Programme and Project Management and from training and coaching gained from public, private and NGO sectors over 29 years of service.

Patrick is the current Managing Director for CPM Agri-Enterprises, a seed company. He worked as Operations Director for Lilongwe Handling Company, District Commissioner/Chief Executive Officer under the Malawi Ministry of Local Government, Principal Gender Planning Officer for a GIZ supported Economic Activities Programme (EAP); Deputy Coordinator for DFID funded Training Women in Economic Activities (TWEA) Project; Credit Manager for a World Bank funded Population Health and Nutrition-Women in Development (PHN-WID) Project and a secondary school teacher.

Patrick has Board level experience. He is currently Board member and Chairperson for River Clear Trust, aimed at mitigating effects of climate change and deforestation and a Board member for UNUM Foundation, a social action for peace initiative aimed at fostering greater togetherness and understanding among the people of Malawi. He has been a Trustee for the Aviation Pension Fund and Chairperson of the Investment Committee.

### 10.8.3 Principal Board Committees

The board has constituted committees for the efficient discharge of its duties. All committees



**John Robson Kamanga**  
**Age 52 Bosc(Econs); MA (Econs):**  
**MSc(LCM).Residential: Namiwawa, Plot**  
**BW1183.Postal: P/Bag 270, Blantyre**

Mr. John Robson Kamanga is a seasoned financial economist and a capital market expert with a wealth of knowledge in capital market development, operation and regulation. He possesses a wealth of broad knowledge in African emerging markets acquired during his continuous involvement in the market over a period of 18 years where he has played a leading role in the development of the capital market in Malawi. He has provided compliance and quality assurance reviews on a number of large corporate finance transactions undertaken by listed companies on the Exchange.

Current Chief Executive Officer of Malawi Stock Exchange, Mr Kamanga holds a Bachelor of Social Science degree majoring in Economics, Masters of Arts (MA) Economics majoring in International and Monetary Economics and a Master of Science (MSc) in Leadership and Change Management majoring in Corporate Governance. He is a Certified Member of the South African Institute of Financial Markets (SAIFM) and also a Certified Corporate Governance Expert by Global Corporate Governance Forum - IFC and Chair of the Institute of Directors in Malawi.

report to the main board. Each board has its own written terms of reference. The committees have been set to meet at a minimum once in a month just as Board has

been set. The committees which are comprised of non-executive directors are as follows with their memberships:

#### **Investments Committee**

- Mr Martin Siwu - Chairperson
- Mr Patrick Chingati-Phiri
- Mr Isaac Maliba Mvula
- Hastings Bofomo Nyirenda

The committee is generally responsible for evaluating all investments opportunities in which the RUDEVIT Holdings Plc intends to invest from time to time. Only those proposals that will have been properly evaluated will be subjected for approval at the main board.

#### **Finance and Audit Committee**

The primary purpose of the audit committee is to provide an oversight over financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.

- Mrs Vera Zulu - Chairperson
- Dr Francis Gondwe
- Mr Allan Muhome

#### **Appointments and Remuneration Committee**

The committee is largely set up to look mainly into all matters pertaining to the recruitment of the company's executive management and also to manage the remuneration of the persons in those positions, with future mandates to look into board composition in terms of skills mix and retention.

Members:

- Dr Francis Gondwe - Chairperson
- Mr Martin Siwu
- Mrs Wezi Moyo

#### **Risk Committee**

This committee has the responsibility for the identification and management of all risks pertaining to investments in the group.

- Mr Brian Zagwazatha Kapito - Chairperson
- Mr Allan Muhome
- Mr Patrick Chingati- Phiri
- Hastings Bofomo Nyirenda

#### **Adhock Committee- on Land matters**

This committee is responsible for dealing with all land related matters. As the entity is new, it will be important that it works to timely identify and ensure that matters pertaining to location of its business operations is given priority at the board and discussed adequately.

#### **MANAGEMENT**

The Directors are in the process of recruiting Executive Management of the RUDEVIT Holdings Plc.



#### **Dr Enwell Kadango - Bsc Agriculture, MBA, Phd -Chief Executive Officer:**

Dr Enwell Kadango is a well-known business acumen with lots of experience in managing businesses from Manufacturing, Telecommunication and Energy industries. He has worked in high-level positions, leading organisations as Marketing Director and Chief Executive Officer. Enwell has interacted with Business executives, Government officials and Regulatory Authority in Energy in his career. As chief Executive Officer for PIL, Enwell brought the little known company to a household name in the energy sector through brand

modernisation and purpose driven Corporate Social Responsibility. His ethical work culture, honesty and transparency with international suppliers, financing banks and transporters led to what PIL is today. Enwell was Marketing and Customer Service Director for Airtel Malawi where he led customer service, marketing and communication to grow the business through customer acquisition, innovation, brand marketing and promotion. While at Unilever as Marketing Director and other senior positions, Enwell lead the marketing

department in Unilever Malawi, Zambia and Zimbabwe in charge of innovation, brand management PR and communication

**The following key positions will be filled by highly competent persons after a careful selection by the directors:**

- Chief Finance Officer
- Chief Investments officer

Management shall be responsible for the recruitment and selection of the rest of the organizational positions in line with the recruitment policy that is subject of approval of the directors.

## 11. GENERAL DISCLOSURES

### 11.1 Disclosure relating to the offer

#### 11.1.1 Authority for the offer

The offer was approved by resolutions of shareholders of the company in its initial general meeting held on 25 January 2020 and resolution of board of directors for the meeting held on 16 July 2020 to issue shares to its members as a non-listed public company.

#### 11.1.2 Allotment policy

In the event of over subscription shares will be allotted at the sole discretion of the directors having regard for strategic benefit to be derived from the diverse shareholder base. Multiple applications are discouraged and the Board has resolved to adopt a share allotment policy that negates the benefits of multiple applications. Multiple applications may be rejected at the sole discretion of directors. The company will, subject to the articles of association allocate additional shares, if there is an oversubscription during the first call in the Information Memorandum

#### 11.1.3 Commissions paid

No commissions, discounts or brokerage were paid to any party in this Information Memorandum for acquiring any shares from the inception of the company.

#### 11.1.4 The Company's proposed dividend policy

The Directors have adopted a dividend policy to distribute, subject to cashflow considerations, 50% of the profits after tax distributable in equal interim and final dividends. The company's financial year has been designed to span between 1 January and 31 December. On availability of distributable profits, the dividends will be paid as follows:

Interim dividend	Declaration	Mid- August
	Closing Transfer register	End – August
	Payment	Early September
Final dividend	Declaration	End April
	Closing Transfer register	Mid May
	Payment	End May

In line with Article 85(1) of the company, all dividends unclaimed for twelve years from the due date of payment or when such monies are payable if not claimed subject to any other existing legal provision, shall become the property of the company.

#### 11.1.5 Adequacy of capital and cash flow

The Directors of RUDEVIT Holdings Plc are of the opinion that:

- On this first issue of shares, the RUDEVIT Holdings Plc's capital will be adequate for purposes of the company's business for the foreseeable future to meet the specifically identified investments. Future calls will be for intended new investments identified by the Directors at each material time.
- RUDEVIT Holdings Plc.'s working capital resources will be adequate for its current and foreseeable future requirements, and
- The Company's cashflow will be adequate for current and foreseeable future requirements.

### 11.1.6 Borrowings and loans

RUDEVIT Holdings Plc and all its newly to be incorporated subsidiary companies do not have any borrowings. Except as disclosed herein, the company has no other outstanding obligations as at the date of this Information Memorandum.

### 11.1.7 Authority for capital raise

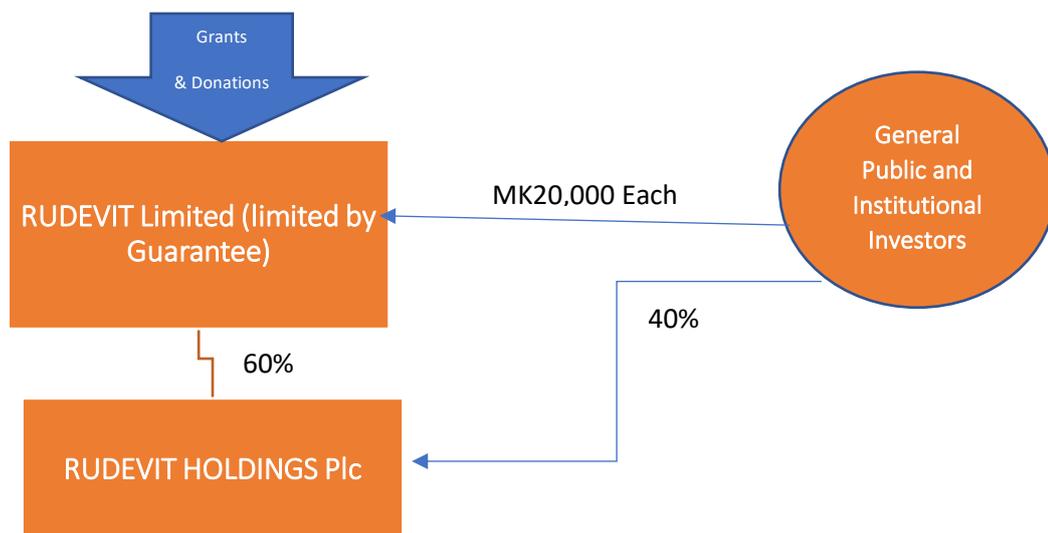
The offer was approved by resolutions of the members of the company passed at the first members general meeting of 25 January 2020, and of the Board of Directors on 16 July 2020. The members reaffirmed their resolution in the members meeting of 1<sup>st</sup> August 2020.

### 11.1.8 Consents

The directors that have been named above have given consent and have not withdrawn it to the issue of this Information Memorandum with the inclusion herein of their names and the references to their names in form and context in which respectively appear and dully signed for.

### 11.1.9 Controlling shareholder

By its articles, RUDEVIT Limited ( a company limited by guarantee) will have a total beneficial controlling interest of 60% of the capital in the company. RUDEVIT Limited has control over the appointment of directors as governed by the articles of the company.



### 11.1.10 Documents available for inspection

Copies of the following documents may be inspected at the company's temporary Registered Office, MASM House, C/O Grant Thornton by arrangement with the company secretary during business working hours.

- (a) The Company's Memorandum and Articles of Association
- (b) Certificate of incorporation
- (c) Copies of Special Resolutions
- (d) Statement of legal compliance

### 11.1.11 Litigation

RUDEVIT Holdings Plc and its ultimate Holding Company RUDEVIT Limited are not involved in any litigation or arbitration which may have or have had from the time of its incorporation that may have significant effect on the company, nor is the board aware that any such proceedings are pending or threatened.

#### 11.1.11.1 Registration of Information Memorandum

A copy of this Information Memorandum has been delivered to the Registrar of Companies and the Registrar of Financial Institutions.

The Auditors, Legal Advisors, do not hold any shareholding in RUDEVIT Holdings Plc.

#### 11.1.11.2 Winding up of RUDEVIT Limited and RUDEVIT Holdings Plc

In the unlikely event that the projects fail to take off, in respect of RUDEVIT Limited, a company limited by guarantee, with no share capital, all its assets net of any liabilities ( in relation to joining fee and any donations, or income of the company) shall be distributable to charity or any other organization involved in similar or carrying out charitable activities.

The net assets of RUDEVIT Holdings Plc shall be distributable in line with the provisions and guidelines under the Insolvency Act 2016. Under that Act, surplus assets are distributable to the members based on their shareholding ratio in the company.

#### 11.1.11.3 Subscription details

NAME OF ISSUER

Rural Development Investment Holding Plc (RUDEVIT Holdings plc)

Registered office: C/O Grant Thornton Consulting Limited

MASM House

Blantyre, Malawi

### 11.1.12 SHARES TAKEN UP BY MEMBERS

At the onset of the dissemination of the concept contained in Rural Development Investment Initiative Limited, several Malawians resident and non-resident expressed interest to invest in this prestigious investment and immediately paid a once-off non-refundable joining fee of MK20,000. This fee qualified each one of them for one share of MK1.00 each on subscription to the memorandum and articles of association of RUDEVIT Holdings Plc while MK19,999.00 remains as a contribution in RUDEVIT Limited a company limited by guarantee to enable it to build capital. The amount of which gets invested in the RUDEVIT Holdings Plc as part of its capital requirements. The list of all members that have expressed such interest to buy shares in RUDEVIT Holdings Plc has been reproduced in the appendix 1 to this Information memorandum summarized as follows:

Total number of shareholders	Shares in RUDEVIT Holdings Plc	Total Paid for RUDEVIT Holdings Plc @MK1.00 each	Joining fees/subscription MK	Total payment
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	MK1.00 each paid up	MK		
112	112	112.00	2,239,888.00	2,240,000.00
1	60,000	60,000.00	-	60,000.00
Total	60,112	60,112.00	2,239, 888.00	2,300,000.00

On incorporation of Rural Development Investment Holdings Plc (RUDEVIT HOLDINGS PLC), the following subscribed for shares of MK1.00 each in the company.

