

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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# **LONZIM PLC**

*(incorporated and registered in Isle of Man under number 001773V)*

## **NOTICE OF ANNUAL GENERAL MEETING**

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# LONZIM PLC

(incorporated and registered in Isle of Man under number 001773V)

## ANNUAL GENERAL MEETING

### *Directors:*

David Lenigas (*Chairman*)  
Geoffrey White (*Chief Executive Officer*)  
Jean Ellis (*Finance Director*)  
Emma Priestley (*Executive Director*)  
Paul Heber (*Non Executive Director*)  
Paul Turner (*Non Executive Director*)

### *Registered Office:*

c/o Dickinson Cruikshank  
33-37 Athol Street  
Douglas  
Isle of Man

1 April 2009

### **To the Shareholders and, for information only, to the Option Holder**

Dear Shareholder,

### **INTRODUCTION**

The Annual General Meeting of the Company will take place at The Oak Room, Le Meridien Piccadilly, 21 Piccadilly, London, W1J 0BH on Thursday 30 April 2009 at 3.00 p.m. This letter provides you with some background and an explanation of the Resolutions to be put to the Annual General Meeting as contained in the enclosed notice of Annual General Meeting.

### **BUSINESS OF THE ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2009**

#### **Ordinary Business**

#### **Resolution 1 – Receiving and adopting the Accounts**

The Board recommends the receiving and adopting of the audited accounts for the financial period ended 31 August 2008, together with the Report of the Directors and the Auditors Report.

#### **Resolutions 2 – 7 – Directors**

As this is the first Annual General Meeting of Lonzim Plc the Board recommends the re-election of: Mrs Jean Ellis (executive director); Mr Paul Heber (non executive director); Mr David Lenigas (executive director); Ms Emma Priestley (executive director) and Mr Geoffrey White (executive director) all of whom were appointed on 7 November 2007 and the board further recommends the re-election of Mr Paul Turner (non executive director) who was appointed to the Board on 1 July 2008. Being eligible, all of these directors offer themselves for re-election.

#### **Resolution 8 – Auditor’s Reappointment and Remuneration**

This Resolution relates to the Auditors’ re-appointment and authorising the Directors to determine their remuneration. It is usual business for the Annual General Meeting.

#### **Special Business**

#### **Resolution 9**

Lonzim Plc is an Investing Company as defined in the AIM Rules for Companies. As provided for in the Company’s admission to AIM document published on 5 December 2007 the Company is required to approve the continuation of its investment strategy at each Annual General Meeting. In addition to the Company’s obligations under its Admission Document the London Stock Exchange Plc has circulated new draft rules

which will, if implemented, apply to investing companies whose shares are admitted to trading on AIM and sets out proposed new minimum requirements for investing companies in relation to what is now termed an investing company's "investment policy". These proposals are currently contained in a consultation document but the board of Lonzim Plc considers that it would be prudent to take this opportunity to update, clarify and reaffirm its investment policy.

Resolution 9 is therefore for the approval of the Company's investing policy as set out below:

### ***The Company's Investing Policy***

The Company's investment objective is to provide Shareholders with long term capital appreciation through the investment of its capital primarily in Zimbabwe and the region of Mozambique known as the Beira corridor which links Zimbabwe to the coast. While the Company will not have a particular sectoral focus, utilising the investment skills of the Directors and their advisors, the Company will seek to identify individual companies in sectors best positioned to benefit should there be radical improvements in Zimbabwe's economy. The Company may make investments in the tourism, accommodation, infrastructure, transport, commercial and residential property, technology, communications, manufacturing, retail, services, leisure, agricultural and natural resources sectors. The Company may also make investments in businesses outside Zimbabwe that have a significant exposure to assets, businesses or operations within Zimbabwe. The Company will also look into expanding businesses and brands currently owned by Lonrho or in which Lonrho has an interest in Zimbabwe. The Company will only be able to achieve its investment objective in the event the Zimbabwean economy radically improves.

While there will not be any limit on the number or size of investments the Company can make in any sector, the Directors will seek to diversify the Company's investments across various sectors in order to mitigate risk and to avoid concentrating the portfolio in any single sector.

The Company's interest in a proposed investment or acquisition may range from a minority position to full ownership. The Company intends, in any event, to actively manage the operations of the companies it has invested in. To this end, the Company has, through the acquisition of Celsys Limited established a management team in Zimbabwe to provide local day to day management of companies and businesses acquired. Wherever possible the Company will seek to achieve board control or financial control of its portfolio companies. Indigenisation legislation within Zimbabwe may, however, prevent the Company from acquiring majority control in Zimbabwean businesses.

The Directors believe that through their individual and collective experience of investing and managing acquisitions and disposals in Africa, they have the necessary skills to manage the Company and, with the assistance of Lonrho under the management services agreement detailed in the Company's AIM admission document, to source deal flow. Prior to any investment decisions being taken by the Board of the Company, a thorough due diligence process will be undertaken by the Company's appointed independent specialist financial and legal advisers.

