

**TO SHAREHOLDERS OF INVESTRUST BANK PLC**  
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY SEEK ADVICE FROM YOUR STOCKBROKER, BANK MANAGER, LEGAL ADVISOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR

**NOTE: IF YOU WERE A MINORITY SHAREHOLDER THAT HAS RECENTLY DISPOSED OF ALL YOUR SHARES, PLEASE FORWARD THIS OFFER DOCUMENT AND CIRCULAR, TOGETHER WITH THE FORM OF ACCEPTANCE, TO THE SPONSORING BROKER OR THE BROKER THROUGH WHOM, THE DISPOSAL WAS EFFECTED.**

**REQUIRED ACTION:**

1. Read this document in full;
2. Read the instructions in Sections D (“Letter from the Committee of Independent Directors”) and E (“Actions to be Taken by Minority Shareholders”) of this document and if you elect to sell part or all your Shares, then complete the Form of Acceptance set out in Annexure B of this document;
3. Send the completed Form of Acceptance to any of the LuSE member brokers by no later than 17:00hrs on **Monday, 30<sup>th</sup> April 2018**;
4. Minority shareholders who **do not** wish to participate in the Offer need take no further action and will retain their existing Shares.



**ZCCM INVESTMENTS HOLDINGS PLC**  
[Incorporated in the Republic of Zambia]  
Company Registration Number: 119540000771  
Share Code: ZCCM-IH  
ISIN: ZM0000000037  
[“ZCCM-IH” or “the Company”]



**INVESTRUST BANK PLC**  
[Incorporated in the Republic of Zambia]  
Company Registration number: 11990021906  
Share Code: INVESTRUST  
ISIN: ZM0000000235  
[“INVESTRUST” or “the Bank”]

**COMBINED OFFER DOCUMENT AND CIRCULAR TO MINORITY SHAREHOLDERS OF INVESTRUST BANK PLC**

REGARDING

**AN OFFER BY ZCCM INVESTMENTS HOLDINGS PLC TO THE MINORITY SHAREHOLDERS IN INVESTRUST BANK PLC TO PURCHASE SOME OR ALL OF THEIR ORDINARY SHARES AT A PRICE OF ZMW 12.00 PER SHARE;**

AND

**THE RESPONSE FROM THE INDEPENDENT COMMITTEE OF THE BOARD OF INVESTRUST CONTAINING THEIR VIEWS IN RESPECT OF THE MANDATORY OFFER AND INCORPORATING A FORM OF ACCEPTANCE**

SPONSORING BROKER



**STOCKBROKERS ZAMBIA LIMITED**

DATE OF ISSUE: Wednesday, 4<sup>th</sup> April 2018

This Combined Offer Document and Circular is available in English only. Copies of this Combined Offer Document and Circular may be obtained from the registered office of Investrust, the Sponsoring Broker and the Transfer Secretary whose addresses are set out in the “Corporate Information Relating to Investrust Bank Plc” section of this Combined Offer Document and Circular and will be available from Monday, 9<sup>th</sup> April 2018 until Monday, 30<sup>th</sup> April 2018 both days inclusive. The Combined Offer Document and Circular will also be available in electronic form from the Company’s website ([www.investrustbank.com](http://www.investrustbank.com)) from Monday, 9<sup>th</sup> April 2018.

**CORPORATE INFORMATION RELATING TO ZCCM INVESTMENTS HOLDINGS PLC**

**REGISTERED OFFICE**

ZCCM-IH Office Park  
Stand No. 16806  
Alick Nkhata Road  
Mass Media Complex Area  
P.O. Box 30048  
Lusaka  
Zambia

**COMPANY SECRETARY**

Chabby Chabala  
ZCCM-IH Office Park  
Stand No. 16806  
Alick Nkhata Road  
Mass Media Complex Area  
P.O. Box 30048  
Lusaka  
Zambia

**TRANSACTION ADVISOR AND SPONSORING BROKER**

Stockbrokers Zambia Limited  
32 Lubu Road  
Longacres  
P.O. Box 38956  
Lusaka  
Zambia

**AUDITORS**

KPMG Chartered Accountants  
First Floor, Elunda Two  
Addis Ababa Roundabout  
P.O. Box 31282  
Lusaka  
Zambia

**CORPORATE INFORMATION RELATING TO INVESTRUST BANK PLC**

**REGISTERED OFFICE**

Ody's Building  
Great East Road  
Plot No. 19028/19029  
P.O. Box 32344  
Lusaka  
Zambia

**COMPANY SECRETARY**

Cuthbert K Tembo  
Ody's Building  
Great East Road  
Plot No. 19028/19029  
P.O. Box 32344  
Lusaka  
Zambia

**TRANSACTION ADVISOR AND SPONSORING BROKER**

Stockbrokers Zambia Limited  
32 Lubu Road  
Longacres  
P.O. Box 38956  
Lusaka  
Zambia

**LEGAL ADVISOR**

Chibesakunda&Co.  
Maanu Center (2<sup>nd</sup> Floor)  
Stand No. 4647, Beit Road  
Addis Ababa Roundabout  
P.O. Box 30279  
Lusaka  
Zambia

**INDEPENDENT FINANCIAL ADVISOR**

PricewaterhouseCoopers Limited  
PwC Place  
Stand No. 2374  
Thabo Mbeki Road  
Lusaka  
Zambia

**TRANSFER SECRETARY**

Corpserve Transfer Agents Limited  
6 Mwaleshi Road  
Olympia Park  
Lusaka  
Zambia

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>CORPORATE INFORMATION RELATING TO ZCCM-IH AND INVESTRUST</b>	<b>2</b>
<b>CONTENTS</b>	<b>3</b>
<b>IMPORTANT DATES AND TIMES</b>	<b>4</b>
<b>DEFINITIONS AND INTERPRETATIONS</b>	<b>5</b>
<b>A. OFFER DOCUMENT TO THE MINORITY SHAREHOLDERS</b>	<b>8</b>
<b>B. REASON FOR THE MANDATORY OFFER</b>	<b>10</b>
<b>C. TERMS AND CONDITIONS OF THE MANDATORY OFFER</b>	<b>10</b>
<b>D. LETTER FROM THE COMMITTEE OF INDEPENDENT DIRECTORS</b>	<b>12</b>
<b>E. ACTIONS TO BE TAKEN BY MINORITY SHAREHOLDERS</b>	<b>16</b>
<b>F. SETTLEMENT</b>	<b>18</b>
<b>G. IMPLICATION OF THE MANDATORY OFFER IN RELATION TO INVESTRUST'S LISTING ON THE LUSE</b>	<b>19</b>
<b>H. COSTS OF THE MANDATORY OFFER</b>	<b>19</b>
<b>I. TAX IMPLICATIONS OF THE MANDATORY OFFER</b>	<b>19</b>
<b>J. DIRECTORS' RESPONSIBILITY STATEMENT</b>	<b>19</b>
<b>K. DOCUMENTS AVAILABLE FOR INSPECTION</b>	<b>20</b>
<b>L. APPLICABLE LAWS</b>	<b>20</b>
<b>M. LIST OF LUSE BROKERS</b>	<b>20</b>
<b>ANNEXURE A: REPORT ON THE OFFER BY THE INDEPENDENT FINANCIAL ADVISOR</b>	<b>21</b>
<b>ANNEXURE B: FORM OF ACCEPTANCE</b>	<b>26</b>