Name	Total number of shares	Nominal value	Amount
Hastings Bofomo Nyirenda	500,000	MK1.00	500,000.00
Francis Chinjoka Gondwe	500,000	MK1.00	500,000.00
Misheck Geoffrey Esau	500,000	MK1.00	500,000.00
Dina Tiyanhuleni Kamowa	500,000	MK1.00	500,000.00
Lovemore Mopiha	500,000	MK1.00	500,000.00
RUDEVIT Limited	1,000,000,000	MK1.00	1,000,000,000.00
Shares above <sup>1</sup>	60,112	MK1.00	60,112.00
Total shares allotted	1,002,000, 112	MK1.00	1,002,060,112.00

Except for the 60,112 shares that were paid for through the joining fees and initial deposit to open bank account for RUDEVIT Holdings Plc, none of these shares have been paid for at the time of Producing the Information Memorandum. The amount received in RUDEVIT Limited represented by MK2,239,888.00 has for the purpose of this Information Memorandum been applied to issued capital in the company of an equivalent of MK2,239,888 shares of MK1.00 each. Accordingly, the remaining shares will form part of the subscription offer at MK1.00 each.

## 12. PROFORMA STATEMENT OF FINANCIAL POSITION AS AT DATE OF ISSUANCE OF INFORMATION MEMORANDUM

Assets	MK
Cash and cash equivalents	<u>2,300,000</u>
Equity and liabilities	
Paid up capital	<u>2,300,000</u>

Paid up share capital is represented by:

	MK
RUDEVIT Limited	2,239,888
Other members	<u>60,112</u>
Total	<u>2,300,000</u>

<sup>1</sup> Separate list has been provided in Appendix 1

### 13. DECLARATION BY DIRECTORS

The directors collectively and individually accept full responsibility for the accuracy of the information contained in this Information Memorandum and confirm having made all reasonable inquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Directors:

Name of director

Signature

Hastings Bofomo Nyirenda



Dr Francis Chinjoka Gondwe



Martin Siwu



Vera Zulu



Wezzie Moyo



Brian Kapito



John Robson Kamanga



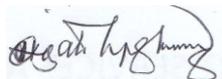
Isaac Maliba Mvula



Allan Hans Muhome



Patrick Chingati-Phiri



## 14. CORPORATE INFORMATION AND ALLIANCES



Rural Development Investment Holdings Plc

The company was incorporated as a public company limited by shares on 31 January 2020.

### Bankers



National Bank of Malawi  
Victoria Avenue Service Centre  
P O Box 945  
Blantyre  
Malawi

### Auditors



Ernst & Young  
P O Box 530  
Blantyre, Malawi

### Legal advisors



Wilson & Morgan  
P O Box 9  
Blantyre

### Corporate secretaries



Chartered Accountants  
P O Box 508  
Blantyre, Malawi

All the corporate alliances identified above have signified their acceptance to be included in this Information Memorandum

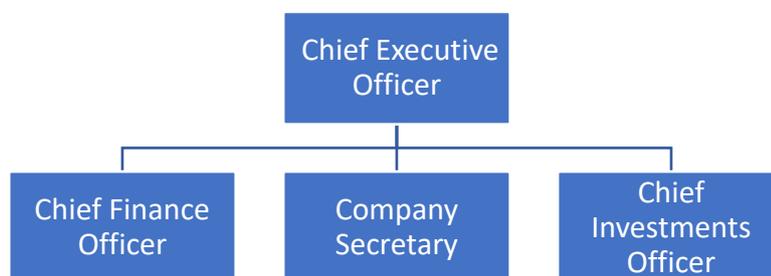
## SUFFICIENCY OF WORKING CAPITAL

Upon successful capital raising from the issuance of these securities, it is expected that the company will have sufficient working capital to fulfill its short-term working capital requirements.

## ISSUER'S MANAGEMENT

From inception the company has been set up by non-executive directors that have tirelessly worked to get the project off the ground. At the time of releasing the Information Memorandum, the directors have identified and selected **Dr Enwell Kadango** as Chief Executive Officer. Dr Kadango, working with the Board will steer the company's objectives. Management will all undergo detailed due diligence to ensure that only those with appropriate qualifications and skills are placed in the key positions. Management will develop a policy on recruitment that will ensure only properly qualified persons are recruited to fill all vacant positions and as they get established from time to time.

### . HIGH LEVEL ORGANIZATIONAL STRUCTURE- Executive



## Corporate Secretary

In its formative stage, the position of corporate Secretary has been outsourced to Grant Thornton Chartered Accountants, who will provide day today secretarial functions until such a time the company is able to identify a substantive person to occupy the position. Grant Thornton Chartered Accountants will manage the share certification for its members apart from normal daily duties expected of the company secretary.

## DIRECTORS' INTERESTS

All directors hold shares in the company. None of the directors has direct interest or shareholding that is more than 10% of the nominal value of the share capital. Below is the shareholding of the directors.

Name of Director	Number of shares
Hastings Bofomo Nyirenda <sup>2</sup>	60,001
Francis Gondwe	1
Martin Siwu	1

<sup>2</sup> All directors have paid joining fees of MK20,000 which qualifies them for one share in RUDEVIT Holdings Plc.

Vera Zulu	1
Isaac Maliba Mvula	1
Wezzie Moyo	1
Patrick Chingati-Phiri	1
Brian Zagwazatha Kapito	1
John Robson Kamanga	1
Allans Hans Muhome	1
<b>Total</b>	<b>60,010</b>

The directors are not precluded from taking up any number of shares provided that does not bring them in a position of conflict.

#### DIRECTORS CONTRACTS

None of the directors have signed contracts. Except for the initial Directors appointment, all subsequent directors may be appointed at annual general meeting. A director ceases to hold office upon attaining age of 70. A director may resign from the board by giving notice to the company secretary. A director may also leave office if he makes himself absent from three consecutive meetings without giving valid reasons to the Chairman of the board of directors.

#### DIRECTORS REMUNERATION

Since inception of the company, none of the directors has been paid any form of allowances from the company. Except as disclosed herein, any such payments or form of remuneration shall be subject of members ratification at the Annual General Meeting of the company.

#### DIRECTORS' INTEREST IN CONTRACTS

The company has not entered any contracts. None of the directors has any supplies contracts with the company. The company's secretarial services have been procured from Grant Thornton a firm also where its founding chairman works. This was the only firm that was willing to facilitate this formation and waive its requirements for up front payment for its services. The estimated cost for carrying out its secretarial services has been disclosed separately in this information memorandum.

## USE OF PROCEEDS

The company intends to raise at least MK10,000,000,000 to be invested for the setting up of the following companies as subsidiaries of RUDEVIT Holdings Plc.

1. RUDEVIT ORGANIC FERTILIZER (the project has been defined separately on Section 19.
2. RUDEVIT SEED PRODUCTION (The project has been defined separately)
3. RIDEVIT VALUE ADDITION LIMITED (the project has been defined separately)
4. RUDEVIT FARM MECHANIZATIONLIMITED (The project has been defined separately)
5. RUDEVIT FOOD PROCESSING – (The project has been defined separately)
6. Beverages production from Locally produced raw materials (feasibility)

## MATERIAL CONTRACTS

The company has not entered any material contracts with any suppliers or any other organization. The company has without commitment solicited various indicative quotations from foreign companies for the supply of machinery to be used in the various companies. The Directors have used these quotations in arriving at the projections for the potential investments which are being continuously evaluated. While these prices are only indicative, the directors and executive management will evaluate each project and verify all details before embarking on them. The identified investments represent those projects that were resolved by the members in the meeting of 25 January 2020 as low hanging fruits.

Product	Amount of quotation each(US\$)	Malawi Kwacha Equivalent
<b>Organic Fertilizer Machinery</b> 3 Tons/Hour and 5 Tons per hour	475,970	MK319,477,500
Complete machinery for processing <b>Tomato processing and Ketchup Making Machine</b>	830,050	MK622,537,500
<b>Seed processing</b> unit , covering cereals and legumes	150,050	MK112,537,500
1000L/Hour <b>MILK Production line</b> , together with bottle filling screwing, sterilization, and bottle labeling	120,580	MK90,435,000
<b>Farm Mechanization Project -</b>	474,376	MK355,782,000

Except for Farm Mechanization, all these are turnkey projects, the suppliers of the machinery undertake to construct, commission and deliver training to local staff up to the time the company is able to take off on its own.

## Financial Position

Prior to release of the Information Memorandum the following is the company financial position:

### Malawi Kwacha

Cash received on joining fees and subscription <sup>3</sup> - RUDEVIT Limited	2,240,000.00
Cash deposit on opening of bank account – awaiting capitalization- RUDEVIT Holdings Limited	60,000.00
Total cash available	2,300,000.00

The following expenses have been incurred/accrued by directors in the formation promotion and issuance of the Information Memorandum as follows:

Description of expense	Amount paid
Incorporation of RUDEVIT Limited <sup>4</sup> and RUDEVIT Holdings Plc	MWK60,000.00
Brochures for first members conference	MWK74,000.00
Incorporation of RUDEVIT Holdings PLC	MWK50,000.00
Preparation and Printing costs of information memorandum	MWK11, 500,000.00
Development of Website and initial hosting	MWK360,000.00

The above expenses stand liabilities to the company and recovered through the proceeds of the subscription offer.

Secretarial services including receiving applications, and all processes of issuing shares have been estimated at MK5,000,000 this cost will be met out of the proceeds of issuing of shares.

## Movement in authorized share capital

Upon issuance of the shares, the following will be the estimated statement of financial position for the company:

### Assets

Cash and cash equivalents 10,000,000,000

Total Assets 10,000,000,000

### Equity and liabilities

Issued capital 10,000,000,000

<sup>3</sup> Of this cash amount MK112.00 is in respect of 112 shares of MK1.00 that has been taken up in RUDEVIT Holdings Plc, while the remainder is for RUDEVIT Limited which will be invested in RUDEVIT Holdings Plc.

<sup>4</sup> Includes payment for name reservation at the Registrar of Companies MK10,000.00

Total equity and liabilities 10,000,000,000

This is an initial call of capital from members, in the likelihood that the demand for company shares surpasses the company's authorized capital, the directors are mandated to pass a resolution that will increase the authorized share capital to meet that demand.

## 15 FORECAST PROFORMA INCOME STATEMENTS

### FORECAST CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year1	Year 2	Year 3	Year 4	Year 5
Turnover	47,668,160	52,434,976	57,678,474	63,446,321	69,790,953
Cost of sales	15,406,152	16,946,767	18,641,444	20,505,588	22,556,147
Gross profit	32,262,008	5,488,209	39,037,030	42,940,733	47,234,806
Administration costs	5,701,280	6,271,408	6,898,549	7,588,404	8,347,245
Profit before tax	26,560,728	29,216,800	32,138,480	35,352,328	38,887,561
Income tax	1,697,040	3,181,068	5,525,630	7,563,033	8,319,336
Net profit	24,863,688	26,035,732	6,612,850	27,789,296	30,568,225
CONSOLIDATED INVESTMENT	7,984,721	7,186,249	6,467,624	5,820,862	5,238,775
RETURN ON INVESTMENT	311%	362%	411%	477%	583%

### 15.1 Assumptions underlying profit forecasts

Relatively stable economic environment over the forecast period is expected with inflation around single digit up to 9% . Interest rates are projected to be under 15% and a relatively stable exchange rate against the US\$1.00 to MK750 as a ceiling.

Despite anticipated possible competition that will arise in all these new projects, the aggressive marketing plan that will be put in place will lead the projects to their success. There will be increased demand for agricultural products owing to increased agricultural productivity being the main stay of the Malawi economy.

Revenues will be expected to marginally increase in the subsequent years as the projects take-off and consumers get more accustomed to local products being substitutes for foreign products however of the same quality. The company will largely take advantage of the “Buy Malawi” campaign dully supported by the Control of Goods Act 2018.

The above forecast is indicative and will be subject to detailed examination by management and directors before any investment can be made in any of the identified projects.

#### 15.1.1 Investments Considerations

Prior to investing in RUDEVIT Holdings Plc, investors should carefully consider the risks relating to Rural Development Investment Holdings Plc, being a totally new entrant in the market however covering all sectors of the economy in Malawi, its business together with all other information obtained in the Information Memorandum.

### 15.1.2 Competition

RUDEVIT Holdings Plc and its subsidiary companies in the various sectors of the economy are new. The company will face competition with certain small-scale producers and importers of probably some of the products that will be produced for the market. The directors are aware of such competition and will put in an aggressive marketing strategy that should within two years lead to total acceptability of the locally produced items on the market. Furthermore, the company will continue to rely on the Best Buy Malawian campaign to mobilise its support for locally manufactured goods in preference to imports, together with the existing laws in particular the Control of Goods Act 2018.

### 15.1.3 Macro-economic risk

RUDEVIT Holdings Plc's growth is largely dependent on Malawi's economic growth which is also largely dependent on the performance of the agricultural sector. The increasing population will need agricultural produce for the support of the livelihood. The growing population must continue to be fed and clothed.

