

STANBIC UGANDA HOLDINGS LIMITED

CIRCULAR TO SHAREHOLDERS



In respect of the proposed amendment to the Articles of Association of Stanbic Uganda Holdings Ltd (the Company).

Dear Shareholder,

The notice of the Annual General Meeting (AGM) of the Company for the year ended December 31st, 2019 to be held by electronic means on Friday July 17th, 2020 forms part of this circular.

The purpose of this circular is to provide background information related to the special business of the AGM regarding the proposed amendment of the Company articles of association.

Introduction

On March 11th, 2020, the World Health Organisation declared the novel Corona virus (COVID-19) a global pandemic, and as a result, the Government of Uganda put in place several restrictive measures to curb the spread of the virus including a ban on gatherings and meetings. It was therefore impractical for the Company to convene the AGM in the usual manner. The articles of association only expressly provide for the conduct of physical general meetings.

The Company filed an application in the High Court seeking special dispensation to conduct the AGM by electronic means. On June 10th, 2020, Court exercised its discretionary power under Section 142 of the Companies Act, 2012, and granted the dispensation subject to the Company obtaining a prior no-objection from the Uganda Securities Exchange which was obtained.

Rationale for the Amendment

In light of the uncertainty surrounding the COVID-19 pandemic, the possibility of recurrence, and the impracticalities of continued recourse to Court, the Board of Directors (the Board) recommends the prudent approach of amendment of the articles of association to expressly provide for the conduct of general meetings in a virtual and hybrid manner, in addition to the physical meetings.

A virtual meeting is a meeting where shareholders attend the meeting using an online platform which allows them to vote, ask questions and participate electronically in real-time instead of attending the meeting at a physical venue. A hybrid meeting is a meeting that allows shareholders to opt between attending the meeting in person at a physical venue and attending the meeting through electronic or other means.

Key benefits

- Virtual or hybrid AGMs will address situations where it is impractical to convene a physical meeting including; the resurgence of COVID-19 or other similar epidemics/pandemics, civil war/unrest, states of emergency, natural calamities and any such similar acts.
- Virtual or hybrid AGMs will increase accessibility to a larger number of shareholders who are unable to attend and vote at the physical meetings. The average number of shareholders is 22,000, spread across different countries.

Proposed Amendments

First Amendment: Insertion of articles 50(a), 50(b), 50(c) and 50(d) immediately after article 50 as follows:

Article 50 (Current): The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in the 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; except that so long as the company holds its first annual general meeting with eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint.

Proposed insertion

Article 50(a): The Board may make arrangements to hold and conduct general meetings in a virtual and/or hybrid manner, in such a way that members attending the meetings in person and or attending by electronic means can attend, participate and vote at the meeting.

Article 50(b): A virtual general meeting is a meeting where shareholders are given the opportunity to attend the meeting using an online platform which allows them to vote, ask questions and participate electronically in real-time instead of attending the meeting at a physical venue.

Article 50(c): A hybrid general meeting is a meeting that allows shareholders to opt between attending the meeting in person at a physical venue and attending the meeting online (virtually).

Article 50(d): The Board may decide on the number of attendees for the physical place/venue provided alternative means are availed to members and proxies.

Second Amendment: Article 56, insertion as bolded and underlined below:

Article 56: No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; except as herein otherwise provided, three members present in person **or participating via electronic means** shall be a quorum.

The Companies Act 2012, and the articles of association prescribe that the amendment of the articles of association is special business and therefore requires the approval of at least 75% of shareholders entitled to attend and vote in person or by proxy at the general meeting.

If approved by shareholders, the amendments will be incorporated into the company articles of association and registered with the Registrar of Companies.

Recommendation

The Board recommends that shareholders vote in favour of the special resolution to amend the articles of association to provide for the conduct of virtual and hybrid general meetings.

By Order of the Board



Rita Kabatunzi

Company Secretary