### IMPORTANT DATES AND TIMES

The proposed dates and times for concluding the Mandatory Offer is as follows:

EVENT	DATE
<b>RECORD DATE:</b> Share register record to be used for posting the Combined Offer Document and Circular	Tuesday, 3 <sup>rd</sup> April 2018
Combined Offer Document and Circular posted to Investrust minority shareholders via registered mail	Wednesday, 4 <sup>th</sup> April 2018
Offer opens at 08h00 on	Monday, 9 <sup>th</sup> April 2018
Offer closes at 17h00 on	Monday, 30 <sup>th</sup> April 2018
Last date for receipt of postal acceptances, postmarked on or before Monday, 30 <sup>th</sup> April 2018 to be received by 17h00 on	Friday, 4 <sup>th</sup> May 2018
Trade Date (D + 0)	Monday, 7 <sup>th</sup> May 2018
Settlement Date (T + 3)	Thursday, 10 <sup>th</sup> May 2018
Payment made to shareholders by their respective LuSE member brokers	Thursday, 10 <sup>th</sup> May 2018
Results of the Mandatory Offer Published	Monday, 14 <sup>th</sup> May 2018
Uncollected cheques posted to shareholders	Wednesday, 16 <sup>th</sup> May 2018

**NOTE:**

1. Unless otherwise stated, the times indicated above are Zambian times.
2. The dates and times indicated are subject to amendment. Any such amendment will be published on SENS and in the Zambian press.

### IMPORTANT NOTICE

Shareholders wishing to sell some or all their shares in Investrust Bank Plc must tender their shares as prescribed in Section E (“Actions to be Taken by Minority Shareholders”) of this Combined Offer Document and Circular.

**Shareholders who prefer not to sell all or some of their shares do not need to respond to this Combined Offer Document and Circular in any way and will simply retain their existing shares in Investrust Bank Plc.**

## DEFINITIONS AND INTERPRETATIONS

In this Combined Offer Document and Circular, unless the context indicates a contrary intention, an expression which denotes one gender includes the other genders; a natural person includes a juristic person and vice versa and the following definitions bear the meanings assigned to them below:

<b>“Acceptance”</b>	Acceptance of the Offer by a Minority Shareholder, subject to the terms and conditions of the Offer;
<b>“Business Day”</b>	A day when the LuSE is open for the transaction of business;
<b>“Combined Offer Document and Circular”</b>	This bound document dated Wednesday, 4 <sup>th</sup> April 2018 together with the annexures hereto;
<b>“Closing Date”</b>	The date on which the Offer shall close, namely, Monday, 30 <sup>th</sup> April 2018;
<b>“Committee of Independent Directors”</b>	The Committee of Independent Directors of the Board set up to discharge the duties of the Board with regard to the Offer, comprising the following Directors of the Bank: Ms Sharon Sakuwaha, Mr Cosmas Mwananshiku, and Dr Moses N Banda;
<b>“Companies Act”</b>	Companies Act, Chapter 388 of the Laws of Zambia, as amended or replaced from time to time;
<b>“CSD”</b>	The LuSE Central Shares Depository Limited, a company incorporated in Zambia with registration number 119960036617, whose functions are to serve as custodian of the LuSE tradable securities and to hold such securities in electronic form in its central depository on behalf of the beneficial owners and to provide clearing and settlement services to the LuSE;
<b>“Directors” or “Board”</b>	The Board of Directors of Investrust;
<b>“Form of Acceptance”</b>	The document set out in Annexure B of this Combined Offer Document and Circular to be completed by the Minority Shareholders who wish to sell all or some of their Ordinary Shares in respect to the Offer;
<b>“GRZ”</b>	Government of the Republic of Zambia;
<b>“Independent Financial Advisor”</b>	The independent financial advisor to the Committee of Independent Directors with respect to the Offer, being PricewaterhouseCoopers Limited, a private limited liability company duly incorporated under the laws of the Republic of Zambia with registration number 119680004808, and having its registered office at PwC Place, Stand No. 2374 Thabo Mbeki Road, Lusaka;
<b>“Kwacha” or “K” or “ZMW”</b>	The lawful currency of Zambia, being the Zambian Kwacha;

<b>“Last Practicable Date”</b>	Wednesday 21 <sup>st</sup> March 2018, being the last practicable date prior to the finalization of this Combined Offer Document and Circular;
<b>“Legal Advisor”</b>	The legal advisors to the Committee of Independent Directors with respect to the Mandatory Offer, being Chibesakunda & Co Advocates, a law firm registered and validly existing under the laws of the Republic of Zambia and whose place of business is at 2 <sup>nd</sup> Floor Maanu Centre, Stand No. 4647 Beit Road, Addis Ababa Roundabout, Lusaka;
<b>“LuSE”</b>	The Lusaka Securities Exchange Limited, a company incorporated in Zambia with registration number 120120030495 and licensed to operate as a stock exchange under the Securities Act;
<b>“LuSE Listings Rules”</b>	The Listings Requirements of the LuSE published in 2012;
<b>“LuSE Trading Procedures”</b>	The trading procedures that govern the trading activities of the LuSE;
<b>“Mandatory Offer” or “Offer”</b>	The cash offer set out in this Combined Offer Document and Circular, as submitted by ZCCM-IH to the Board on 18 May 2017 to purchase any Ordinary Shares that the Minority Shareholders may wish to tender;
<b>“Minority Shareholders”</b>	All Shareholders in Investrust, other than ZCCM-IH, who own Ordinary Shares in the Bank;
<b>“Offer Period”</b>	The period of time the Offer is open to the Minority Shareholders, being from 08:00hrs on Monday, 9 <sup>th</sup> April 2018 to 17:00hrs on Monday, 30 <sup>th</sup> April 2018;
<b>“Offer Price”</b>	The cash offer price of ZMW 12.00 (Twelve Kwacha) per Ordinary Share (ex-dividend) payable by ZCCM-IH to the Minority Shareholders who elect to participate in the Offer;
<b>“Ordinary Shares”</b>	Ordinary shares of ZMW 1.00 par value each of Investrust which are registered with the SEC and listed on the LuSE;
<b>“Record Date”</b>	The last date on which a Shareholder (other than ZCCM-IH) must be registered in the Investrust Shareholder Register as a Shareholder in order to be sent this Combined Offer Document and Circular, being Friday, 3 <sup>rd</sup> April 2018;
<b>“Register”</b>	The register of Shareholders maintained by the CSD;
<b>“Rights Offer”</b>	The renounceable rights offer by Investrust in February 2016 in which ZCCM-IH subscribed for 3, 499, 563 (Three Million Four Hundred and Ninety-Nine Thousand Five-Hundred and Sixty-Three) Ordinary Investrust Shares at a subscription price of ZMW 11.44 (Eleven Kwacha Forty-Four Ngwee) per share;
<b>“Rights Offer Price”</b>	ZMW 11.44 (Eleven Kwacha Forty-Four Ngwee) per Ordinary Share, the price at which ZCCM-IH acquired majority interest in Investrust during the Rights Offer in February 2016;