As most of the capital equipment must be imported, access to foreign exchange is needed to source the significant part of the company's capital equipment. The availability of forex is dependent on increased inflows from continued exports of agricultural products and proceeds from multilateral donors. On the positive, RUDEVIT Limited a company limited by guarantee that holds 60% of equity in the issuer company will largely depend on its members goodwill to pay subscriptions and raise donations and receive grants at various levels. It is from these grants that it will potentially raise part of the forex requirements for the issuer that will in turn be applied to importation of machinery among others.

### 15.1.4 Operational risk

The operations of these mostly new investments are dependent on availability of energy to drive the machineries producing various products, in fertilizer, manufacturing and value addition. This may interrupt the operations from time to time. In considering these investments, the directors have considered alternative sources of power including standby generators for each investment apart from other forms of power that might be relevant for that purpose. In the long run, it is the intention of RUDEVIT Plc to invest in energy through one of its subsidiary companies that will subsequently drive the machineries.

### 15.1.5 Regulatory risk

The company's planned initial investments are generally in non-regulated areas. However, in considering these investments, the directors commit to complying with all existing laws and regulations. The information memorandum is subject of registration with the Registrar of Financial Institutions.

### 15.1.6 Self-de-risking

RUDEVIT Holdings Plc is a self-de-risked investment in that the ultimate Holding company is a company that is limited by guarantee offered by Malawians who are also its shareholders holding the part of the 40% stakes in the company. As such unlike any other set ups, the company will continue in existence for as long

as the country remains in existence. Guarantors will be replaced from time to time while the company continues in existence. Its shareholders are basically also its guarantors.

## 16 IDENTIFIED PROJECTS

The projects below are derived from the discussions among members of the company during the inaugural conference held on 25 January 2020. While the numbers have been populated from detailed workings, they are still subject or detailed analysis by management and directors at the time of investments. Accordingly, their presentation is an illustration of the various potentials that are available for a collective investment with Malawians teaming up and improving agricultural productivity and encouraging local manufacturing while delivering a return to members.

### 16.1 RUDEVIT ORGANIC FERLIZER

Project name: **RUDEVIT ORGANIC FERTILIZER**

Description:

Organic fertilizer is that type of fertilizer that is produced from plant and animal waste such as manure and compost among other debris. Organic fertilizer in addition to releasing nutrients, as they breakdown they improve the structure of the soil and increase its ability to hold water and over time organic fertilizers will make the soil and plants healthy and strong.

They are the ultimate slow release fertilizer, and it's difficult to harm plants however with great potential help to restore soil fertility. Amongst the advantages, organic fertilizers have little or no toxic buildups of chemicals and salts that can be deadly to plants. Above all organic fertilizers are renewable, biodegradable, sustainable and environmentally friendly.

There is acute shortage of good affordable fertilizer in Malawi. The current supply is mostly chemical based and imported into the country with excessively high landing costs making them unfordable for both subsistence and commercial farmers. This has among other reasons led to reduced levels of cultivation. The soils have lost their natural fertility leading to retarded agricultural output.

The project seeks to install three organic fertilizer plants within the vicinity of farmers in the three regions in the districts of Mzuzu rural, Lilongwe Rural and Blantyre rural. The organic fertilizer packaged in 50kilogram bags sizes will initially sell at affordable prices by Malawian farmers. The design is to have three plants that will have combined capacity to produce up to 10 to 12 Metric Tons per hour, thereby yielding around 100.5 Million metric tons per annum. At an appropriate pricing these will yield expected gross sales of MK8Billion per year.

#### COST OF INVESTMENT

Machinery installation costs, land and buildings, operating equipment is estimated to cost (US\$442,500) equivalent to MK331.875Million. The total cost of investment is estimated at MK507Million

#### PROJECTED STATEMET OF COMPREHENSIVE INCOME

In Thousand Malawi Kwacha

	Year 1	Year 2	Year 3	Year 4	Year 5
Turnover	8,640,000	9,504,000	10,454,400	11,499,840	12,649,824
Cost of sales	3,024,000	3,326,400	3,659,040	4,024,944	4,427,438
Gross profit	5,616,000	6,177,600	6,795,360	7,474,896	8,222,386
Administration expenses	594,000	653,400	718,740	790,614	869,675

Profit before tax	5,022,000	5,524,200	6,076,620	6,684,282	7,352,710
Income Tax	1,004,400	1,657,260	1,822,986	2,005,285	2,205,813
Net profit	4,017,600	3,866,940	4,253,634	4,678,997	5,146,897



This is a turnkey project whereby the supplier will build, commission and train the local Malawians to operate the machinery. The supplier will warrant and guarantees the project for 12 months, from installation.

The above pictures are for demonstration purposes only. The actual product packaging and set up may differ from it.

## 16.2 RUDEVIT VALUE ADDITION SOY MILK

**Project name: RUDEVIT VALUE ADDITION: SOY MILK PRODUCTION**

### DESCRIPTION

Soy milk is a type of grain milk which is prepared by soaking dried soya beans properly grinded in water. Soy milk is a stable emulsion of water, oil and protein. Soy milk is available in various flavors in the market. It is also highly fortified with extra calcium and vitamins. Soy milk contains high amount of essential ingredients such as carbohydrates, proteins, and calcium as compared to regular cow milk. Soy milk does not contain lactose and is highly preferred by consumers which are lactose intolerant and individuals that avoid dairy products, including vegan consumers. Manufacturers are offering innovative soy milk-based products which are fortified with vitamins such as vitamin B12 and B3, minerals and iron for increasing their product quality. Soy milks are the most consumed milk alternative worldwide which are boosting the sales growth over the recent years. Soy milk is mostly consumed by individuals which are lactose intolerant, allergic to soy and soy-based products or milk products. Soy milks are rich in protein and is calcium fortified drinks.

The project seeks to invest into a company that will use soya to make soy milk. Soy is grown in several districts in Malawi especially the central and northern areas. Presently the soya is just used for making soya flour used as a protein supplement for children. Soya has high value industrial use to produce milk.

Research has shown that there is acute shortage of milk and the demand for milk is on the increase. Malawi relies largely on diary milk. The milk supplies are supplemented by imports from South Africa and Zimbabwe for fresh liquid milk, while the powdered milk is imported from South Africa and Netherlands among other countries. The recent economic effects arising from Covid 19, require that Malawi just like any other country in similar situation develops its own sovereign resilience and invest to sustainably produce its own products, thereby saving on the scarce forex requirements and meet domestic demand with exigencies arising from the pandemic.

Subject to detailed evaluation by the management and directors, the company will invest in a plant that will produce 1,000 litres per hour yielding 24,000 litres per day or 8.7Million litres per annum at with maximum capacity. This is long life milk that will be packaged in various forms for ease of delivery to final consumer retail stores. In investing in this project, the company seeks to provide alternative market for the farmers, creating employment and improving agricultural productivity thereby sustainably eradicating poverty while delivering a profit to the company's shareholders. The byproduct from soya are used for other food nutrients such as soya pieces, confectionaries and highly nutritious animal feed.

### COST OF INVESTMENT

It is estimated that the machinery costs US\$120,580 with shipment costs amounting of \$11,000. Construction land and buildings is estimated at MK140,000Million together with initial working capital amounting to MK380million. The total cost of investment is estimated at around MK790.4Million.

PROJECTED STATEMENT OF COMPREHENSIVE INCOME

	Year 1	Year 2	Year 3	Year 4	Year 5
Turnover	3,644,160	4,008,576	4,409,434	4,850,377	5,335,415
Cost of sales	448,512	493,363	542,700	596,969	656,666
Gross profit	3,195,648	3,515,213	3,866,734	4,253,407	4,678,748
Other costs	353,200	388,520	427,372	470,109	517,120
Net profit	2,842,448	3,126,693	3,439,362	3,783,299	4,161,628
Income tax	-	-	515,904	1,134,990	1,248,489
<b>Net profit</b>	<b>2,842,448</b>	<b>3,126,693</b>	<b>2,923,458</b>	<b>2,648,309</b>	<b>2,913,140</b>

This is turnkey project where the supplier will install the equipment and commission it. The Supplier will also provide training to local operators, the cost of which is within the project.



This is a turnkey project where the supplier of machinery will install and commission it providing training to local operators.

The pictures depicted here in are just for illustration. The company will design its own packaging suitable to meet its requirements.

## 16.3 RUDEVIT FARM MECHANIZATION

### RUDEVIT FARM MECHANIZATION

#### DESCRIPTION OF THE PROJECT

The project seeks to invest in farm mechanization that will assist the farmers to ensure that eventually all cultivable land is tilled. This will assist the farmers to increase productivity on the basis that they can now grow on a more increased hectareage.

Research has shown that there is low productivity because generally the subsistence farmers are still using traditional methods of farming using the hoe. The subsistence farmers have never benefitted from the fruits of the first industrial revolution leading to retarded productivity. While the 18<sup>th</sup> century farming was characterized by a hoe, the demand for food arising from increased population growth surely require also modern methods of farming. The majority subsistence farmers are aged and agriculture is being shunned by the youth due to its labour intensity as such here is need to make it exciting hence the support. Such support can only be through mechanization apart from other farm inputs and extension workers. By investing in equipment such as tractors and ploughs, ridgers and making them available to farmers for hire at affordable rates, will assist them to increase hectareage of growing which in turn together with improved farm inputs such as fertilizers and hybrid varieties of seed, will enable them to increase productivity. This will help to significantly reduce hunger and with excess productivity easily made available to market for value addition and processing.

The project will deliver farm implements in all districts in Malawi, it will put inn place agricultural extension workers thereby almost quadruplicating the level of agricultural production in Malawi and eradicating hunger.

#### COST OF INVESTMENT

It is expected that the project will cost MK1,524,850,000 in purchase of equipment, while Mk2,893,200,000 will be required as working capital totaling MK4,418,050,000 in the first year.

#### PROJECTED PROFORMA STATEMENT OF COMPREHENSIVE INCOME

(In Thousand Malawi Kwacha)

	Year 1	Year 2	Year 3	Year 4	Year 5
Turnover	8,000,000	8,800,000	9,680,000	10,648,000	11,712,800
Cost of sales	2,400,000	2,640,000	2,904,000	3,194,400	3,513,840
Gross profit	5,600,000	6,160,000	6,776,000	7,453,600	8,198,960
Other costs	1,005,237	1,105,761	1,216,337	1,337,970	1,471,767
Profit before tax	4,594,763	5,054,239	5,559,663	6,115,630	6,727,193
Income tax	-	-	833,950	1,834,689	2,018,158
<b>Net profit</b>	<b>4,594,763</b>	<b>5,054,239</b>	<b>4,725,714</b>	<b>4,280,941</b>	<b>4,709,035</b>



The picture above are illustrative only. The actual product may differ in appearance and presentation depending on how the Directors determines the final supplier of the machinery.

## 16.4 RUDEVIT SEED DEVELOPMENT

### RUDEVIT SEED DEVELOPMENT

Project name: <b>RUDEVIT VALUE ADDITION: SEED DEVELOPMENT -</b>					
DESCRIPTION					
<p>In the Malawi Growth and Development Strategy III (MGDS III), Agriculture remains the priority area number one. Seed is a basic and vital input for successful agriculture production. The ability of improved high-quality seeds to maximize crop yield whilst decreasing arable land is the significant factor driving the market growth. World population is anticipated to reach 10 billion by 2050. This is anticipated to drive the need for food, which in turn is expected to further drive the market. Also, rising disposable income per capita is anticipated to result in extensive and inefficient consumption of resources. This is expected to present a lucrative opportunity owing to the ability of improved high quality seeds to increase crop yield compared to farm-saved or recycled seeds. Most subsistence farmers in Malawi continue to use recycled seed whose harvest has largely been poor.</p> <p>New advancements in molecular biology have facilitated cheaper and faster mapping of genetic codes of plants. Farmers can efficiently cope with major agricultural challenges, such as high demand by increasing their production through Genetically Modified (GM) seeds. As a result, there is a significant demand for biotechnology seeds owing to their great efficiency in agricultural production.</p> <p>The project seeks to invest into a company that will commercially produce high quality improved seed and make it available to the farmers at affordable prices for the soils in Malawi. It will work with researchers in identifying suitable varieties for multiplication of seed.</p> <p>Research has shown that the demand for improved seed varieties for various crops remains unsatisfied. Certified bean production for example, is only sufficient for less than 10% of available crop area (DARS 2017). While there are seed companies on the market, they have persistently failed to satisfy the ever-increasing demand. RUDEVIT will lead to increased productivity which must be supplemented by additional seed source, in cereals and legumes. The increased demand for value addition calls for increased seed development, production and supply. .</p> <p>The project will make available an equivalent of at least 3,000 Metric Tons of high-quality improved seed every year that will be made available at affordable prices to the farmers, thereby assisting their productivity while delivering a return to shareholders.</p>					
<b>COST OF INVESTMENT</b>					
The machinery is estimated to cost US\$151,850 while the office complex is estimated at MK100Million and estimated working capital amounting to.....and total initial investment totaling MK1,284,682,000.					
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Turnover	5,880,000	6,468,000	7,114,800	7,826,280	8,608,908
Cost of sales	838,200	922,020	1,014,222	1,115,644	1,227,209
Gross profit	5,041,800	5,545,980	6,100,578	6,710,636	7,381,699
Other costs	424,200	466,620	513,282	564,610	621,071
Net profit	4,617,600	5,079,360	5,587,296	6,146,026	6,760,628

Income tax	692,640	1,523,808	1,676,189	1,843,808	2,028,188
<b>Net profit</b>	<b>3,924,960</b>	<b>3,555,552</b>	<b>3,911,107</b>	<b>4,302,218</b>	<b>4,732,440</b>



The pictures here in are just examples. The product range will depend on the need for the hybrid seed and the demand as determined by management.