The Company's investment strategy is dependent upon future radical improvement in the Zimbabwean economy, and it is therefore possible that a significant period of time may elapse before an investment by the Company will produce any returns. In order to position itself for maximum gain from improvements in the Zimbabwean economy, the Company may make initial investments in Zimbabwe. However, there is no guarantee that the economy in Zimbabwe will improve. Accordingly, the Company may not be able to make any profits and may incur losses. Furthermore, businesses in which the Company has made an initial investment with a view to investing further once significant economic improvement occurs may deteriorate in the meantime.

The Directors intend to seek the consent of the Shareholders for the investment policy on an annual basis. The Company, Directors and Lonrho will comply as a matter of policy with the OFAC and Regulation (EC) No. 314/2004 regulations.

## **ANNUAL GENERAL MEETING**

A Form of Proxy for use at the meeting is enclosed. Please complete and sign the Form of Proxy and return it to the Registrars so as to arrive no later than 48 hours before the time fixed for the meeting.

The return of the Form of Proxy will not, however, prevent you from attending the Meeting and voting, in person, should you wish to do so.

## **RECOMMENDATION**

The Board considers that each of the Resolutions is in the best interest of the Company and they unanimously recommend to the Shareholders that they should vote in favour of each of them.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. Lenigas', is positioned below the closing text.

**DAVID LENIGAS**  
*Chairman*

# LONZIM PLC

(Registered in the Isle of Man No. 001773V)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the first Annual General Meeting of LonZim Plc will be held at The Oak Room, Le Meridien Piccadilly, 21 Piccadilly, London W1J 0BH at 3.00 p.m. on Thursday 30th April 2009 for the following purposes:

### **Ordinary Business:**

1. To receive the Report of the Directors, the accounts for the period from 25 October 2007 to 31 August 2008, and the auditors' report thereon.
2. To re-elect Mrs Jean Ellis, who was appointed to the Board on 7 November 2007, as a Director.
3. To re-elect Mr Paul Heber, who was appointed to the Board on 7 November 2007, as a Director.
4. To re-elect Mr David Lenigas, who was appointed to the Board on 7 November 2007, as a Director.
5. To re-elect Ms Emma Priestley, who was appointed to the Board on 7 November 2007, as a Director.
6. To re-elect Mr Geoffrey White, who was appointed to the Board on 7 November 2007, as a Director.
7. To re-elect Mr Paul Turner, who was appointed by the Board on 1 July 2008, as a Director.
8. To re-appoint KPMG Audit LLC as auditors of the company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the company at which financial statements are laid before the Company and to authorise the Directors to agree their remuneration.

### **Special Business:**

9. To reaffirm, clarify and approve the Company's investment strategy as detailed in Chairman's letter to Shareholders accompanying this Notice of Annual General Meeting as read with the company's Admission Document published 5th December 2007.

By order of the Board

D. Lenigas

1 April 2009

*Registered office:*

C/o Dickinson Cruickshank Fiduciaries Limited  
33-37 Athol Street  
Douglas  
Isle of Man  
IM1 1LB

Registered No. 001773V

**Notes:**

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxy or proxies to attend and vote in his place. A proxy need not be a member of the company, but is entitled to exercise all or any of the member's rights to attend and to speak and vote at a meeting of the company.

A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope, or alternatively, faxed together to the Company's registrars on +44 (0)1624 641 561 marked for the attention of Natalie Farley. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.

2. To be valid, a completed form of proxy, together with a power of attorney or other authority, if any, under which it is signed (or a notarially certified copy thereof), must be deposited at the offices of the Company's registrars, Capita Registrars (Isle of Man) Limited, 3rd Floor Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD, or alternatively faxed to the Company's registrars on +44 (0)1624 641 561 marked for the attention of Natalie Farley, not less than 48 hours before the time set for the meeting or adjourned meeting (as the case may be).
3. Completion and return of a form of proxy will not prevent a shareholder from subsequently attending and voting in person at the Annual General Meeting.
4. In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the company in respect of the relevant joint holding.
5. Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2005, the Company specifies that only those shareholders registered in the Register of Members of the company as at 6.00 p.m. on 28 April 2009, or in the event that the meeting is adjourned, in the Register of Members as at 6.00 p.m. on the day that is two days prior to any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries on the Register of Members after 6.00 p.m. on 28 April 2009 or, in the event that the meeting is adjourned, 6.00 p.m. on the day that is two days prior to the day of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. As at 31 March 2009 (being the last practicable date prior to the publication of this notice) the company's issued share capital consisted of 36,450,000 ordinary shares of 0.01p each. Each ordinary share carries the right to vote at a general meeting of the company and, therefore, the total number of voting rights in the company as at 31 March 2009 was 36,450,000.