<b>“Securities Act”</b>	The Securities Act No. 41 of 2016 of the Laws of Zambia, as amended or replaced from time to time;
<b>“Settlement Date”</b>	The date when settlement of the Offer Price takes place in accordance with Section F (“Settlement”) of this Combined Offer Document and Circular;
<b>“SEC” or the “Commission”</b>	The Securities and Exchange Commission of Zambia, a corporate body created under the Securities Act, and responsible for regulation of the Zambian capital market;
<b>“SENS”</b>	Stock Exchange News Service;
<b>“Sponsoring Broker”</b>	Stockbrokers Zambia Limited, a private limited liability company duly incorporated under the laws of the Republic of Zambia with registration number 120030052224 and a member broker of the LuSE whose registered office is at No. 32 Lubu Road, Longacres, Lusaka;
<b>“Takeovers and Mergers Rules”</b>	The Securities (Takeovers and Mergers) Rules, Statutory Instrument No 170 of 1993, issued pursuant to the Securities Act;
<b>“Transfer Secretary”</b>	Corpserve Transfer Agents Limited, a private limited liability company duly incorporated under the laws of the Republic of Zambia with registration number 120080074349, and having its registered office at 6 Mwaleshi Road, Olympia Park, Lusaka;
<b>“ZCCM-IH” or “Offeror” or “the Company”</b>	ZCCM Investments Holdings Plc, a company duly registered and incorporated in terms of the laws of the Republic of Zambia under registration number 119540000771;



**ZCCM INVESTMENTS HOLDINGS PLC**  
**[Incorporated in the Republic of Zambia]**  
**Registration Number: 119540000771**  
**Share Code: ZCCM-IH**  
**ISIN: ZM0000000037**  
**("ZCCM-IH" or "the Company")**

## **A. OFFER DOCUMENT TO THE MINORITY SHAREHOLDER**

### **1. INTRODUCTION TO ZCCM-IH**

ZCCM-IH is the name assumed by ZCCM Limited following the restructuring of its operations. ZCCM Limited arose out of the merger of Nchanga Consolidated Copper Mines Limited ("NCCM") and Roan Consolidated Mines Limited ("RCM"). Under a merger arrangement approved by the High Court of Zambia on 23 March 1982, the whole of the undertaking of NCCM and all its property, assets and rights, real and personal, and all its liabilities and obligations were transferred to RCM with retrospective effect from 1<sup>st</sup> April 1981. Roan Consolidated Mines Limited changed its name to Zambia Consolidated Copper Mines Limited as part of the arrangements.

The restructuring of ZCCM Limited commenced in 1996 after approval by GRZ and the Boards of ZCCM Limited and the Zambia Privatisation Agency ("ZPA"). When ZCCM Limited was restructured, it was unbundled and its operating divisions were sold off as independent companies in which ZCCM-IH retained a minority shareholding.

Today, ZCCM Investments Holdings PLC ("ZCCM-IH") is an investment holding company with diversified interests in metals, mining, power and other sectors of the Zambian economy. The Company has a primary listing on the LuSE and secondary listings on the London and Euronext Exchanges.

### **2. DIRECTORS OF ZCCM-IH**

As per shareholder disclosure requirements pertaining to the Offer, the information set forth below provides further details on the Board of Directors of ZCCM-IH as at the Last Practicable Date.



<b>ZCCM-IH BOARD OF DIRECTORS</b>	
<b>NAME</b>	<b>DESIGNATION</b>
Mr Eric S Silwamba	Non-Executive Director
Mr Fredson K Yamba	Non-Executive Director
Mr Paul M Chanda	Non-Executive Director
Mr Mateyo C Kaluba	Non-Executive Director
Mr Yollard Kachinda	Non-Executive Director
Mr Philippe G Tausac	Non-Executive Director
Dr Pius C Kasolo	Executive Director

### 3. ZCCM-IH SHAREHOLDING

ZCCM-IH is a publicly listed entity on the LuSE with a secondary listing on the London Stock Exchange in the United Kingdom and some of the Company's shares are traded on the Marche Libre Paris, a non-regulated market administered by Euronext Paris, France. A summary of the Company's shareholding as at the Last Practicable Date can be seen in the table below:

<b>SHAREHOLDER</b>	<b>CLASS</b>	<b>NUMBER OF SHARES</b>	<b>SHAREHOLDING (%)</b>
Industrial Development Corporation	A	96,926,669	60.3
Minister of Finance	B	27,735,173	17.3
NAPSA	B	24,120,043	15.0
Other Shareholders	B	12,018,401	7.4
<b>Total</b>	<b>A and B</b>	<b>160,800,286</b>	<b>100.0</b>

### 4. ZCCM-IH OPERATING SEGMENTS

ZCCM-IH is an investment holding company with a number of subsidiaries, joint venture, associates and investments mainly in the copper mining sector in Zambia. A majority of the Company's investments are held in the copper mining sector of Zambia. Its principal activities include managing the Zambian Government's stake in the mining sector.

### 5. ZCCM-IH FINANCIAL PERFORMANCE

<b>Extract from the ZCCM-IH Unaudited 2017 Interim Statement of Profit or Loss</b>	<b>ZMW ('000)</b>
Revenue	37,647
Operating Loss	(123,344)
Profit for the Interim Period	87,821

### 6. DISCLOSURE STATEMENTS BY ZCCM-IH AND INVESTRUST ON SHAREHOLDING INTERESTS

- 6.1. As at the Last Practicable Date, ZCCM-IH held 45.4% of the issued share capital of Investrust.  
6.2. As at the Last Practicable Date, Investrust held no shares in ZCCM-IH.

## **B. REASON FOR THE MANDATORY OFFER**

In February 2016, ZCCM-IH undertook to subscribe for all shares not subscribed for by other Investrust shareholders in the Investrust Rights Offer. This resulted in an increase in ZCCM-IH's shareholding in Investrust from 10.6% to 48.6%. As a result, ZCCM-IH was required to proceed with a Mandatory Offer to all other shareholders in Investrust in accordance with Rule 56 of the Third Schedule of the Takeovers and Mergers Rules.

However, as provided for in the Takeovers and Mergers Rules, ZCCM-IH elected to apply to the SEC for a waiver allowing ZCCM-IH not to undertake the Mandatory Offer. The Commission granted ZCCM-IH a waiver on 21 October 2016 on condition that ZCCM-IH would sell-down its shareholding in the Bank to below 35% by 21 October 2017. Hitherto, ZCCM-IH has only managed to sell a 3.2% shareholding in Investrust and thus currently holds a 45.4% shareholding in the Bank.

On 18 May 2017, ZCCM-IH formally notified the Board of Investrust of its intentions to proceed with the Mandatory Offer to the Minority Shareholders of Investrust.

## **C. TERMS AND CONDITIONS OF THE MANDATORY OFFER**

This section provides a summary of the Mandatory Offer made by ZCCM-IH to the Minority Shareholders in Investrust.

### **1. TERMS OF THE MANDATORY OFFER**

ZCCM-IH is offering to purchase the Ordinary Shares held by the Minority Shareholders of Investrust at the Offer Price of ZMW 12.00 per share.

**THE MINORITY SHAREHOLDERS OF INVESTRUST ARE NOT OBLIGATED TO SELL THEIR SHARES TO ZCCM-IH IN TERMS OF THE MANDATORY OFFER. THE OFFER PROVIDES MINORITY SHAREHOLDERS THE OPPORTUNITY, FOLLOWING THE ACQUISITION BY ZCCM-IH OF MORE THAN 35% OF THE SHAREHOLDING OF THE COMPANY, TO DECIDE WHETHER TO KEEP ALL THEIR SHARES, SELL SOME AND KEEP THE BALANCE, OR SELL THEIR ENTIRE SHAREHOLDING.**

### **2. THE MANDATORY OFFER AND THE OFFER PRICE**

**2.1.** ZCCM-IH hereby makes a cash offer to purchase the Ordinary Shares held by the Minority Shareholders, collectively representing 54.6% shareholding in the Bank, which the Minority Shareholders may wish to tender and in respect of which ZCCM-IH receives valid acceptances, prior to the Closing Date, in accordance with the legal provisions governing mandatory offers, at the Offer Price to be settled at the close of the Offer period. The Offer Price will be discharged through the payment of cash to the Minority Shareholders who accept the Offer in accordance with the LuSE Listings Rules and the LuSE Trading Procedures.