## 16.5 TOMATO SAUCE AND KETCHUP FROM FRESH TOMATOES

### TOMATO SAUCE KETCHUP FROM FRESH GARDEN TOMATOS

#### DESCRIPTION

Malawi grows a lot of tomatoes in the northern, central and southern areas around Mzimba, Ntcheu and Balaka respectively. Most of the tomato is sold fresh in the local markets and along the roads located on the famous markets of Jenda and Lizulu. A significant portion of the tomato is wasted on the basis that it cannot be preserved and also on account of such tomatoes getting ripe at the same time with no alternative means of preserving it. A lot of women are mostly seen being scotched in the sun by the road sides in the sun in anticipation of making a sale. The tomato is largely dumped and thrown away as waste owing to failure to make a sale.

The project RUDEVIT seeks to invest in a machinery that will see all that tomato being processed into tomato sauce and tomato ketchup that can be preserved and made available in the super markets and all groceries at affordable price to Malawians.

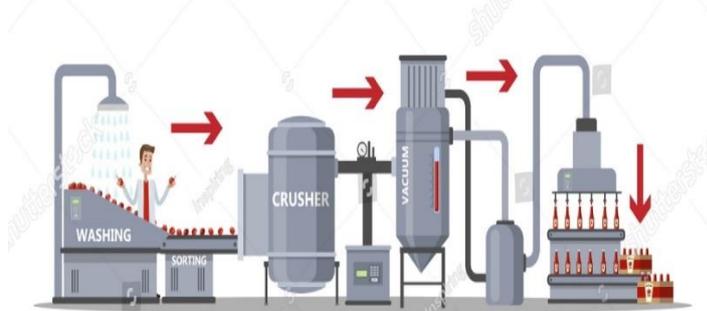
Research shows that Malawi imports most of its tomato sauce supplies from as far as South Africa and Zimbabwe. Furthermore research shows that almost all supermarkets are stocked with imported tomato sauce signifying that there is unsatisfied demand for the product provided it can be delivered at a competitive price to largely substitute the country's import bill. It is expected that Malawians will now possibly switch as far as possible to the locally produced Malawian Tomato Sauce being of high quality from Malawian own grown tomatoes. The recent suspension of import licenses by government gives RUDEVIT an opportunity in this area to manufacture for the domestic market.

RUDEVIT intends to import machinery from the preferred supplier, which will convert up to 5 tons of fresh tomato into processed tomato sauce packaged for the convenience of the market. The factory to be located in the area deemed to have large supplies. RUDEVIT also looks into possibility of carrying out contract farming to be guaranteed of supplies. The coming in of the factory will significantly reduce the wastage that has hitherto occurred because of lack of alternative market for the raw materials. The company has plans to engage in aggressive marketing that will speedily penetrate the product on the market.

#### COST OF INVESTMENT

The Machinery will be procured at US\$830,000 shipped to Malawi at an estimated cost of US\$11,000. The installation costs and related costs including buildings and equipment is estimated at MK100,000,000, and the total project costs to finish will be at MK730,750,000.

	'000	'000	'000	'000	'000
	Year 1	Year 2	Year 3	Year 4	Year 5
Turnover	3,504,000	3,854,400	4,239,840	4,663,824	5,130,206
Cost of sales	1,135,440	1,248,984	1,373,882	1,511,271	1,662,398
Gross profit	2,368,560	2,605,416	2,865,958	3,152,553	3,467,809
Other costs	504,644	555,108	610,619	671,681	738,849
Profit before tax	1,863,916	2,050,308	2,255,339	2,480,873	2,728,960
Income tax	-	-	676,602	744,262	818,688
<b>Net profit</b>	<b>1,863,916</b>	<b>2,050,308</b>	<b>1,578,737</b>	<b>1,736,611</b>	<b>1,910,272</b>



This is a turnkey project where the supplier of machinery will install and commission the plant including providing training to local staff. The pictures above are representative of the intended project. The company will design its own packaging.

## 16.6 RUDEVIT BEVERAGES – FEASIBILITY STUDIES

The Company will carry out a feasibility study of producing beers from locally produced raw materials such as orange maize which is widely grown in almost all districts in Malawi thereby substituting all imported raw materials and in the process saving on the country's scarce forex resources. Positive outcomes of the feasibility study will potentially lead to identification of such local materials converting them from ordinary food crop to cash crop. This will as a result expand farming activities to improve household incomes.

It has been observed that in Mozambique a neighboring country to Malawi is already producing beer from maize that is produced locally in that country. The feasibility study will involve obtaining an understanding of the availability of raw materials, the market analysis and development of a finance model to ascertain not just profitability and acceptability of the product on the market while substituting the imported brands. The directors have already engaged various suppliers of beer manufacturing machinery who are used to the traditional way of making beer. As such the study will avail the directors an opportunity to make informed decision on the investments in beverages.



These pictures are for illustration purposes only.

## Appendix: 1 Members that have paid subscription/ joining fee to RUDEVIT Limited up to 10<sup>th</sup> August 2020

Date	Num	Name	Description	Residence	Credit	Balance
02/01/2020	1	Hastings B Nyirenda	Subscription and joining fees	Malawi	20,000.00	20,000.00
02/01/2020	2	Misheck Esau	Subscription and joining fees	Malawi	20,000.00	40,000.00
02/01/2020	3	Grant Mwenechanya	Subscription and joining fees	Malawi	20,000.00	60,000.00
02/01/2020	4	Fabiano Makolija	Subscription and joining fees	Malawi	20,000.00	80,000.00
02/01/2020	5	Lovemore Mopiha	Subscription and joining fees	Malawi	20,000.00	100,000.00
02/01/2020	6	Michael Mwase	Subscription and joining fees	Malawi	20,000.00	120,000.00
02/01/2020	8	Innocent Sanga	Subscription and joining fees	Luxembourg	20,000.00	140,000.00
02/01/2020	9	Deliwe Sanga	Subscription and joining fees	Luxembourg	20,000.00	160,000.00
02/01/2020	10	Wakisa Mwalughali	Subscription and joining fees	Malawi	20,000.00	180,000.00
03/01/2020	7	Churchill Munthali	Subscription and joining fees	Malawi	20,000.00	200,000.00
03/01/2020	11	Charles Chimpeni	Subscription and joining fees	Malawi	20,000.00	220,000.00
03/01/2020	12	Gerald T Banda	Subscription and joining fees	Malawi	20,000.00	240,000.00
03/01/2020	13	Florence Nyirenda	Subscription and joining fees	Malawi	20,000.00	260,000.00
03/01/2020	14	Tambulani Chunga	Subscription and joining fees	Malawi	20,000.00	280,000.00
03/01/2020	15	Glyn Mwapasa	Subscription and joining fees	Malawi	20,000.00	300,000.00
03/01/2020	16	Victor Gondwe	Subscription and joining fees	Malawi	20,000.00	320,000.00
03/01/2020	17	Peter Mwamondwe	Subscription and joining fees	Malawi	20,000.00	340,000.00
03/01/2020	18	Nellie Yobe-Bakuwa	Subscription and joining fees	USA	20,000.00	360,000.00
04/01/2020	19	Mavuto Kalulu	Subscription and joining fees	USA	20,000.00	380,000.00
04/01/2020	20	Elias Azele Malion	Subscription and joining fees	Malawi	20,000.00	400,000.00
04/01/2020	21	Hechter Chingwaru	Subscription and joining fees	RSA	20,000.00	420,000.00
04/01/2020	22	Kelvin Longwe	Subscription and joining fees	UK	20,000.00	440,000.00
04/01/2020	23	Elias Banda	Subscription and joining fees	Malawi	20,000.00	460,000.00
04/01/2020	24	Albert Kumwenda	Subscription and joining fees	Ireland	20,000.00	480,000.00
04/01/2020	25	Alfred Lungu	Subscription and joining fees	Malawi	20,000.00	500,000.00
06/01/2020	27	Francis Gondwe	Subscription and joining fees	Malawi	20,000.00	520,000.00
06/01/2020	28	Barnet Phiri	Subscription and joining fees	Malawi	20,000.00	540,000.00
06/01/2020	29	Michael Kayange	Subscription and joining fees	Malawi	20,000.00	560,000.00
06/01/2020	30	Duncan Mabona	Subscription and joining fees	Malawi	20,000.00	580,000.00
06/01/2020	31	Emmanuel Chinunda	Subscription and joining fees	Malawi	20,000.00	600,000.00
06/01/2020	32	Gordon Tembo	Subscription and joining fees	Malawi	20,000.00	620,000.00
06/01/2020	33	Siliana Sanga	Subscription and joining fees	Malawi	20,000.00	640,000.00
06/01/2020	34	Pierre Mbisa	Subscription and joining fees	Malawi	20,000.00	660,000.00
07/01/2020	26	Martin Siwu	Subscription and joining fees	Malawi	20,000.00	680,000.00
07/01/2020	35	Michael Mhangama	Subscription and joining fees	Malawi	20,000.00	700,000.00
07/01/2020	36	Anock Mumba	Subscription and joining fees	Malawi	20,000.00	720,000.00
07/01/2020	37	Gomezga Mbale	Subscription and joining fees	Malawi	20,000.00	740,000.00
07/01/2020	38	Patrick Chingati-Phiri	Subscription and joining fees	Malawi	20,000.00	760,000.00
08/01/2020	39	Geoffrey Ndalama	Subscription and joining fees	Malawi	20,000.00	780,000.00
08/01/2020	40	Lusubilo Chakaniza	Subscription and joining fees	Malawi	20,000.00	800,000.00
08/01/2020	41	Edward Namalima	Subscription and joining fees	Malawi	20,000.00	820,000.00

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08/01/2020	42	Uchizi Ngwira	Subscription and joining fees	Malawi	20,000.00	840,000.00
08/01/2020	43	George Kamwanja	Subscription and joining fees	Malawi	20,000.00	860,000.00
08/01/2020	44	Bodgers Gwedeza	Subscription and joining fees	Botswana	20,000.00	880,000.00
08/01/2020	45	Chrispine Nyirongo	Subscription and joining fees	Malawi	20,000.00	900,000.00
08/01/2020	46	Jonathan Msiska	Subscription and joining fees	Botswana	20,000.00	920,000.00
08/01/2020	47	Gertrude Nyirenda	Subscription and joining fees	Malawi	20,000.00	940,000.00
10/01/2020	48	Patricia Mwase	Subscription and joining fees	Malawi	20,000.00	960,000.00
10/01/2020	49	Gift Gondwe	Subscription and joining fees	Malawi	20,000.00	980,000.00
10/01/2020	50	Emma Adam	Subscription and joining fees	Malawi	20,000.00	1,000,000.00
10/01/2020	51	Israel Chavula	Subscription and joining fees	Malawi	20,000.00	1,020,000.00
10/01/2020	52	Moses Nyirenda	Subscription and joining fees	Malawi	20,000.00	1,040,000.00
11/01/2020	53	Webster Chisi	Subscription and joining fees	Malawi	20,000.00	1,060,000.00
11/01/2020	54	Dora Mangulama	Subscription and joining fees	Malawi	20,000.00	1,080,000.00
11/01/2020	55	Moses Chirwa	Subscription and joining fees	Malawi	20,000.00	1,100,000.00
11/01/2020	56	George Chirwa	Subscription and joining fees	Malawi	20,000.00	1,120,000.00
11/01/2020	57	John Kamanga	Subscription and joining fees	Malawi	20,000.00	1,140,000.00
11/01/2020	58	Frank Phiri	Subscription and joining fees	Malawi	20,000.00	1,160,000.00
11/01/2020	59	Isaac M Mvula	Subscription and joining fees	Canada	20,000.00	1,180,000.00
11/01/2020	60	Joshua Chirwa	Subscription and joining fees	Malawi	20,000.00	1,200,000.00
11/01/2020	61	Chandiwira Chisi	Subscription and joining fees	Malawi	20,000.00	1,220,000.00
11/01/2020	62	Timothy Mkandawire	Subscription and joining fees	RSA	20,000.00	1,240,000.00
11/01/2020	63	Lisungu Chirwa	Subscription and joining fees	Malawi	20,000.00	1,260,000.00
19/01/2020	64	Misheck Msiska	Subscription and joining fees	Malawi	20,000.00	1,280,000.00
20/01/2020	65	Christopher Tukula	Subscription and joining fees	Malawi	20,000.00	1,300,000.00
20/01/2020	66	Kelvin Nyirenda	Subscription and joining fees	Malawi	20,000.00	1,320,000.00
20/01/2020	67	Precious Kumbatira	Subscription and joining fees	Malawi	20,000.00	1,340,000.00
20/01/2020	68	Chamau Lapozo	Subscription and joining fees	Malawi	20,000.00	1,360,000.00
22/01/2020	69	Patrick Wiyo	Subscription and joining fees	Dubai	20,000.00	1,380,000.00
22/01/2020	70	Sam Zuze	Subscription and joining fees	Malawi	20,000.00	1,400,000.00
22/01/2020	71	Allan Muhome	Subscription and joining fees	Malawi	20,000.00	1,420,000.00
22/01/2020	72	Vision Zikhole	Subscription and joining fees	Malawi	20,000.00	1,440,000.00
22/01/2020	73	Boston Lichapa	Subscription and joining fees	Malawi	20,000.00	1,460,000.00
22/01/2020	74	Dina Kamowa	Subscription and joining fees	Malawi	20,000.00	1,480,000.00
22/01/2020	75	Victor Kapheko	Subscription and joining fees	Malawi	20,000.00	1,500,000.00
23/01/2020	76	Lovemore Kamchira	Subscription and joining fees	Kenya	20,000.00	1,520,000.00
24/01/2020	77	Geoffrey Munthali	Subscription and joining fees	Malawi	20,000.00	1,540,000.00
24/01/2020	78	Boss Kamanga	Subscription and joining fees	Malawi	20,000.00	1,560,000.00
24/01/2020	79	Steven Stambuli	Subscription and joining fees	Malawi	20,000.00	1,580,000.00
24/01/2020	80	Clemence Jere	Subscription and joining fees	Malawi	20,000.00	1,600,000.00
24/01/2020	81	Joseph Dongolosi	Subscription and joining fees	Malawi	20,000.00	1,620,000.00
27/01/2020	82	Frank Harawa	Subscription and joining fees	Malawi	20,000.00	1,640,000.00
27/01/2020	83	Isabel Chirwa	Subscription and joining fees	Malawi	20,000.00	1,660,000.00
27/01/2020	84	Mavuto Nyirenda	Subscription and joining fees	Malawi	20,000.00	1,680,000.00
27/01/2020	85	Kingsley Zulu	Subscription and joining fees	Malawi	20,000.00	1,700,000.00
27/01/2020	86	Vera Zulu	Subscription and joining fees	Malawi	20,000.00	1,720,000.00
27/01/2020	87	Astrida Beza	Subscription and joining fees	Malawi	20,000.00	1,740,000.00
27/01/2020	88	Audrey Mwala	Subscription and joining fees	Malawi	20,000.00	1,760,000.00

