

Dear COSBOTS Member,

AN UPDATE TO KEEP MEMBERS AND KEY STAKEHOLDERS INFORMED AND LIMIT MISINFORMATION ABOUT THE COSBOTS AGM.

Today, we are expanding our efforts to remove false claims on Facebook and other social media platforms about the holding of the upcoming AGM. Since August 2020, we have written to members about hosting a virtual AGM. We have also issued numerous rebuttals of false claims about the AGM being irregular and the issue concerning the term of office of the current Directors. Today, we are continuing to counter these false claims and to remove doubts about any additional debunked claims about the AGM. This includes claims such as:

- Poor governance
- Holding of virtual AGM being irregular
- Lack of provision of proxies and related instruments to attend general meetings.
- Ending of the term of office of all Directors
- Need for an electoral Management body to oversee Board election.

GOVERNANCEThe fundamental principles with respect to General Meetings are laid down in the Company Constitution and the Companies Act. Clause 13 through to Clause 43 of the constitution and second Schedule of the Companies Act facilitates compliance with these principles by endeavouring to provide further clarity where there is ambiguity or establishing benchmark standards to harmonise prevalent diverse practices.

Complying with the aforesaid clauses and the respective schedule ensures robust procedures and systems which protect the interests of the company and its stakeholders. Incidentally, it has been observed that the quantum and propensity for litigations or risk thereof is directly proportional to the degree of non-adherence of proper procedures and the non-availability of proper records.

The objective of Clause 13 through to Clause 43 of the constitution and second Schedule of the Companies Act is to address such issues. These provisions require the Company Secretary(ies) to over-see the vital process of facilitating and recording the decision-making process in a company besides maintaining the integrity of the Meetings. Where there is no Company Secretary in the company or in absence of the Company Secretary, any Director or other Key Managerial Personnel (KMP) or any other person authorised by the Board for this purpose may discharge such of the functions of the Company Secretary as given in the constitution and the Companies Act.

PROXIES

The Company constitution dictates the need for an instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, which shall be deposited at the registered office of the Society, or at such other place within the Republic as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting, or adjourned meeting, at which the person named in

the instrument proposes to vote, or, in the case of a poll, not less than forty-eight (48) hours before the time appointed for taking the poll. Section 32 of the Constitution provides the form of the instrument appointing a proxy.

VIRTUAL MEETINGS

As previously indicated in the letter to members dated 18 August 2021, the company noted that because of the restrictions issued by the health authorities which were brought about by the advent of the COVID19 Pandemic, the Board resolved to hold virtual meetings of the general membership of the Company during the currency of the aforesaid restrictions.

Also noted in the aforesaid letter and reiterate again in this communique, the hosting of virtual meetings is in consonance with provisions of the Second Schedule, Section 3(b) of the Companies Act Chapter 42:01.

Voting at the AGM will take place by electronic means via the Lumi Global online AGM platform. "Voting by electronic means", includes 'remote e-voting' and voting at the General Meeting through an electronic voting system which may be the same as used for remote e-voting. "Remote e-voting" on the other hand means the facility of casting votes by a member using an electronic voting system from a place other than venue of a General Meeting.

AUTHORITY TO CONVENE GENERAL MEETINGS

The authority to convene General Meetings of the company shall either be with the Board itself or with a Director, Company Secretary, Manager, or any other officer of the company under the authority of the Board. A Director, Company Secretary, Manager, or any other officer of the company shall not have the power to convene a General Meeting on his own. To be a valid Meeting, the Notice of the Meeting should be given by a person duly authorised by the Board. Notice of a General Meeting given by the Secretary without the sanction of the Directors or other proper authority is invalid, but such a Notice may be ratified by the Board of Directors before the Meeting.

TERM OF OFFICE OF DIRECTORS

Clause 55(a) of the company constitution dictates that every three years, TWO of the Directors who have served the longest must retire. If there are more than TWO Directors caught by this prescription, then the decision as to who retires shall be decided by the casting of lots. By way of illustration, if at the relevant time, there are FIVE directors who have served an equal term of office that is longer, then the lot will be cast to decide which TWO out of the Five must retire. The chosen TWO will retire and the other FIVE shall remain in office. Their term of office will not be disturbed until the next cycle of three years.

The Constitution therefore explicitly avoids a scenario where more than two Directors retire at the same time. Only a maximum of two directors may so retire at a time. It is them who may be re-elected if he or she chooses to avail himself or herself for re-election. A Director who retires by rotation shall be eligible to be so considered. Whether

he or she is re-elected as a Director is a matter to be decided by the members at the AGM. The AGM may resolve to re-elect him or her or put someone else instead.

NEED FOR AN ELECTORAL MANAGEMENT BODY TO OVERSEE THE BOARD ELECTION.

There is not provision in the Company constitution for an Electoral Management Body or an independent electoral officer to oversee Board elections. The letters written to members on 18 August 2020 and 5 March 2022 respectfully, which endeavours to explain the details about the upcoming elections and the election administration process was not made to favour certain people. But was rather used to prevent misunderstandings and avoid a debate on electoral principles. The company has taken the view that everyone who has an interest or influence in the upcoming election is a stakeholder in the election administration process and will ensure that the election is transparent, free and fair. These stakeholders include members, external auditors and the regulator being the Companies and Intellectual Property Authority. We therefore encourage all our invited stakeholders to attend.

CONCLUSION

We wish to keep out members and various stakeholders who may have interacted with misinformation about the AGM and the business to be conducted at the meeting with the truth from authoritative sources in case they see or hear these false claims again. Our members will start receiving their login credentials from Lumi global which will be a hyperlink pointer to the platform to enable them to attend the meeting on 27 March 2021. Members will also receive messages in the coming weeks to remind them about the AGM.

Issued by the Communications Department.