**2.2.** Minority Shareholders who accept the Offer shall receive the Offer Price for every Ordinary Share acquired by ZCCM-IH in terms of the Offer.

**2.3.** The Offer Price is ZMW 12.00, approximately a 4.9% premium to the ZMW 11.44 Rights Offer Price, the price at which ZCCM-IH acquired its majority interest in Investrust by undertaking to

subscribe for all Ordinary Shares not subscribed for by other shareholders during the Rights Offer in February 2016.

**3. REMAINING SHAREHOLDERS**

Minority Shareholders who elect not to accept the Offer will remain Shareholders subject to the rights prescribed under the Companies Act, Securities Act and the LuSE Listings Rules.

**4. OFFER PERIOD**

**4.1.** The Offer will be open for acceptance for twenty-one (21) days from 08:00 on Monday, 9<sup>th</sup> April 2018 and will close at 17:00 on Monday, 30<sup>th</sup> April 2018, which will be the deemed effective date of disposal of Ordinary Shares by participating Minority Shareholders that will have accepted the Offer by the Closing Date.

**4.2.** Please note that the Offer is only applicable to those Minority Shareholders that are recorded in the Register as at the Record Date.

**5. CONDITIONS OF THE MANDATORY OFFER**

In accordance with Rule 57(1), Section XVI and Rule 62(1) Section XVII, of the Third Schedule of the Takeovers and Mergers Rules, the Offer is conditional upon ZCCM-IH having received acceptances in respect of Ordinary Shares which, together with the Ordinary Shares currently held by ZCCM-IH, will result in ZCCM-IH holding more than 50% of the shareholding in Investrust. There are no other conditions to the Offer, nor are there any other arrangements in relation to the Ordinary Shares which are material to the Offer.

**6. FINANCIAL ASSURANCE**

ZCCM-IH hereby confirms that for the purposes of the Offer, it has the financial capacity to satisfy full acceptance of the Offer.



**INVESTRUST BANK PLC**  
**[Incorporated in the Republic of Zambia]**  
**Company registration number: 11990021906**  
**Share Code: INVESTRUST**  
**ISIN: ZM0000000235**  
**["INVESTRUST" or "the Bank"]**

Wednesday, 4<sup>th</sup> April 2018

**TO: ALL SHAREHOLDERS OF INVESTRUST BANK PLC**

Dear Shareholders,

**OFFER BY ZCCM INVESTMENTS HOLDINGS PLC TO MINORITY SHAREHOLDERS OF INVESTRUST BANK PLC**

**1.1. BACKGROUND**

- 1.1.1.** Shareholders are referred to the Cautionary Announcement first issued by Investrust Bank Plc ("Investrust" or "the Bank") on 23 May 2017, and the announcement of the terms of the Mandatory Offer by ZCCM-IH to the Minority Shareholders of Investrust issued on Wednesday, 21<sup>st</sup> March 2018 (the "Announcements") in compliance with the provisions of the Takeovers and Mergers Rules.
- 1.1.2.** In the Announcements, Shareholders were advised that the Bank had received notification from its majority shareholder, ZCCM-IH, of its intention to make a Mandatory Offer to the Minority Shareholders of Investrust.
- 1.1.3.** Investrust is majority owned by ZCCM-IH which holds 45.4% of the Ordinary Shares of the Bank, whilst the balance of 54.6% of the Ordinary Shares of the Bank are held by various institutional and retail investors.
- 1.1.4.** ZCCM-IH's shareholding in Investrust increased from 10.6% to 48.6% when it undertook to subscribe for all shares not subscribed for by other shareholders in the Rights Offer. As a result, ZCCM-IH was required to make a Mandatory Offer to all the other shareholders in Investrust in accordance with Rule 56, Section XVI of the Third Schedule of the Takeovers and Mergers Rules.
- 1.1.5.** ZCCM-IH opted to apply to the SEC for a waiver from making a Mandatory Offer which was granted by the SEC on 21 October 2016 on condition that ZCCM-IH reduce its shareholding in the Bank to below 35% by 21 October 2017.
- 1.1.6.** On 18 May 2017, ZCCM-IH formally notified the Board that ZCCM-IH intended to proceed with a Mandatory Offer to the Minority Shareholders of the Bank prior to the 21 October 2017 deadline.

## 1.2. DIRECTORS OF INVESTRUST

As per shareholder disclosure requirements pertaining to the Offer, the information set forth below provides further details on the Board of Directors of Investrust as at the Last Practicable Date.

INVESTRUST BOARD OF DIRECTORS	
NAME	DESIGNATION
Dr Jacob M Mwanza	Board Chairperson
Mr Cosmas K Mwananshiku	Non-Executive Director
Ms Sharon Sakuwaha	Non-Executive Director
Dr Moses N Banda	Non-Executive Director
Ms Sophie M Mutemba	Non-Executive Director
Mr Maybin Muyawala	Non-Executive Director
Mr Hapenga Kabeta	Non-Executive Director

## 1.3. DIRECTORS INTEREST IN INVESTRUST

As at the Last Practicable Date, the interests of Directors in the Bank's shares, as recorded in the register and on the LuSE, were as follows:

Details	Number of Ordinary Shares	Holding (%)
Jacob Mwanza	5,451	0.12

## 1.4. COMMITTEE OF INDEPENDENT DIRECTORS

**1.4.1** Some of the Directors of the Bank were nominated to the Board by ZCCM-IH which may give rise to a potential conflict of interest when evaluating the Offer. For this reason, and as required by Rule 5(3), Section II of the Third Schedule of the Takeover and Mergers Rules, the Board appointed a Committee of Independent Directors comprising:

- Ms Sharon Sakuwaha;
- Mr Cosmas Mwananshiku; and
- Dr Moses N Banda.

**1.4.2** The duty of the Committee of Independent Directors is to discharge the responsibilities of the Board with regard to the Offer.

**1.4.3** The views of this Committee of Independent Directors and the recommendations are outlined below under, "Independent Directors' View of the Offer" and "Independent Directors' Recommendation".

## 1.5. ANALYSIS OF THE OFFER

In order to comply with the provisions of Rule 5(1), Section II of the Third Schedule of the Takeovers and Mergers Rules, the Board of Directors of the Bank (the "Board") retained an Independent Financial Advisor to advise the Board as to whether the Offer is, or is not, fair and reasonable and to render its reasons for this advice. Annexure A at the end of this document provides the report on the Offer prepared by the Independent Financial Advisor, the conclusion of which is that the Offer, in their opinion, is fair and reasonable.

## 1.6. INDEPENDENT DIRECTORS' VIEW OF THE OFFER

As required by Rule 5(3), Section II of the Takeovers and Mergers Rules, the Board appointed the Committee of Independent Directors composed of three (3) independent Directors to discharge the

responsibilities of the Board with regard to the Offer as some of the Directors of the Bank were faced with a conflict of interest as a result of their appointment to the Board by ZCCM-IH and their being Minority Shareholders of the Bank.