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29/01/2020	89	Viva Nyimba	Subscription and joining fees	Malawi	20,000.00	1,780,000.00
29/01/2020	90	Emmanuel Chirwa	Subscription and joining fees	Malawi	20,000.00	1,800,000.00
30/01/2020	91	Sithembile Tembo	Subscription and joining fees	Malawi	20,000.00	1,820,000.00
30/01/2020	92	Daniel Dindi	Subscription and joining fees	Malawi	20,000.00	1,840,000.00
30/01/2020	93	Hamlet Malika	Subscription and joining fees	Malawi	20,000.00	1,860,000.00
30/01/2020	94	Mrs J Zgambo	Subscription and joining fees	Malawi	20,000.00	1,880,000.00
31/01/2020	95	Ansel Zabula	Subscription and joining fees	Malawi	20,000.00	1,900,000.00
31/01/2020	96	Tayamika Zabula	Subscription and joining fees	Malawi	20,000.00	1,920,000.00
10/02/2020	97	Innocent Mkandawire	Subscription and joining fees	Malawi	20,000.00	1,940,000.00
10/02/2020	98	Grant Kumpolota	Subscription and joining fees	UK	20,000.00	1,960,000.00
10/02/2020	99	Bushiya Mwale	Subscription and joining fees	Malawi	20,000.00	1,980,000.00
17/02/2020	100	Smart Ngomwa	Subscription and joining fees	Malawi	20,000.00	2,000,000.00
17/02/2020	101	Wales Meja	Subscription and joining fees	Malawi	20,000.00	2,020,000.00
25/02/2020	102	Gerald Chambi	Subscription and joining fees	USA	20,000.00	2,040,000.00
25/02/2020	103	Christine Siame	Subscription and joining fees	Malawi	20,000.00	2,060,000.00
25/02/2020	104	Doreen Munthali	Subscription and joining fees	Malawi	20,000.00	2,080,000.00
27/02/2020	105	Parton Nkhwazi	Subscription and joining fees	Malawi	20,000.00	2,100,000.00
09/04/2020	106	Brian Kapito	Subscription and joining fees	Malawi	20,000.00	2,120,000.00
05/06/2020	107	Robert Katuya	Subscription and joining fees	Malawi	20,000.00	2,140,000.00
24/07/2020	108	Enwell Kadango	Subscription and joining fees	Malawi	20,000.00	2,160,000.00
30/07/2020	109	Andrew Chidothi	Subscription and joining fees	Malawi	20,000.00	2,180,000.00
01/08/2020	110	Happiness Mbalati	Subscription and joining fees	Malawi	20,000.00	2,200,000.00
17/08/2020	111	Eric D Chidzungu	Subscription and joining fees	Malawi	20,000.00	2,220,000.00
22/08/2020	112	Henschel Kampheko	Subscription and joining fees	Malawi	20,000.00	2,240,000.00
					2,240,000.00	2,240,000.00
					<b>2,240,000.00</b>	<b>2,240,000.00</b>

## Appendix 2: Extracts of the Company’s Articles of Association

### Part IV – General meetings

<p>Annual General Meetings</p>	<p><b>1. Annual General Meeting</b></p> <p>1.1 Members of the Company in a general meeting shall constitute an organ of the Company with supreme authority and power.</p> <p>1.2 <b>Functions and powers of members in a general meeting</b></p> <p>1.2.1 Subject to the provisions of these Articles and of the Act, all the powers of the Company shall be vested in members in a general meeting.</p> <p>1.2.2 In addition to the other functions and powers set out and conferred upon them by the Act and these Articles, members in the general meeting shall have the following powers and responsibilities:-</p> <p style="text-align: center;"><b>Powers</b></p> <p>1.2.2.1 to approve the appointment, retirement and termination of appointment of directors.</p> <p>1.2.2.2 to determine the remuneration of the directors;</p> <p>1.2.2.3 to approve the appointment of the Chief Executive Officer;</p> <p>35.2.2.4 to appoint the external auditors of the Company and determine their mandate and remuneration;</p> <p>35.2.2.5 to consider, approve or reject the annual accounts of the Company;</p>
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	<p>35.2.2.6 to determine and authorize, on the recommendation of the Board of Directors, the dividend payable to the shareholders;</p> <p>35.2.2.7 to suspend or terminate the operations of the Company and determine the distribution of the assets of the Company in the event of dissolution;</p> <p>35.2.2.8 to consider and determine any matter which the Board of Directors may refer to it;</p> <p>35.2.2.9 generally to provide guidance to the Board of Directors in the discharge of its functions;</p> <p style="text-align: center;"><b>Responsibilities</b></p> <p>35.2.2.10 to jointly and severally protect, preserve and actively exercise the supreme authority of the Company;</p> <p>35.2.2.11 to ensure that only competent and reliable persons with appropriate knowledge, skills and experience are elected or appointed to the Board of Directors;</p> <p>35.2.2.12 to foster constructive relationships with the Board in order to facilitate the success and sustainability of the Company;</p>
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	<p>35.2.2.13 to ensure that the Board is constantly held accountable and carries out its operations responsible for the efficient and effective governance of the Company;</p> <p>35.2.2.14 to ensure that the Company acts as a good corporate citizen, and in a sustainable manner;</p> <p>35.2.2.15 to respect the fiduciary duties of the directors on the Board; and</p> <p>35.2.2.16 to perform such other functions and exercise such other powers as may be incidental or conducive to the discharge of any of the functions or exercise of any of the powers provided under these Articles.</p> <p>1.3 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.</p> <p>1.4 At the minimum the business to be deliberated upon at an Annual General Meeting shall comprise:-</p> <p>1.4.1 Notice and quorum;</p> <p>1.4.2 Election of the Chairperson of the annual general meeting.</p> <p>1.4.3 Confirmation of minutes of previous meeting;</p>
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	<p>1.4.4 Receipt, consideration and, if appropriate, adoption of Financial Statements and Auditor's Report for the year just ended;</p> <p>1.4.5 Report of the Board of Directors or annual report on the Company's performance to the date of Annual General Meeting and its short, medium and long-term prospects.</p> <p>1.4.6 Appointment and retirement of directors;</p> <p>1.4.7 Determination of the directors' remuneration;</p> <p>1.4.8 Approval of the external auditor's fees;</p> <p>1.4.9 Appointment of the Company's external auditors;</p> <p>1.4.10 Upon recommendation of the directors, declaration of a dividend for the financial year ended;</p> <p>1.5 All general meetings other than annual general meetings shall be called extraordinary general meetings.</p> <p>1.6 The directors may, whenever they think fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of members as provided by Article 38 as read with section 13 of the Code of Conduct.</p>
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	<p>1.7 General meetings may be held in Malawi, at such times and places as the directors shall determine.</p>
<p><b>36. A member’s right to attend general meetings</b></p>	<p>Every member of the Company shall be entitled to attend every general meeting either in person or by proxy</p>
<p><b>Notice of general meetings</b></p>	<p>37.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-eight days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. 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 meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Act or the Articles, entitled to receive such notices from the Company:-</p> <p>Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed—</p> <p>37.1.2 in the case of a meeting called as the annual general meeting by all the members entitled to attend and vote thereat; and</p> <p>37.1.1 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per</p>

	<p>cent of the total voting rights at that meeting of all the members.</p> <p>37.2 Notices of general meetings shall, in the case of an annual general meeting, be accompanied by any statements required to be circulated therewith on behalf of members in accordance with section 253 of the Act.</p>
<p>37.3 <b>Notice of meetings</b></p>	<p>37.3.1 A notice of a general meeting shall be given either:-</p> <p>37.3.1.1 in hard copy format; or</p> <p>37.3.1.2 in electronic format.</p> <p>37.3.2 The notice of a general meeting of the Company shall among others state:-</p> <p>37.3.2.1 the time and date of the meeting;</p> <p>37.3.2.2 the place of the meeting; and</p> <p>37.3.2.3 the general nature of the business to be dealt with at the meeting.</p>
<p>37.4 <b>Receipt of notice of meetings</b></p>	<p>37.4.1 It shall be the right of every member of the Company and of every director to receive the notices of all meetings of the Company.</p> <p>37.4.2 A member under this section includes any person who is entitled to a share in consequence of the death or bankruptcy of a member, where the Company has been notified of such entitlement.</p> <p>37.4.3 This article has effect subject to the provisions of the Act as well as the other written laws.</p>

<p>37.5 <b>Members’ power to requisition for statements</b></p>	<p>37.5.1 Members of a company may require the company to circulate to members of the company entitled to receive notice of a general meeting a statement of not more than one thousand words with respect to:-</p> <p>37.5.1.1 a matter referred to in a proposed resolution to be dealt with at that meeting; or</p> <p>37.5.1.2 other business to be dealt with at that meeting.</p> <p>37.5.2 The Company shall circulate a statement referred to in article 37.5.1 once it has received requests to do so from members representing at least five percent of the total voting rights of all the members who have a relevant right to vote.</p> <p>37.5.3 In article 37.5.2, a “relevant right to vote” means:-</p> <p>37.5.3.1 in relation to a statement with respect to a matter referred to in a proposed resolution, a right to vote on that resolution at a meeting to which the request relates; and</p> <p>37.5.3.2 in relation to any other statement, a right to vote at the meeting to which the requests relate.</p> <p>37.5.4 A request under this article:-</p> <p>37.5.4.1 may be in hard copy or in electronic format;</p> <p>37.5.4.2 shall identify a statement to be circulated;</p> <p>37.5.4.3 shall be authenticated by a</p>
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	<p>person or persons making it; and</p> <p>37.5.4.4 shall be received by the company at least one week before the meeting to which it relates.</p> <p>37.6 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.</p> <p>37.7 A director of the Company shall have power to call a general meeting of the Company for the better carrying into effect the provisions of the Code of Conduct and for the conduct of the Company's business</p>
<p><b>38 Members may requisition for a general meeting</b></p>	<p>38.1 Members of the Company may requisition a general meeting of the Company from the directors.</p> <p>38.2 Members required to requisition a meeting pursuant to this article shall include members representing at least ten (10) per cent of such of the paid-up capital of the Company as carries the right of voting at general meetings of the Company;</p> <p>38.3 A requisition for a general meeting under this article shall:-</p> <p>38.3.1 state the general nature of the business to be dealt with at the meeting; and</p> <p>38.3.2 may include the text of a resolution that may properly be moved and is intended to be passed at the meeting, provided that such resolution shall:-</p> <p>(i) not be inconsistent with any written law or the Company's Memorandum and the Articles of Association;</p>

