



Uganda Clays Ltd

2019 AGM FAQs

1. Where is the UCL AGM going to be held?

In view of the ongoing COVID-19 pandemic and related Public Health Regulations and directives passed by the Government of Uganda restricting public meetings, it is impracticable for Uganda Clays to hold a physical AGM this year. The AGM will be held virtually, shareholders who register for the AGM will receive a link via email or phone through which they can participate. The AGM is scheduled for 08th October 2020.

2. How is UCL ensuring that a virtual AGM preserves all the rights and opportunities afforded to shareholders at a physical meeting?

The platform that is going to host the virtual AGM is designed to enable shareholders participate with ease through being able to attend the AGM virtually, submit questions and vote for the different resolutions to be considered at the meeting.

We encourage shareholders to continuously visit the company website to obtain relevant information such as the annual report, notice and agenda of the AGM and proxy form.

3. How is the Company conforming to WHO and Ministry of Health guidelines to protect the health and well-being of its workforce and its customers?

The Company adopted COVID-19 principles that are based on the World Health Organisation and MoH guidelines and best practices to ensure the safety of all our stakeholders. Measures taken include establishing standard operating procedures for all staff, visitors and third parties accessing our premises (e.g. temperature scanning, registration, facemasks, and sanitizers). This is in addition to the traditional PPE (personal protection equipment) that the company adheres to under the internal health and safety SOPs.

4. How has Covid-19 impacted the company business and what are the measures taken to control the impact of the pandemic to the business?

The COVID-19 pandemic and containment efforts created uncertainty that tested the operational resilience of the Company and its ability to continue providing essential services to the customers. The company remained closed and inaccessible to customers during the month of April 2020 during the national lockdown. No revenue was registered during this month.

Additionally, the company has had an unexpected increase in operational costs in order to comply with the Standard Operating Procedures (SOPs) set by Government and the World Health Organisation to control the spread of the virus at the work place. In addition, due to the international travel restrictions and the national lockdowns worldwide, the company was unable to acquire all her spares as per the organizational annual procurement plan.

Our immediate response was to ensure the safety and well-being of all our stakeholders including staff, customers, and business partners. We initiated our business continuity protocols that enabled us to provide mission critical services with a reduced workforce. Management continues to actively monitor the heightened risk environment to identify and appropriately respond to any potential challenges.

5. Is the Company communicating comprehensively with all stakeholders to instill confidence and trust over its approach to making its strategy and operations resilient, and how is it doing so?

As a market leader, through our consistent communication approach with all our stakeholders including Government, Media, Customers, shareholders and the public; we have continued to drive awareness of our business initiatives that aim to provide solutions for our clients and promote the growth of the business whilst contributing to the economic growth of the region. As business, we have been able to prove our strength as market leader having successfully implemented our strategy and business resilience plans that have sustained the Company and enabled us to provide the necessary services to our customers even during a crisis.

6. Have all board members been able to attend all emergency and regularly scheduled meetings?

Yes, all board members have been able to attend meetings. The meetings have mostly been ongoing virtually via video conferencing.

7. Where can I update my shareholder details?

Shareholders are urged to contact the share Registrar Deloitte Uganda ([+256 417 701 136](tel:+256417701136)), to update their contact details for ease of communication and receipt of dividends.

8. Will shareholders be getting souvenirs this year?

Giving souvenirs to our shareholders at AGMs has been the norm, however because the AGM will be held virtually this year, the Company will not be in position to provide souvenirs to shareholders.

9. Will there be a dividend this year? If not why?

There will be no dividend declared or paid in relation to the financial year ended 31st December 2019.

This is primarily because the business did not generate any operating profit for the period from which a dividend can be apportioned. The directors also believe that it is better to put the current retained earnings to work in the business to make it more valuable.

10. What happens to unclaimed dividends?

Shareholders who have not received past dividends should send an email to shareholders@deloitte.co.ug or call **+256 (0) 417 701 000**. Shareholders will be required to provide valid identification such as a copy of the national identity card, passport or driver's license.

11. Given the current economic environment which has been complicated by COVID, what confidence do we have that there will be positive growth at Uganda Clays?

In spite of the Covid-19 impact, the company remains focused on delivering the recently approved five year strategy. For 2020 specifically, Management is working towards stabilizing production at the 2 plants to meet existing market

demand, establishing strong sales channels and enhancing a performance culture in the company.

The Board of Directors is at an advanced stage of the recruitment process to fill the existing management gaps. It is expected that a new management team shall be engaged soon and this team will ensure the successful execution of this 5 year plan.

Additionally, the Board made a strategic decision to revamp the Kajjansi factory to exploit its production capacity, and to raise the efficiency of the Kamonkoli factory as well.