The Committee of Independent Directors has reviewed the Offer by ZCCM-IH to Minority Shareholders of the Bank and has noted that the Offer Price has been set at ZMW 12.00 per share, approximately a 4.9% premium to the ZMW 11.44 price at which ZCCM-IH acquired its majority shareholding interest in Investrust during the Rights Offer in February 2016.

Further, the Committee of Independent Directors has received and reviewed the valuation analysis conducted and prepared by the Independent Financial Advisor and has concluded that the value of the ordinary shares of the Bank corresponding to the fair market value of the shareholder equity as at 31 December 2016 should be in the range of ZMW 11.91 per share to ZMW 16.08 per share based on the information considered by the Independent Financial Advisor. Accordingly, the view of the Committee of Independent Directors is that the Offer by ZCCM-IH to the Minority Shareholders of the Bank of ZMW 12.00 per share is fair and reasonable. Having reviewed the Offer and the analysis prepared by the Independent Financial Advisor, the Committee of Independent Directors concurs with the view expressed by the Independent Financial Advisor.

#### **1.7. INDEPENDENT DIRECTORS' RECOMMENDATION**

Pursuant to the provisions of Rule 5(2), Section II of the Third Schedule of the Takeovers and Mergers Rules, the Board has a responsibility to provide its recommendations regarding acceptance of the Offer. In light of the comments made in Clause 1.6 ("Independent Directors' View of the Offer") above, the Committee of Independent Directors believes the Offer is both fair and reasonable and, therefore, should be accepted.

However, it is up to each individual Minority Shareholder of the Bank to decide whether or not to sell some or all of the Ordinary Shares he/she owns in the Bank or simply to retain his/her Ordinary Shares, after taking into account all relevant factors and market related considerations including the price of the Ordinary Shares on the LuSE. In short, no Minority Shareholder is being compelled to sell some or all of the Ordinary Shares he/she owns in the Bank.

#### **1.8. ACTIONS TO BE TAKEN BY MINORITY SHAREHOLDERS**

The options open to Minority Shareholders of the Bank and the actions they must take, depending on the option selected, are included in Section E ("Actions to be Taken by Minority Shareholders") of this Combined Offer Document and Circular.

In this regard, the Committee of Independent Directors would like to emphasize several points, namely:

- The Minority Shareholders of the Bank are free to choose what they would like to do with regard to their Ordinary Shares in the Bank;
- Each Minority Shareholder, at his/her sole discretion, is free to sell some or all of the Ordinary Shares he/she owns, or simply to retain all of his or her Ordinary Shares;
- No Minority Shareholder of the Bank is in any way being compelled to sell some, or all of his/her Ordinary Shares;
- Each Minority Shareholder of the Bank must make his or her own decision based on the options explained in this Combined Offer Document and Circular, particularly under Section E ("Actions to be Taken by Minority Shareholders") below; and

- Any minority shareholder having questions should contact his or her broker or the Sponsoring Broker being Stockbrokers Zambia Limited, or seek advice from his or her banker, lawyer, accountant or other professional advisor.

Yours faithfully,

**The Committee of Independent Directors**

**Ms. Sharon Sakuwaha**

**NAME**

**SIGNATURE**

---

**Mr. Cosmas Mwanashiku**

**NAME**

**SIGNATURE**

---

**Dr. Moses N Banda**

**NAME**

**SIGNATURE**

---

## **E. ACTIONS TO BE TAKEN BY MINORITY SHAREHOLDERS**

The Minority Shareholders have several options available to them. Depending on the option selected, there may or may not be actions that a Minority Shareholder will have to undertake. These are described in detail below.

### **1.1. A MINORITY SHAREHOLDER MAY DO NOTHING**

A Minority Shareholder may choose to do nothing. Taking no action will confirm that a Minority Shareholder does not wish to sell any of the Ordinary Shares he/ she currently owns. In this case, a Minority Shareholder will simply retain his or her existing Ordinary Shares in the Bank, subject to the Companies Act and the LuSE Listing Rules.

### **1.2. A MINORITY SHAREHOLDER MAY SELL A PORTION OF HIS/HER ORDINARY SHARES IN THE BANK**

**1.2.1.** As part of the Mandatory Offer being made by ZCCM-IH under the Takeovers and Mergers Rules, a Minority Shareholder may elect to sell a portion of the Ordinary Shares he or she currently owns to ZCCM-IH. If a Minority Shareholder elects to take this option, he or she should contact their broker or the Sponsoring Broker and tender the Ordinary Shares he or she wishes to sell at the Offer Price of ZMW 12.00 per share by completing the Form of Acceptance. This tender of Ordinary Shares by Minority Shareholders wishing to sell only a portion of their Ordinary Shares in the Bank must be completed, in writing, during the Offer Period as indicated in the timetable on page 4 of this Combined Offer Document and Circular and will be conducted as a normal trade over the LuSE on the trade date at the close of the Offer Period.

**1.2.2.** Unless otherwise advised by an announcement in the press, offers to sell Ordinary Shares by the Minority Shareholders must be received not later than 17:00 hours on the Closing Date of the Offer Period, namely, Monday, 30<sup>th</sup> April 2018. Postal acceptances postmarked on or before the above date must be received not later than 17:00 hours on Friday, 4<sup>th</sup> May 2018. Any changes in these dates will be communicated to Minority Shareholders via an announcement on SENS and in the daily Zambian press, which will appear on consecutive days in at least two Zambian national newspapers.

### **1.3. A MINORITY SHAREHOLDER MAY SELL ALL OF HIS/ HER ORDINARY SHARES IN THE BANK**

**1.3.1.** As part of the Offer being made by ZCCM-IH, and as required under the Takeovers and Mergers Rules, a Minority Shareholder may elect to sell all of the Ordinary Shares he/she currently owns to ZCCM-IH. If a Minority Shareholder elects this option, he/she should contact their broker or the Sponsoring Broker and tender the Ordinary Shares he/she wishes to sell at the Offer Price by completing the Form of Acceptance attached to this Combined Offer Document and Circular. This tender of Ordinary Shares by Minority Shareholders wishing to sell all of their Ordinary Shares in the Bank must be completed, in writing, during the Offer Period as indicated in the timetable on page 4 of this Combined Offer Document and Circular and will be conducted as a normal trade over the LuSE on the trade date at close of the Offer Period.

**1.3.2.** Unless otherwise advised by an announcement in the press, offers to sell Ordinary Shares by the Minority Shareholders must be received in writing not later than 17:00 hours on the Closing Date of the Offer Period, namely, Monday, 30<sup>th</sup> April 2018. Postal acceptances postmarked on or before the above date must be received not later than 17:00 hours on Friday, 4<sup>th</sup> May 2018. Any changes in these dates will be communicated to Minority



Shareholders via an announcement on SENS and in the Zambian daily press, which will appear on consecutive days in at least two Zambian national newspapers.

#### **1.4. NOTE FOR SHAREHOLDERS HOLDING ORDINARY SHARE CERTIFICATES**

Some Shareholders may be in possession of share certificates in respect of Ordinary Shares held by them. The trading, clearing and settlement arrangements at the LuSE are based on the CSD system which does not use share certificates. Accordingly, those Shareholders holding physical share certificates and are intending to participate in the Offer are advised to deposit the share certificates evidencing their Ordinary Shares into the CSD prior to accepting the Offer by contacting any one of the member broking firms of the LuSE.