	<p>(ii) not be defamatory of any person; and</p> <p>(iii) not be frivolous or vexatious.</p> <p>38.3.3 A requisition for a meeting under this article:</p> <p>38.3.3.1 may be in electronic or hard copy format; and</p> <p>38.3.3.2 shall be signed by the person or persons making it.</p>
<p><b>Directors to call for meetings requisitioned by members</b></p>	<p>37.1.1 Once members have requisitioned for a general meeting:-</p> <p>37.1.1.1 the directors shall call for the general meeting of the Company within twenty one days from the date of receipt of the requisition; and</p> <p>37.1.1.2 the meeting shall be held on a date not more than twenty eight days after the date of the notice convening the meeting.</p> <p>37.1.2 Where a requisition involves a resolution proposed to be passed at a meeting, such resolution shall be included in the notice of the meeting.</p> <p>37.1.3 Where a proposed resolution is intended to be a special resolution, the directors shall comply with the required notice for such meeting as may be provided in the Articles.</p>

<p><b>Members to call for meetings where directors are in default</b></p>	<p>37.1.1 Where directors of the Company fail or neglect to call for a general meeting as provided in articles 38.4.1 and 38.4.2 the members who requisitioned for the meeting or any of them representing more than one half of the total voting rights of all of them, may themselves call for a general meeting.</p> <p>37.1.2 A general meeting called under this article shall be on a date not more than three (3) months after the date on which the directors received the requisition to call for the meeting.</p> <p>37.1.3 A general meeting under this article shall be called in the same manner as, and as nearly as possible to, that in which meetings are required to be called by the directors.</p> <p>37.1.4 The Company shall reimburse all reasonable expenses incurred by the members who call for the meeting by reason of the failure of the directors to so call.</p>
<p><b>39 Attendance and speaking at general meetings</b></p>	<p>39.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.</p> <p>39.2 A person is able to exercise the right to vote at a general meeting when:-</p> <p>39.2.1 that person is able to vote, during the meeting, on resolution put to the vote at the meeting; and</p>

	<p>39.2.2 that person’s vote can be taken into account in determining whether or not such resolution is passed at the same time as the votes of all the other persons attending the meeting.</p> <p>39.3 Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak and/or vote at it.</p> <p>39.4 In determining attendance at a general meeting, it is immaterial whether any two or more persons attending the meeting are in the same place as one other.</p> <p>39.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise those rights.</p>
<p><b>40 Quorum for general meetings</b></p>	<p>40.1 Two members present in person or by proxy shall be the quorum for a general meeting of the Company providing that at least one such member is represented in order of the proportionate shareholding of the company as per Article 3.2 and 3.3</p> <p>40.2 No business other than the appointment of the Chairperson of the meeting shall be transacted at a general meeting if the persons attending the meeting do not constitute a quorum.</p>
<p><b>41 Chairing of general meetings</b></p>	<p>41.1 At the inaugural general meeting members shall elect the Chairperson of the Company’s general meetings from among the proportionate ordinary shareholders of the Company. The Chairperson so appointed shall chair all general meetings ending with the start of the next annual general meeting of the Company.</p> <p>41.2 At every annual general meeting as the second item on the agenda, the Members shall elect a</p>

	<p>Chairperson of general meetings of the Company who shall chair general meetings of the Company ending with the commencement of the next annual general meeting.</p> <p>41.3 If there be no Chairperson, or if the Chairperson is unavailable to chair the meeting or is not present within fifteen (15) minutes of the time at which a meeting was due to start, members present shall, subject to article 41.4, appoint a member to chair the meeting, and the appointment of the Chairperson of the meeting shall be the first business of the meeting.</p> <p>41.4 The Chairperson of the general meeting shall be restricted to the majority of the proportionate shareholding in the company.</p>
<p><b>42 Attendance and speaking by directors and non-members</b></p>	<p>42.1 Directors are required to attend and may speak at general meetings, whether or not they are members.</p> <p>42.2 The external auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business, which concerns the external auditor as auditor.</p> <p>42.3 The Chairperson of the meeting may permit other persons who are not:-</p> <p>42.3.1 members of the Company; or otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting</p>
<p><b>43 Adjournment of general meetings</b></p>	<p>43.1 If members attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum or, if during a meeting a quorum ceases to be present, the Chairperson of the meeting must adjourn it.</p> <p>43.2 The Chairperson of the meeting may adjourn a general meeting at which a quorum is present if:-</p>

	<p>43.2.1 the meeting consents to an adjournment; or</p> <p>43.2.2 It appears to the Chairperson of the meeting that an adjournment is necessary to protect the safety of any person attending the meetings or ensure that the business of the meeting is conducted in an orderly manner.</p> <p>43.3 The Chairperson of the meeting shall adjourn a general meeting if directed to do so by the meeting.</p> <p>43.4 When adjourning a general meeting, the Chairperson of the meeting shall:-</p> <p>43.4.1 either specify the time and place to which it is adjourned or state that it shall continue at a time and place to be fixed by the directors; and</p> <p>43.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.</p> <p>43.5 If the continuation of an adjourned meeting shall take place more than fourteen (14) days after it was adjourned, the Company must give at least seven days' notice of it, excluding the day of the adjourned meeting and the day on which the notice is given:-</p> <p>43.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and</p> <p>43.5.2 containing the same information which such notice is required to contain.</p> <p>43.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.</p>
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<b>Voting at general meetings</b>	A resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.
<b>44 Errors and disputes</b>	<p>44.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.</p> <p>44.2 Any such objection shall be referred to the Chairperson of the meeting whose decision shall be final.</p>
<b>45 Demanding a poll</b>	<p>45.1 A poll on a resolution may be demanded:-</p> <p>45.1.1 in advance of the general meeting where it shall be put to the vote; or</p> <p>45.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.</p> <p>45.1.3 A poll may be demanded by:-</p> <p>45.1.3.1 the Chairperson of the meeting;</p> <p>45.1.3.2 the directors;</p> <p>45.1.3.3 two or more persons having the right to vote on the resolution; and</p> <p>45.1.3.4 a person or persons representing not less than one tenth of the total voting rights of all members having the right to vote on the resolution.</p> <p>45.2 A demand for a poll may be withdrawn if:-</p> <p>45.2.1 the poll has not yet been taken; and</p> <p>45.2.2 the Chairperson of the meeting consents to the withdrawal.</p>

<b>46 Procedure on a poll</b>	<p>46.1 Subject to these Articles, polls at general meetings shall be taken when, where and in such manner as the Chairperson of the meeting directs.</p> <p>46.2 The Chairperson of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll shall be declared.</p> <p>46.3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.</p> <p>46.4 A poll on:-</p> <p style="padding-left: 40px;">46.4.1 the election of the Chairperson of the meeting; or</p> <p style="padding-left: 40px;">46.4.2 a question of adjournment,</p> <p style="padding-left: 40px;">shall be taken immediately.</p> <p>46.5 Other polls shall be taken within thirty (30) days of their being demanded.</p> <p>46.6 A demand for a poll shall not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.</p> <p>46.7 No notice need be given of a poll not taken immediately if the time and place at which it shall be taken are announced at the meeting at which it is demanded.</p> <p>46.8 In any other case, at least seven (7) days' notice shall be given specifying the time and place at which the poll shall be taken.</p>
<b>47 Content of proxy notices</b>	<p>47.1 Proxies may be validly appointed only by a notice in writing (a "proxy notice") which:-</p> <p style="padding-left: 40px;">47.1.1 states the name and address of the member appointing the proxy;</p> <p style="padding-left: 40px;">47.1.2 identifies the person appointed to be that member's proxy and the general</p>

	<p>meeting in relation to which that person is appointed;</p> <p>47.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and</p> <p>47.1.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.</p> <p>47.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.</p> <p>47.3 A proxy notice may specify how the proxy appointed under it shall vote or that the proxy is to abstain from voting on one or more resolutions.</p> <p>47.4 Unless a proxy notice indicates otherwise, it shall be treated as:-</p> <p>47.4.1 giving the person appointed under it as a proxy discretion on how to vote on any ancillary procedural resolutions put to the meeting; and appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself</p>
<p><b>48 Delivery of proxy notice</b></p>	<p>48.1 Any notice of a general meeting shall specify the address or addresses (“proxy notification address”) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjourned meeting, delivered in hard copy or electronic form.</p> <p>48.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjourned meeting, even</p>

	<p>though a valid proxy notice has been delivered to the Company by or on behalf of that person.</p>
48.3	<p>Subject to article 49.4 and 49.5 a proxy notice shall be delivered to a proxy notification address not less than forty eight (48) hours before the general meeting or adjourned meeting to which it relates.</p>
48.4	<p>In the case of a poll taken more than forty eight (48) hours after it is demanded, the notice shall be delivered to a proxy notification address not less than twenty-four (24) hours before the time appointed for the taking of the poll.</p>
48.5	<p>In the case of a poll not taken during the meeting but taken not more that forty-eight (48) hours after it was demanded, the proxy notice shall be delivered:-</p>
	<p>48.5.1 in accordance with article 49.3; or</p>
	<p>48.5.2 at the meeting at which the poll was demanded to the Chairperson, Company Secretary or any director.</p>
48.6	<p>An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.</p>
48.7	<p>A notice revoking proxy appointment only takes effect if it is delivered before:</p>
	<p>48.7.1 the start of the meeting or adjourned meeting to which it relates; or</p>
	<p>48.7.2 in the case of a poll not taken on the same day at the meeting or adjourned meeting, the time appointed for taking the poll to which it relates.</p>
48.8	<p>Where a proxy notice is not signed by the person appointing the proxy, it shall be accompanied by written evidence of the authority of the person</p>

	who executed it to execute it on the appointor's behalf.
<b>49 Amendments to resolutions</b>	<p>49.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-</p> <p>49.1.1 notice of the proposed amendment is given to the Company 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 Chairperson of the meeting may determine; and</p> <p>49.1.2 the proposed amendment does not, in the reasonable opinion of the Chairperson of the meeting, materially alter the scope of the resolution.</p> <p>49.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution; if:-</p> <p>49.2.1 the Chairperson of the meeting proposes the amendment at the general meeting at which the resolution shall be proposed; and</p> <p>49.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.</p> <p>49.3 If the Chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairperson's error shall not invalidate the vote on that resolution.</p>
<b>No voting on shares on which money is owed to the Company</b>	No voting rights attached to a share may be exercised at any general meeting, at any adjourned meeting or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

<p>50 Class meetings</p>	<p>The provisions of these Articles relating to general meetings apply, with any necessary modifications, to meetings of the proportionate holders of shares</p>
<p style="text-align: center;"><b>Part V – Board of Directors</b></p>	
<p><b>Directors’ general authority</b></p>	<p>50.1 The management and control of the business of the Company shall be vested in the Board of Directors who may exercise all such powers of the Company and do all such acts and things as are not prohibited by the Act or by any other law or by the Memorandum or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulation of these Articles and the provisions of the Act or any other Act of Parliament and to such regulations, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>50.2 Ensure that the Company establishes and maintains an effective internal control system.</p> <p>50.3 Establish, document, and communicate an organizational structure for the Company that clearly shows the lines of authority, provides for effective communication, and ensures that there are no gaps in the lines of authority.</p> <p>50.4 Review all delegations of authority to specific personnel or Board committees and require that such delegations state the extent of the authority and responsibilities delegated.</p> <p>50.5 Establish reporting requirements for senior management, including specifying the nature and frequency of the management reports it shall receive.</p> <p>50.6 Establish Board committees to assist it in the discharge of its responsibilities. The Board shall specify the scope of the committees’ powers</p>

	<p>and responsibilities, processes and membership requirements.</p> <p>50.7 Establish appropriate risk management oversight over the operations and management of the Company in line with the Company's corporate governance policies.</p> <p>50.8 Review, at least annually, the Company's strategic plan, business plan, capital plan, credit policy, asset liabilities management policy and the financial management policy.</p> <p>50.9 Prepare and submit to the annual general meeting for consideration, the Company's annual report, including its audited financial statements before publication.</p> <p>50.10 Approve annual budgets, capital expenditure, financial projections, and proposed dividends.</p> <p>50.11 Set criteria for borrowers or investors' qualification to access funds.</p> <p>50.12 Set standards and procedures for delivering technical assistance to borrowers or approved entities</p>
<p><b>51 Composition of the Board of Directors</b></p>	<p>51.1 The Board of Directors of the Company shall comprise of a minimum of seven (7) and a maximum of thirteen (13) directors of whom twelve (12) shall be non-executive and one (1) shall be a Managing Director as follows:-</p> <p>51.1.1 Seven (7) of the directors shall be nominated by members holding 60% shares for appointment by the General Meeting;</p> <p>51.1.2 Five (5) of the directors shall be nominated by members holding fully paid up 40% shares for appointment by the General Meeting;</p> <p>51.1.3 One (1) director who shall be the Chief Executive Officer or the Manging</p>

