



## MARKET NOTICE

### IMPACT OF COVID -19 PANDEMIC ON 2020 ANNUAL GENERAL MEETINGS

The Covid -19 pandemic has disrupted holding of Public listed Companies' 2020 Annual General Meetings (AGMs) per their respective planned calendars. On 17<sup>th</sup> April 2020, USE issued a market notice recommending *interalia* the deferral of scheduling AGMs which had not yet been called, postponement of those that had been called and adjustment of book closure and dividend payment dates.

Following the extension of the “lockdown” period on 4<sup>th</sup> May 2020, Uganda Securities Exchange in consultation with the Capital Markets Authority wishes to provide the following guidance to Public Listed Companies regarding 2020 AGMs.

#### **Timeframe within which to convene 2020 AGMs**

- (a) Issuers shall ensure that they hold their AGMs within 15 months from the date of their last AGM in accordance with the Companies Act 2012 and that any AGM postponement or adjournment as permitted under their Articles of Association is in conformity with the timeline stated herein.
- (b) Pursuant to the above, all issuers are required to submit to the Exchange a contingency plan for holding their 2020 AGM by 30<sup>th</sup> July 2020 in the event that current or similar circumstances prevail up to their latest due date of holding their 2020 AGM. In formulating the said contingency plan, Issuers are advised to consider their own individual circumstances, particularly their Articles of Association and any other relevant matters.

#### **Conducting virtual/electronic AGM's**

- (c) Where an Issuer proposes to convene a virtual AGM, they shall prior to the issuance of their AGM Notice submit to the Exchange their virtual AGM execution plan and obtain a “No Objection from the Exchange”.
- (d) In furtherance of the above, the Exchange shall provide guidelines providing minimum standards to be met by an Issuer who proposes to hold a virtual AGM.
- (e) Issuers that seek to hold virtual AGMs shall ensure that their Articles of Association permit them to do so. Where Articles of Association do not prohibit holding of virtual AGMs but are silent, Issuers are encouraged to take the necessary measures in order to be able to convene and conduct their AGMs in such a manner.



### Payment of Dividends

- (f) The delay and or postponement of 2020 AGMs has meant that final dividends may not be paid on the expected date. This position was communicated to shareholders and the general public by the Exchange on behalf of Issuers vide notices published in the New Vision and Monitor newspapers on 28<sup>th</sup> April 2020.
- (g) Where an Issuer intends to pay a final dividend prior to their AGM, they shall ensure that such is in conformity with the requirements of the Articles of Association and/or Dividend Policy of the concerned Issuer and that the same is not prejudicial to their shareholders.
- (h) Issuers who have been directed by their Industry regulators to defer dividend payments are required to obtain regulatory approval from their Industry regulator prior to payment of the dividend.

The above guidance takes into consideration Uganda's company law and associated regulations, Capital Markets Corporate Governance guidelines of 2003 and the USE Listing Rules 2003 in relation to Annual General Meetings of a public listed company.

However, the full extent and duration of the Government Covid-19 control measures/guidelines and their precise impact on the 2020 AGMs is, as at the date of this notice, not yet clearly determined. The Exchange in collaboration with the primary regulator, Capital Markets Authority will support Public listed companies in adjusting their contingency plans as necessary; as and when new Government advice and/or related legislation is announced.



**PAUL BWISO**  
**CHIEF EXECUTIVE OFFICER**  
**19.05.2020**