#### **1.5. ACCEPTANCES ARE IRREVOCABLE**

All valid acceptances of the Offer received by your broker on or prior to the Closing Date, shall be irrevocable.

#### **1.6. TRANSACTION RECEIPTS**

The Bank or your broker or the Sponsoring Broker will issue no receipts for Forms of Acceptance, surrender and transfer other than stamping the same in the receipt portion of the application form, if tendered in person, unless specifically requested to do so, in writing, by the Minority Shareholder in question.

#### **1.7. ACCEPTANCES OF THE MANDATORY OFFER BY NOMINEE COMPANIES AND REPRESENTATIVES**

Such nominee companies and custody accounts may submit in aggregate or in respect of each Minority Shareholder represented, acceptances of the Offer by recognized nominee companies. Any such representative accepting the Offer warrants that it is duly authorized to do so.

#### **1.8. NO AMENDMENT OR VARIATION OF THE MANDATORY OFFER**

No amendment or variation of the Offer shall be valid unless made in writing and signed by ZCCM-IH after the necessary regulatory approvals.

#### **1.9. TREATMENT OF INCOMPLETE FORMS OF ACCEPTANCE**

ZCCM-IH reserves the right, in its discretion, to:

- 1.9.1.** Treat as invalid, Forms of Acceptance, that are incomplete or illegible; and
- 1.9.2.** Require proof of the authority of the person signing the Form of Acceptance, surrender and transfer where such proof has not yet been lodged with or recorded by the broker.

#### **1.10. GENERAL**

The Minority Shareholders may accept the Offer in respect of all or part of their Ordinary Shares. Minority Shareholders who do not wish to accept the Offer **need not** take any further action and will be deemed to have declined the Offer. The Minority Shareholders who accept the Offer to sell their Ordinary Shares will be responsible for any taxes or costs, including brokerage, LuSE, LuSE CSD and SEC trade commission fees that may be levied on such sale. Neither ZCCM-IH nor Investrust shall be responsible or liable for any tax liability of any Minority Shareholder on the Ordinary Shares acquired under the Offer from such Minority Shareholder.

## F. SETTLEMENT

- 1.1. Settlement of the Offer Price to the Minority Shareholders will take place in accordance with the normal arrangements for trades conducted on the LuSE. Payment of the Offer Price by ZCCM-IH to the Minority Shareholders for the Ordinary Shares acquired shall be made in accordance with the normal LuSE Trading Procedures.
- 1.2. On the first business day following the last day for the receipt of postal acceptances all Ordinary Shares that have been tendered by Minority Shareholders will be traded over the LuSE. Settlement will occur thereafter on T + 3 in accordance with prevailing LuSE Trading Procedures. On T + 3, Minority Shareholders who have tendered Ordinary Shares in the Offer may collect the payment to which they are entitled from their respective LuSE member broker.
- 1.3. Shareholders are reminded to provide their up-to-date bank account details and forwarding addresses to the Transfer Secretary in order to facilitate efficient and expedient payment. In the event that your details have changed, kindly complete a Shareholder Account Detail Form and return it to the Transfer Secretary. The Shareholder Account Detail Form can be collected from the Transfer Secretary's offices, details are as provided below:

**Corpserve Transfer Agents Limited**  
6 Mwaleshi Road  
Olympia Park  
P.O. Box 37522  
Lusaka  
Zambia  
**Email:** [info@corpservezambia.com.zm](mailto:info@corpservezambia.com.zm)  
**Tel:** +260 211 256 969 / 256 970  
**Tel/Fax:** +260 211 256 975

- 1.4. Thereafter, and unless instructed by a Minority Shareholder, all payments not collected shall, at the Minority Shareholder's risk, be sent to the address of the Minority Shareholder recorded in the Register.
- 1.5. Minority Shareholders wishing to participate in the Offer and tender some or all of their Ordinary Shares should complete the attached Form of Acceptance and submit it to their LuSE member broker, or the Sponsoring Broker. A list of all the LuSE brokers appears in Section M ("List of LuSE Brokers") of this Combined Offer Document and Circular.
- 1.6. Acceptance of the Offer may have an effect on an individual Minority Shareholder's tax position. Minority Shareholders are advised to consult their professional advisors about their personal tax positions.

## **G. IMPLICATION OF THE MANDATORY OFFER IN RELATION TO INVESTRUST'S LISTING ON THE LUSE**

The LuSE Listing Rules stipulate that, unless otherwise agreed with the board of the LuSE, twenty-five percent (25%) of each class of equity shares of a company must be held by the public in order for a company to qualify for a full listing on the LuSE. In the event that the percentage of the Ordinary Shares held by the public falls below this 25% threshold, the eligibility of Investrust to be listed on the main board of the LuSE may be affected. Investrust would nevertheless, continue to qualify to have its Ordinary Shares traded as quoted shares on the second tier of the LuSE market. However, Minority Shareholders are advised that a smaller number of shares held by the public could reduce the liquidity and price formation and restrict trading in the Ordinary Shares on the LuSE.

## **H. COSTS OF THE MANDATORY OFFER**

The total estimated costs of the Offer incurred by Investrust amount to approximately ZMW 673,499.65 which includes payments to the various advisors and other third-party service providers. Brokerage, LuSE and SEC commissions are the responsibility of the buyer and sellers of shares in the Offer.

## **I. TAX IMPLICATIONS OF THE MANDATORY OFFER**

There are no capital gains or property transfer taxes on the sale of listed securities in Zambia. Proceeds from the sale of Ordinary Shares, however, may be taxed in the hands of the recipient. Shareholders who sell some or all of their Ordinary Shares in the Offer, therefore, may wish to consult with their accountant, tax advisor or other professional advisor on any tax liability that may incur.

## **J. DIRECTORS' RESPONSIBILITY STATEMENT**

### **1.1. ZCCM-IH DIRECTORS' RESPONSIBILITY STATEMENT**

All directors' of ZCCM-IH jointly and severally accept full responsibility for the accuracy of the information relating to ZCCM-IH and the Offer by ZCCM-IH and confirm, having made all reasonable inquiry, that to the best of their knowledge, statements relating to ZCCM-IH expressed in this Combined Offer Document and Circular have been arrived at after due and careful consideration and, in respect of ZCCM-IH, there are no other facts not contained in this Combined Offer Document and Circular, the omission of which would make any statement in this document misleading.

### **1.2. INVESTRUST DIRECTORS' RESPONSIBILITY STATEMENT**

All directors' of Investrust jointly and severally accept full responsibility for the accuracy of the information relating to Investrust and contained in this Combined Offer Document and Circular and confirm, having made all reasonable inquiry, that to the best of their knowledge, statements expressed in respect of Investrust in this Combined Offer Document and Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Combined Offer Document and Circular in respect of Investrust, the omission of which would make any statement herein, misleading.

## **K. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of Investrust or at the office of the Sponsoring Broker between 08:00 hours and 17:00 hours, Monday through Friday during the Offer Period:

- 1.1.** The Offer letter from ZCCM-IH addressed to the Board;
- 1.2.** The report on the Offer by the Independent Financial Adviser; and
- 1.3.** A signed copy of this Combined Offer Document and Circular.

## **L. APPLICABLE LAWS**

The Offer and its acceptances will be governed by the laws of Zambia. This Combined Offer Document and Circular does not constitute an offer in any area or jurisdiction in which it is illegal to make such an offer. In such circumstances, this Combined Offer Document and Circular is sent for information purposes only.