	<p>Director of the Company appointed in accordance with article 79.</p> <p>51.2 The Board shall have a balanced composition of persons appointed on the basis of their ability to contribute appropriate skills and the time required to assist in the oversight over the Company's affairs, operations and future development. The persons appointed to the Board shall be sufficiently independent to fully discharge the Board's governance roles and responsibilities.</p> <p>51.3 Any person who is willing to act as a director is nominated in accordance with article 54.2, and is permitted by law to do so, may be appointed to be a director</p> <p>51.3.1 by the decision of the director nominating such a person to be a director,</p> <p>51.3.2 by ordinary resolution approving such a nominee to be a director;</p> <p>A director nominated by a decision of the directors shall be for purposes of filling a casual vacancy and the director nominated shall serve during the period up to the next Annual General Meeting and appointed in accordance with provisions of articles 54.1 and 54.2.</p> <p>51.4 From the third 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 (3), then the number nearest to one third (1/3), shall retire from office.</p> <p>51.5 The directors to retire in every year shall be those longest in office since their last election, but as between persons who become directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.</p>
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	<p>A retiring director shall be eligible for re-election. Provided that a director who has served on the Board for not less than 9 years shall not be eligible for re-election.</p>
<p><b>52 Qualifications of directors</b></p>	<p>Directors shall be persons of good standing with internationally recognised qualifications and extensive practical experience in at least one of the following fields: banking, finance, insurance, engineering, social and environmental science, science, agriculture, technology, accountancy or commercial and corporate law, and development planning and facilitation.</p>
<p><b>53 Disqualification of directors</b></p>	<p>53.1 No person shall be appointed to serve as director if the person is a person who:</p> <p style="padding-left: 40px;">53.1.1 is disqualified to serve as director according to section 164 (2) of the Act.</p> <p style="padding-left: 40px;">53.1.2 is a person who has been directed to disinvest or had his investment wound up or closed up by a supervisory authority; and</p> <p style="padding-left: 40px;">53.1.3 is a person who has been disqualified or suspended from practicing any profession on grounds of professional misconduct.</p> <p>53.2 No person shall continue in the office as director if the person is absent without valid reason from three (3) consecutive meetings of the Board of Directors without the written consent of the Chairperson and in the event of absenteeism of the Chairperson of the Board of Directors, consent shall be sought from the Chairperson of the General Meeting.</p>
<p><b>54 Borrowing powers</b></p>	<p>The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.</p> <p>Provided that the amount for the time being remaining undischarged of moneys borrowed or secured by the directors as aforesaid (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the Company in a</p>

	<p>general meeting, exceed ten times the amount of the share capital of the Company for the time being issued, but nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed.</p>
<p><b>55 Power to invest outside Malawi</b></p>	<p>55.1 Subject to the Company’s investment and risk policies, the Board may permit the Company to invest, and have business interests, in jurisdictions outside Malawi provided the value of such investments and business interests do not exceed 25 percent of the Company’s assets in aggregate at the time of making the investment.</p> <p>55.2 Investments outside Malawi shall be subject of special resolution of the shareholders in a general meeting and shall be made for the direct advancement of the objects of the Company.</p>
<p><b>59 Duties of directors</b></p>	<p>In addition to duties of Directors specified under the Act, Directors shall:</p> <p>59.1 Act in good faith, in a manner they believe to be in the Company’s best interests, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.</p> <p>59.2 Administer the Company’s affairs fairly, impartially and without discrimination in favour of, or against, any shareholder or borrower.</p> <p>59.3 Direct the Company’s operations in conformity with the requirements set forth in these Articles, the law and international best practice.</p> <p>59.4 Institute a board charter for itself.</p>
<p><b>60 Delegation by the Board of Directors</b></p>	<p>60.1 Subject to these Articles, the Board of Directors may delegate any of the powers, which are conferred on them by these Articles to such person or committee by such means, including</p>

	<p>by power of attorney, to such an extent, in relation to such matters or territories and on such terms and condition as they deem fit.</p> <p>60.2 If the directors so specify, any such delegation may authorize further delegation of the directors’ powers by any person to whom they are delegated.</p> <p>60.3 The directors may revoke any delegation of powers made in accordance with this article, in whole or part, or alter its terms and conditions.</p>
<p><b>61 Committees of the Board</b></p>	<p>61.1 The Board may appoint committees to which the Board may delegate any of their powers.</p> <p>61.2 Notwithstanding the generality of article 53.6 as read with article 61.1 the Board shall at all material times have committees to deal with the following matters:</p> <p style="padding-left: 40px;">61.2.1 Auditing.</p> <p style="padding-left: 40px;">61.2.2 Funding and investments.</p> <p style="padding-left: 40px;">61.2.3 Ethics, social and natural environment.</p> <p style="padding-left: 40px;">61.2.4 Risk, governance and compliance.</p> <p style="padding-left: 40px;">61.2.5 Appointments and remuneration.</p> <p>61.3 The Board may make rules of procedure for all or any committee(s), which prevail over rules derived from the Articles if they are not consistent with them. Where the Board has not made a rule a committee shall follow procedures, which are based as far as they are applicable, on those provisions of these Articles that govern the taking of decisions by directors.</p> <p>61.4 The Board of Directors shall institute a charter for each Board committee.</p>

<b>62</b> <b>Members’ reserve power</b>	<p>Member(s) may, by special resolution, direct the directors to take, or refrain from taking, specified action.</p> <p>Provided that no such special resolution shall invalidate anything which the directors have done before the passing of the resolution.</p>
<b>63</b> <b>Directors to take decisions collectively</b>	<p>63.1    Decisions of the directors may be taken: -</p> <p style="padding-left: 40px;">63.1.1    at a directors’ meeting; or</p> <p style="padding-left: 40px;">63.1.2    in the form of a directors’ written resolution.</p> <p>63.2    The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 71 and 72.</p>
<b>64</b> <b>Calling of a directors’ meeting</b>	<p>64.1    Any director may call a directors’ meeting.</p> <p>64.2    The Company Secretary shall call a directors’ meeting when a director so requests;</p> <p>64.3    A directors’ meeting shall be called by giving notice of the meeting to the directors.</p> <p>64.4    Notice of any directors’ meeting shall indicate-</p> <p style="padding-left: 40px;">64.4.1    its proposed date and time;</p> <p style="padding-left: 40px;">64.4.2    where it shall take place; and</p> <p style="padding-left: 40px;">64.4.3    if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.</p> <p>64.5    Notice of a directors’ meeting shall be given to each and every director but need not be in writing.</p> <p>64.6    Notice of a directors’ meeting need not be given to directors who have waived their entitlement</p>

	<p>to notice of that meeting, by giving notice to that effect to the Company not more than seven (7) days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that shall not affect the validity of the meeting, or of any business conducted at it.</p>
<p><b>65 Participation in directors' meetings</b></p>	<p>65.1 Subject to these Articles, a director participates in a directors' meeting, or part of a directors' meeting, when:-</p> <p>65.1.1 the meeting has been called and takes place in accordance with these Articles; and</p> <p>65.1.2 the director is in a position to communicate to all the other directors attending meeting, during the meeting, any information or opinions which that director has on any particular item of the business of the meeting.</p> <p>65.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.</p> <p>65.3 If all the directors participating in a meeting are not at the same place, they may decide that the meeting is to be treated as taking place wherever any of them are.</p>
<p><b>66 Quorum for directors' meetings</b></p>	<p>66.1 At a directors' meeting, unless a quorum is participating, no proposal shall be voted on, except a proposal to call another meeting.</p> <p>66.2 The quorum for directors' meetings shall be five (5).</p>
<p><b>67 Meetings where total number of directors participating is less than the quorum</b></p>	<p>67.1 This article applies where the total number of directors for the time being is less than the quorum for directors' meetings.</p> <p>67.2 If there is only one director or the directors that are available are less than the prescribed quorum for directors' meetings, the director(s) shall call for a general meeting for purposes of</p>

	<p>appointing such number of more directors to ensure that the prescribed quorum is satisfied.</p> <p>67.3 If there is only one director remaining in office, that director shall not resign from office until that director has called for a general meeting for purposes of the members to receive the notice of his resignation, and appoint such number of more directors to ensure that the prescribed quorum is satisfied.</p>
<p><b>68 Chairing of directors' meetings</b></p>	<p>68.1 Subject to article 69.2, the Chairperson of the Board shall be appointed by majority of the directors from amongst their number.</p> <p>68.2 The person so appointed for the time being shall be known as the Chairperson of the Board or the Chairperson of the Company.</p> <p>68.3 The Chairperson of the Company shall hold office for a period of three years subject to renewal for a final term of three years, provided the board of directors in conducting their business reserve the right to replace the Chairperson or deputy Chairperson at any time.</p> <p>68.4 The directors may appoint another director as Deputy Chairperson during directors' meetings in the Chairperson's absence.</p> <p>68.5 If neither the Chairperson nor any director appointed generally to chair directors' meetings in the Chairperson's absence is participating in a meeting within fifteen minutes of the time at which it was to start, the participating directors shall appoint one from among themselves to chair it.</p>
<p><b>69 Voting at directors' meeting: general rules</b></p>	<p>69.1 A decision is taken at a directors' meeting by a majority of the votes of the participating directors.</p> <p>69.2 Subject to these Articles, a director participating in a directors' meeting shall have one vote.</p>

	<p>69.3 Subject to these Articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company, the director may not vote on any proposal relating to it.</p>
<p><b>70 Chairperson’s casting vote at directors’ meetings</b></p>	<p>70.1 If the numbers of votes for and against a proposal are equal, the Chairperson or other director chairing the meeting shall have a casting vote.</p> <p>70.2 Article 71.1 shall not apply if, in accordance with these Articles, the Chairperson or other director is not to be counted as participating in the decision-making process for quorum or voting purposes because of the application of article 72.4.</p>
<p><b>71 Conflict of interests</b></p>	<p>71.1 The Company shall maintain a register of directors’ interests. Every director shall have his interests noted in the register as the director takes up the appointment. A director shall update the register within the first two weeks of the Company’s financial year. At the beginning of each directors’ meeting, or subcommittee meetings directors shall declare their direct or indirect interest or conflict of interest in writing where the agenda of the meeting is concerned with an actual or arranged transaction with the Company.</p> <p>71.2 If a directors’ meeting, or part of a directors’ meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, the director shall not be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.</p> <p>71.3 Where article 71.2 applies, a director who is interested in an actual or proposed transaction or arrangement with the Company shall not be counted as participating in a decision at a directors’ meeting or part of a directors’ meeting, relating to it for quorum and voting purposes.</p> <p>71.4 This article shall apply when:-</p>

	<p>71.4.1 The Company by ordinary resolution disapplies the provision of these Articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting.</p> <p>71.4.2 The director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or</p> <p>71.4.3 The director's conflict of interest arises from a permitted cause.</p> <p>71.5 For the purposes of article 71.4.3 the following are permitted causes:-</p> <p>71.5.1 A guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;</p> <p>71.5.2 Subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite sub-underwrite, or guarantee subscription for any such shares or securities; and</p> <p>71.5.3 Arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries, which do not provide special benefits for directors or former director.</p> <p>71.6 Subject to article 71.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairperson whose</p>
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	<p>ruling in relation to any director other than the Chairperson shall be final and conclusive.</p> <p>71.7 Where any question as to the right to participate in the meeting or part of the meeting arises in respect of the Chairperson, the question shall be decided by a decision of the directors at that meeting, for which purpose the Chairperson shall not be counted as participating in the meeting or that part of the meeting for voting or quorum purposes</p>
<p><b>72 Proposing directors' written resolutions</b></p>	<p>72.1 Any director may propose a directors' written resolution.</p> <p>72.2 The Company Secretary shall propose a directors' written resolution when a director so requests.</p> <p>72.3 A directors' written resolution shall be proposed by giving notice of the proposed resolution to the directors.</p> <p>72.4 Notice of a proposed directors' written resolution shall indicate:-</p> <p>72.4.1 The proposed resolution; and</p> <p>72.4.2 The time by which it is proposed that the directors should adopt it.</p> <p>72.5 Notice of proposed directors' written resolution shall be given in writing to each director.</p> <p>72.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution shall be taken reasonably in good faith</p>
<p><b>73 Adoption of directors' written resolutions</b></p>	<p>73.1 A proposed directors' written resolution shall be adopted when all the directors would have been entitled to vote on the resolution at a directors' meeting have assigned one or more copies of it, provided that those directors would have formed a quorum at such a meeting.</p>

	<p>73.2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.</p> <p>73.3 Once a directors' written resolution has been adopted, it shall be treated as if it had been a decision taken at a directors' meeting in accordance with these Articles.</p> <p>73.4 The Company Secretary shall ensure that the Company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.</p>
<p><b>74 Directors' discretion to make further rules</b></p>	<p>Subject to these Articles, directors may make rules which they deem fit about how they take decisions and about how such rules are to be recorded or communicated to directors.</p>
<p><b>75 Termination of directors' appointment</b></p>	<p>A person ceases to be a director as soon as:-</p> <p>75.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by other written law;</p> <p>75.2 a bankruptcy order is made against the director;</p> <p>75.3 subject to article 67.3, notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.</p>
<p><b>76 Directors' remuneration</b></p>	<p>76.1A director may undertake any services for the Company that the directors decide.</p> <p>76.2A director shall be entitled to such remuneration as the members determine:-</p> <p style="padding-left: 40px;">76.2.1 for the services to the Company as a director; and</p> <p style="padding-left: 40px;">76.2.2 for any other service which he undertakes for the Company.</p> <p>76.3Subject to these Articles, a director's remuneration may:-</p> <p style="padding-left: 40px;">76.3.1 take any form; and</p>