## **M. LIST OF LUSE BROKERS**

Below is the list of LuSE brokers that the Minority Shareholders may make use of:

### **AUTUS SECURITIES**

The Coliseum, Ground Floor, Block A  
Bwinjimfumu Road, Rhodespark  
P.O. Box 32308  
Lusaka  
Zambia

### **EQUITY CAPITAL RESOURCES PLC**

4<sup>th</sup> Floor, Godfrey House  
Kabelenga Road  
P.O. Box 37184  
Lusaka  
Zambia

### **MADISON ASSET MANAGEMENT COMPANY LIMITED**

LSA House  
Plot No. 316, Independence Avenue  
P.O. Box 37013  
Lusaka  
Zambia

### **PANGAEA SECURITIES ZAMBIA LIMITED**

1<sup>st</sup> Floor, Pangaea Office Park  
Great East Road  
P.O. Box 30163  
Lusaka  
Zambia

### **STOCKBROKERS ZAMBIA LIMITED**

32 Lubu Road  
Longacres  
P.O. Box 38956  
Lusaka  
Zambia



The Independent Committee of the Investrust Board of Directors  
Investrust Bank Plc  
Ody's Building, No. 19028/29  
Great East Road Plot  
**Lusaka**

4 August 2017

Dear Sirs

**Independent Financial Adviser's fair and reasonable opinion report on ZCCM- Investment Holdings Plc's mandatory offer to Investrust minority shareholders**

**Introduction**

Investrust Bank Plc ("Investrust", "the Bank" or "the Company") is the only indigenous Bank listed on the Main Board of the Lusaka Securities Exchange ("LuSE"). In February 2016, Investrust undertook a Rights Offer to raise ZMW 40 000 000 (forty million Zambian Kwacha) in which ZCCM Investments Holdings PLC ("ZCCM-IH") undertook to subscribe for all shares not subscribed for by other shareholders in the Investrust Rights Offer (the "Rights Offer"). This resulted in ZCCM-IH's shareholding in Investrust to increase from 10% to 48.6%. As a result, ZCCM-IH was required to make a Mandatory Offer to all the other shareholders in Investrust in accordance with Clause 56 of the Third Schedule to the Securities (Takeovers and Mergers) Rules, Statutory Instrument No 170 of 1993, (the "Takeovers Rules"), issued pursuant to the Securities Act, Chapter 354 of the Laws of Zambia (the "Securities Act").

As provided for in the Takeovers Rules, ZCCM-IH opted to apply to the Securities and Exchange Commission ("SEC") for a waiver from making a Mandatory Offer which was granted by the SEC on 21 October 2016 on condition that ZCCM-IH will sell-down its shareholding in the Bank to below 35% by 21 October 2017.

ZCCM-IH has now resolved that it will proceed to undertake a Mandatory Offer to all the other shareholders in Investrust and as such has made an offer of ZMW 12 per share to all the other shareholders of Investrust.

In compliance with the provisions of the Third Schedule of the Securities Act, an Independent Committee of the Investrust Board has appointed PricewaterhouseCoopers Limited as the Independent Financial Adviser to: perform a valuation of the shares of Investrust as at 31 December 2016, which is appropriate for the mandatory offer.

Use the results of the valuation to present the fair and reasonable opinion to the Independent Committee of the Investrust Board in regard to the ZCCM-IH Offer.

Authorise Investrust to refer to or include the fair and reasonable opinion in the circular to shareholders (the "Circular") on the mandatory offer.

### **Definition of fairness and reasonableness for the purposes of our opinion**

For the purposes of our opinion, "fairness" is based primarily on quantitative factors. Therefore, the price would be considered fair to the Minority Shareholders if it is in line with or higher than the fair value of Investrust shares.

"Reasonableness" is based primarily on qualitative factors such as sensibility or appropriateness to the given situation.

### **Definition of value**

For purposes of this engagement, we define fair market value, as "the amount for which an asset could be exchanged, a liability settled or an equity instrument granted could be exchanged, between knowledgeable willing parties in an arm's length transaction."

The conclusion of fair market value reached is therefore a reasonable estimate of the price at which an asset may change hands between two willing parties. It should be understood that the actual price paid in any transaction involving the Bank may differ from the appraised fair market value due to factors such as the motivation of the parties, the negotiation skills of the parties, the structure of the transaction or other factors unique to the transaction.

We have valued the Bank under the premise of a going-concern business enterprise. This premise of value considers that the management of the Bank will implement only those prospective financial and operational strategies that will maximise the value of the business entity. Additionally, it assumes that there is no uncertainty about future events, such as recurring operating losses or financial difficulties that would call into question the fundamental assumption that the Bank can continue to operate as a going-concern.

### **Our approach**

In assessing the fairness and reasonableness of the terms of the Proposed Transaction, we have calculated the fair value of the Bank's issued share capital and compared it to the Offer Price. We also took into consideration the requirements of the LuSE listing rules which mandates the Independent Financial Advisor to perform a valuation of the issuer and/or the subject of the transaction.

Our work involved providing you with an indicative fair value estimate of Investrust Bank Plc as at 31 December 2016. We have prepared our valuation estimates on an indicative basis. This does not represent a formal valuation opinion because we have not completed a detailed due diligence that would be required for us to issue such an opinion.

Indicative valuations are generally only appropriate for internal use. In performing an indicative valuation we have:

placed substantial reliance upon the information provided to us by management and have only undertaken limited cross-checks on the values derived;

only reviewed historic financial information to the extent necessary to reflect these in the valuation; and

solely relied on comparable company data sourced from S&P Capital IQ and have not derived data from original source material.

If information provided by Management is not reliable or there are material omissions in the information provided to us, this would affect the valuation results set out in this Report.

### **Statement of methodologies applied**

We considered three valuation approaches for the purposes of this transaction:

The Market Approach which indicates the value of shares (or business operations) of a company based on a comparison of the company to comparable firms in similar lines of business that are publicly traded or which are part of a public or private transaction. This approach can be estimated through the Market Comparable Method, the Market Transaction Method. The conditions and prospects of companies similar to Investrust depended on common factors such as size, markets, operations and so on;

The Net Assets approach indicates the market value of the ordinary shares of a business by adjusting the asset and liability balances on the subject company's balance sheet to their market value equivalents. The Net Assets approach is based on the summation of the individual piecemeal values of the underlying assets. The market value of the equity on a marketable, controlling basis is then indicated by the sum of the market value of the assets less the market value of the liabilities; and

The income-based approaches are premised directly on the principle that the value of a company is dependent upon the future economic benefits it can generate. We considered the Discounted Cashflow ("DCF") method but it was discounted because we were not provided with sufficient data to compute a valuation on this basis;

The following key value drivers and assumptions were utilised in the valuations:

Investrust's business model;  
the historical share trading prices; and  
the liquidity of the LuSE.

The value range per our valuation of ZMW11.91 per share to ZMW16.08 per share was arrived at using a combination of the market approach and net assets method.

### **Information utilised**

During the course of our work, we have relied on data and information made available to us through different sources, including Prospective Financial Information ("PFI") and other financial assumptions obtained from Management, sector specific information obtained from the public domain, and financial and industry sources.

The principal sources of information provided to us by Management included:

Audited financial statements for the years ended 31 December 2014, 2015 and 2016;  
The Bank's projections for the next five years ending 31 December 2021 considering continuity of the business as is and as a going concern without further capital injection;  
Management representation of information about the Bank;  
Bank's budget for the year ending 31 December 2017;  
Other publicly available information relevant to Investrust and the industry in which the Bank operates; and

S&P Capital IQ, a multinational financial information provider, a division of McGraw Hill Financial;

### **Confirmation of facts by management**

We provided this report to the Management of the Company and they have confirmed that to the best of their knowledge and belief:

the facts as stated, so far as they are aware, are accurate in all material aspects;

they have made available to us all significant information relevant to the report of which they have knowledge; and

they are not aware of any material matters relevant to our terms of reference that have been excluded

### **Opinion**

Based on the valuation methodologies utilised in the valuation analysis and assumptions used, we believe that the open market value for Investrust as at 31 December 2016, is in the range of ZMW86 million to ZMW117 million. Due to the inherent uncertainty in predicting future events, the market value could vary.

Based on the information considered we are of the opinion that the Offer by ZCCM-IH subject to statutory compliance requirements should be in the range of ZMW11.91 per share to ZMW16.08 per share based on the information considered including the financial projections provided by Management. The market price at the valuation date was K13.5 per share, which was unchanged at announcement pre-rights and on trading post rights. We are therefore of that the opinion that the offer by ZCCM – IH made of ZMW12 per share is fair and reasonable.

An individual shareholder's decision may be influenced by such shareholder's particular circumstances and accordingly a shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the transaction.

### **Independence**

We were appointed as an independent financial adviser to the independent committee of directors and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in Investrust; or in the success or failure of the proposed transaction which forms the subject matter hereof.

### **General limiting conditions**

The valuation methodology involves a review of the PFI prepared by Management. The PFI was prepared by Investrust management to reflect their assessment of the most likely future outcome. We assessed the reasonability of Management PFI and based on questions we raised, made adjustments to the projections. Nonetheless, Management retains ownership of the PFI and has full responsibility for the judgements involved in, and results of, its PFI preparation process. Projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. Although, we have provided commentary on the assumptions we have adopted for the valuation, we express no opinion and provide no assurance as to how closely the actual results will correspond to those projected and forecast by Management. PricewaterhouseCoopers takes no responsibility for the achievement of predicted results and disclaim any liability relating to the achievability of the financial projections.



By its very nature, valuation work is not an exact science and the conclusions arrived at will of necessity be subjective and dependent on the exercise of individual judgment. Whilst we consider that the indicative fair value estimate provided by us is both reasonable and defensible, based on the information made available to us, others may place a different value on the Company. The actual price achieved in an open market transaction may be higher or lower than our indicative value depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies), the negotiating ability, the motivation of buyers and sellers, etc.

Accordingly, the results of our indicative valuation of the Company may not necessarily be the price at which any agreement may proceed. The final price is something on which all parties have to agree upon. We also emphasise that the valuation is not the only factor that should be considered by a buyer and seller in determining an agreeable price.

Investrust has not undergone a due diligence exercise. We therefore wish to state that our valuation estimates for the Bank have been based on 31 December 2016 financial information which has not been reviewed under a due diligence exercise. We have relied on the overall structure of the entity as provided by management and have not undertaken a detailed review of the relationships between the related parties and any effects on the reported financial information as a result.

The opinion expressed herein is necessarily based upon the information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have assumed that all conditions precedent which includes any material regulatory and other approvals required in connection with the Proposed Transaction have been or will be properly fulfilled/obtained.

Subsequent developments may affect our opinion. However, we are under no obligation to update, revise or re-affirm our opinion in light of such developments.

### **Consent**

We hereby consent to the inclusion of this opinion in whole and references thereto, in the form and context in which they appear, in the Circular.

Yours faithfully

PricewaterhouseCoopers Limited

## ANNEXURE B: FORM OF ACCEPTANCE

**THIS FORM IS IMPORTANT AND APPLIES TO THE MINORITY SHAREHOLDERS OF INVESTRUST BANK PLC WHO WISH TO PARTICIPATE IN THE OFFER BY ZCCM INVESTMENTS HOLDINGS PLC CONTAINED IN THE COMBINED OFFER DOCUMENT AND CIRCULAR (TO WHICH THIS FORM IS ATTACHED), BY SELLING ALL OR SOME OF THEIR ORDINARY SHARES IN INVESTRUST BANK PLC.**

Please read the instructions and notes in Section B overleaf. Non-compliance with these instructions could result in the rejection of this form and you could be deemed not to have participated in the Offer.

If you are in any doubt as to how to complete this form, please consult your stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

If you do not wish to participate in the Offer, you need not take any further action.

## FORM OF ACCEPTANCE

1. Forms of Acceptance could be rejected if they are not received by your selected stockbroker (see list of brokers in Section M ("List of LuSE Brokers") of the Combined Offer Document and Circular) or the sponsoring broker, Stockbrokers Zambia Limited, by no later than 17:00 hours on Monday, 30<sup>th</sup> April 2018 or postmarked on or before that date and received by 17:00 hours on Friday, 4<sup>th</sup> May 2018.
2. Minority Shareholders who wish to participate in the Offer, who are also holding share certificates in respect of the Investrust shares they wish to sell, must deposit those share certificates, into the CSD system of the LuSE by contacting one of the member broker firms of the LuSE, together with this form.
3. A separate Form of Acceptance is required from each Minority Shareholder who wishes to participate in the Offer.

## SECTION A

**TO BE COMPLETED BY ALL INVESTRUST MINORITY SHAREHOLDERS WHO WISH TO PARTICIPATE IN THE OFFER BY SELLING ALL OR SOME OF THEIR INVESTRUST SHARES**

Dear Sirs,

I/We hereby surrender [our Ordinary Shares in Investrust] in accordance with and subject to the terms and conditions contained in the Combined Offer Document and Circular to Minority Shareholders dated Wednesday, 4<sup>th</sup> April 2018, regarding the Offer by ZCCM-IH to Minority Shareholders to acquire all or some of their Ordinary Shares, as indicated in the table below:

NAME OF MINORITY SHAREHOLDER	NUMBER OF ORDINARY SHARES TO BE SOLD

<b>SIGNATURE OF MINORITY SHAREHOLDER:</b>	
<b>NAME OF BROKER:</b>	
<b>DATE RECEIVED:</b>	
<b>STOCKBOKER STAMP:</b>	

**SECTION B**

**1. INSTRUCTIONS AND NOTES**

- 1.1.** Payment will be made in accordance with Section C (“Terms and Conditions”) of the Combined Offer Document and Circular to which this Form of Acceptance is attached.
- 1.2.** A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered with his/her stockbroker or the Sponsoring Broker.
- 1.3.** Where Ordinary Shares are jointly held, all joint holders of those Ordinary Shares must sign this Form of Acceptance.
- 1.4.** If this Form of Acceptance is signed under a power of attorney, such power of attorney must be produced unless it has already been registered with the relevant Minority Shareholder’s stockbroker or the Sponsoring Broker.
- 1.5.** If this Form of Acceptance is signed on behalf of a company, pension or provident fund or any other body corporate, it must be accompanied by a certified copy of the resolution authorizing the signature.
- 1.6.** Any alteration or correction made to this Form of Acceptance must be signed in full and not initialed by the signatory/(ies).
- 1.7.** Any certificated Ordinary Shares must first be dematerialized prior to accepting the Offer in relation to any or all of such Ordinary Shares.