	<p>76.3.2 include any arrangement in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.</p> <p>76.4 Unless the directors decide otherwise, directors' remuneration accrues from the date of appointment.</p> <p>76.5 Unless the directors decide otherwise, a director is not accountable to the Company for any remuneration which the director receives as director or other officer or employee of the Company's subsidiaries or of any other body corporate in which the Company is interested or represented</p>
<p><b>77 Directors' expenses</b></p>	<p>The Company may pay any reasonable expenses, which the directors properly incur in connection with their attendance at:-</p> <p>77.1 meetings of directors or committees of directors;</p> <p>77.2 general meetings; or</p> <p>77.3 separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company</p>
<p><b>78 Power to outsource management of the Company</b></p>	<p>The Board of Directors may, at its discretion, outsource all management functions of the Company to a competent corporate entity ("the Manager").</p> <p>Provided that the selection of the Manager and the terms and conditions upon which such manager is to be engaged shall be approved by the Board of Directors.</p>
<p><b>79 Managing Director/ Chief Executive Officer</b></p>	<p>Members in a general meeting, shall upon recommendation of the Board of Directors and on such terms as so recommended, appoint a Managing Director who shall be the chief executive officer of the Company being a person of integrity and of the highest competence with appropriate qualifications and extensive practical experience in relevant field in relation to the entity.</p>

<p><b>80 Conduct of the Managing Director</b></p>	<p>The Managing Director shall not, while in office, engage in any activities that in the opinion of the Board of Directors are incompatible with his or her office in the Company</p>
<p><b>81 Tenure of office for the Managing Director</b></p>	<p>The Managing Director shall hold office on contract and shall be eligible for reappointment at the recommendation of the Board of Directors for a maximum of two (2) further terms not exceeding three (3) years each in duration, after the initial appointment.</p>
<p><b>Responsibilities of the Managing Director</b></p>	<p>76.1.1 The Managing Director shall be responsible to the Board of Directors for the day-to-day management of the affairs of the Company.</p> <p>76.1.2 The Managing Director shall discharge his or her functions, owe his or her duty exclusively to the Company and shall neither seek, nor receive instructions in regard to the discharge thereof from any authority external to the Company.</p>
<p><b>Removal of Managing Director</b></p>	<p>The Board of Directors may, on two-thirds majority of the total voting power at the meeting, suspend the Managing Director provided that the Executive has been accorded the right to be heard in line with his/her employment contract and applicable labour laws by a team appointed by the Board of Directors. Upon constituting appropriate disciplinary hearing, the Board may terminate the services of the managing director.</p> <p>The resignation or the removal from office of the Managing Director undertaken by the Board of Directors in line with Article 76.1 shall be reported at the next annual general meeting for noting by members of the Company.</p>
<p><b>Part VI - Dividends, distributions and capitalisations</b></p>	
<p><b>80. Procedures for declaring dividends</b></p>	<p>80.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.</p> <p>80.2 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.</p>

	<p>80.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.</p> <p>80.4 Unless the members' resolution to declare or director's decision to 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.</p> <p>80.5 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.</p> <p>80.6 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.</p> <p>80.7 If the directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawfully payment of an interim dividend on shares with deferred or non-preferred rights</p>
<p><b>81 Calculation of dividends</b></p>	<p>81.1 Except as otherwise provided by these Article or the rights attached to shares, all dividends shall be-</p> <p style="padding-left: 40px;">81.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and</p> <p>81.2 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. If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.</p> <p>81.3 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.</p>

<p><b>82 Payment of dividends and other distribution</b></p>	<p>82.1 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</p> <p>82.1.1 transfer to a bank account specified by the distribution recipient either in writing or at the directors may otherwise decide;</p> <p style="padding-left: 40px;">82.1.1 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 (if any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;</p> <p style="padding-left: 40px;">82.1.2 sending a cheque made payable to such person by post at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or</p> <p style="padding-left: 40px;">82.1.3 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.</p> <p>82.2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable-</p> <p style="padding-left: 40px;">82.2.1 the holder of the share;</p> <p style="padding-left: 40px;">82.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee</p>
<p><b>83 Deductions from distributions in respect of sums owed to the Company</b></p>	<p>83 If –</p> <p style="padding-left: 40px;">83.1.1 a share is subject to the Company's lien; and</p> <p style="padding-left: 40px;">83.1.2 the directors are entitled to issue a lien enforcement notice in respect of it,</p>

	<p>83.1.3 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.</p> <p>83.2 The sums of money deducted under article (1), shall be used to pay any of the sums payable in respect of that share.</p> <p>83.3 The Company shall notify the distribution recipient in writing of –</p> <p>83.3.1 the fact and amount of any such deduction;</p> <p>83.3.2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and</p> <p>83.3.3 how the money deducted has been applied.</p>
<p><b>84 No interest on distributions</b></p>	<p>84.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by–</p> <p>76.2 the terms on which the share was issued; or</p> <p>76.3 the provisions of another agreement between the holder of that share and the Company.</p>
<p><b>85 Unclaimed distributions</b></p>	<p>85.1 All dividends or other sums which are:- payable in respect of shares; and</p> <p>85.1.1 unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and as governed by the law at that time.</p> <p>85.2 The payment of any such dividend or other sum into a separate account shall not make the Company a trustee in respect of it.</p>

	<p>85.3 If: –</p> <p>85.3.1 seven years have passed from the date on which a dividend or other sum became due for payment; and</p> <p>85.3.2 the distribution recipient has not claimed it, the distribution recipient shall no longer be entitled to that dividend or other sum and its shall cease to remain owing by the Company.</p> <p>85.3.3 Such unclaimed dividends shall be dealt with in line with the provisions of relevant laws as at the time governing unclaimed money</p>
<p><b>86 Non-cash distributions</b></p>	<p>86.1 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 the 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.</p> <p>86.2 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.</p> <p>86.3 For the purposes of paying a non-cash distribution, the directors may make whatever arrangement they deem fit, including, where any difficulty arises regarding the distribution-</p> <p>86.3.1 fixing the value of any assets;</p> <p>86.3.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and vesting any assets in trustees</p>
<p><b>87 Waiver of distributions</b></p>	<p>87.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a</p>

	<p>share by giving the Company notice in writing to that effect, but if-</p> <p>87.2 the share has more than one holder; or</p> <p>87.3 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.</p>
<p><b>88 Authority to capitalize and appropriation of capitalized sums</b></p>	<p>88.1 The directors may, if so authorised by an ordinary resolution-</p> <p>88.1.1 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</p> <p style="padding-left: 40px;">88.1.2 appropriate any sum which they so decide to capitalize (a “capitalised 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.</p> <p>88.2 The sums capitalised under article (1), shall be applied-</p> <p style="padding-left: 40px;">88.2.1 on behalf of the persons entitled; and</p> <p style="padding-left: 40px;">88.2.2 in the same proportion as a dividend would have been distributed to them.</p> <p>88.3 Any capitalised sum may be applied in paying up for new shares of a nominal amount equal to the capitalised sum which are then allotted and credited as fully paid to the persons entitled or as they may direct.</p> <p>88.4 A capitalised sum which was appropriated from profits available for distribution may be applied-</p>

	<p>88.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or</p> <p>88.4.2 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.</p> <p>88.5 Subject to these Articles, the directors may-</p> <p>88.5.1 apply capitalized sums in accordance with articles (3) and (4) partly in one way and partly in another.</p> <p>88.5.2 make such arrangements as they deem fit to deal with shares or debentures becoming distributable in fractions under this article including the issuing of fractional certificate or the making of cash payments; and</p> <p>88.5.3 authorise any person to enter into an agreement with the Company on behalf of all the person entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.</p>
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## Appendix 3: Application Form for Shares of Rural Development Investment Holdings Plc

You must submit this form to the Secretary at Grant Thornton Consulting Limited, MASM House P O Box 508 Blantyre Malawi or email to [info@rudevitalawi.com](mailto:info@rudevitalawi.com), copied to [ekadango@rudevitalawi.com](mailto:ekadango@rudevitalawi.com) together with your deposit slip. Please refer to the instructions on the reverse side of the application form before completing the application form.

To the Directors

Regarding the public offer of **9,997,700,000** shares (“the offer” at an offer price of MK1.00 per ordinary share. I /we the undersigned have read the Information Memorandum and we understand the investments considerations outlined therein.

I/We have full legal capacity to contract and subject to RUDEVIT Holdings Plc’s memorandum and articles of association, apply for and request you to accept my/our application for the undermentioned RUDEVIT Holdings Plc’s Shares, or any lesser number that may in your sole and absolute discretion, be allocated to me/us. I/We declare that the application is made hereby is made solely on behalf of the applicant(s).

Signature.....Dated this.....of.....2020.

Please complete in BLOCK LETTERS

<b>Title</b> circle appropriate title(s) or insert if not listed	Mr, Mrs, Miss, Ms, Dr, Prof; Rev, Trustee, Other	
Surname or name of corporate body applying for shares		ID Number /Company No
First Name(s) in full, of individual applicants		
Telephone number (Your contact number)		
Select mode of collecting Certificate: To be Collected/To be sent by postal mail	State email address:	
Contact PHYSICAL Address	Contact Postal Address	
Number of ordinary shares applied for in multiples of 10,000 minimum 20,000 shares		
Amount of Bank cheque or cash deposited (attach deposit slip or transfer slip for number of shares at MK1.00 each)	Enter Amount MK..... in words including MK20,000 joining fees/Where applicable.....	
Joining fee of MK20,000 is hereby enclosed (if not already paid separately in Appendix I)	Yes/No	
State your bank account to which refund should be made if applicable.	Account name:	Bank:
	Account Number:	

The share Certificates will be mailed to your appointed address, otherwise will be collected from the corporate secretary at Grant Thornton Consulting Limited, MASM House Blantyre, Malawi.

**Tear the bottom part. Keep it safe together with a copy of your application form and copy of deposit slip as your provisional receipt :**

Full name of applicant.....Amount paid...MK.....

Number of Shares applied.....Deposit at National Bank of Malawi Account **1006527888**.....

This form may also be downloaded from the Issuers Website: <https://rudevitalawi.com>

**SALIENT APPLICATION TERMS AND CONDITIONS**

These terms and conditions must be read in conjunction with the Information Memorandum.

Any material alteration to the application form other than the deletion of alternatives, must be authenticated by full signature.

The following calculation table at MK1.00 per share may assist applicants in determining the amount to pay upon application:

	Number of shares applied	Amount Payable		Number of offer shares applied for	Amount Payable
<b>Minimum</b>	<b>20,000.0</b>	<b>20,000.00</b>		120,000	120,000.00
	30,000.0	30,000.00		130,000	130,000.00
	40,000.0	40,000.00		140,000	140,000.00
	50,000.0	50,000.00		150,000	150,000.00
	60,000.0	60,000.00		160,000	160,000.00
	70,000.0	70,000.00		170,000	170,000.00
	80,000.0	80,000.00		180,000	180,000.00
	90,000.0	90,000.00		190,000	190,000.00
	100,000.0	100,000.00		200,000	200,000.00
	110,000.0	110,000.00		210,000	210,000.00

Note: Applications must be for a minimum of 20,000 and thereafter in multiples of 10,000 shares. All new applicants other than those whose names appear in appendix I of this Information Memorandum should include MK20,000, being a joining fee, on top of the amount applied for shares. All applications not stating the said joining fee( except as for those whose names are appearing in Appendix I of the Information Memorandum), will have the first amount of MK20,000.00 allocated to joining fee, which is non-refundable and the remaining amount be allocated to shares. All applicants with lesser than the minimum application of shares will be required to pay make up for the minimum shares. Upon closing of the subscription offer, all those whose names appear in Appendix I, will be informed in writing and advised to pay for the minimum shares required in the Information Memorandum, otherwise the MK1.00 will be deemed to have been donated to the company limited by guarantee.

1. Multiple applications are discouraged
2. Cash may only be deposited in the specified accounts and deposit slip dully attached to the application form
3. Complete application forms, together with deposit slips should be submitted to the RUDEVIT Corporate Secretariat. It may also be emailed to [info@rudev.it](mailto:info@rudev.it)
4. Ensure that adequate details are provided to enable Corporate secretaries send the Share Certificates to the right address.

## Appendix 3: BANKS FOR RECEIVING DEPOSITS

For the convenience of applicants, RUDEVIT Holdings Plc has opened bank accounts in selected commercial banks that have been listed below. Members are encouraged to deposit the money directly and email deposit slip or transfer documents together with application form direct to the company on email address: [info@rudevit.mw](mailto:info@rudevit.mw) . Members may also deliver copies in person to the Corporate Secretaries.



### National Bank of Malawi

- Account Number **1006527888**
- Top Mandala Branch
- Rural Development Investment Holdings Plc



### NBS Bank Plc-

- Account Number.....20540702
- Blantyre Branch
- Rural Development Investments Holdings Plc



### MyBucks Banking Corporation Limited

- Account Number...5042553655028
- Blantyre Branch
- Rural Development Investment Holdings Plc

