



SACOS GROUP LIMITED
16TH ANNUAL GENERAL MEETING
MINUTES OF MEETING
(Version: FINAL)

DATE & TIME Tuesday 26th July 2022 at 10.30AM

VENUE Conference Room, Second Floor, Docklands Building, New Port

PRESENT

Board of Directors

		Present	Absent
Mr Patrice Bastide	Chairperson	√	
Mr Louis Rivalland	Director		√
Mr Doreen Bradburn	Director		√
Mr Garry Albert	Director	√	
Ms Veronica Maria	Director	√	
Mrs Priya Moulinié	Director	√	
Ms Georgette Capricieuse	Chief Executive Officer	√	
Mrs Tacey Furneau	Chief Financial Officer	√	
Mr Charles De Clarisse	Director	√	

Service Providers

Mrs Daniella Larue	Representing Azer Corporate, Company Secretary	√	
Ms Gemma Roberts	Partner, Pool & Patel, Auditors	√	
Mr Kieran Shah	Legal Counsel	√	
Mrs Carmen Turner	PKF Capital, Sponsor Advisor	√	
Ms Guillian Naiken	PKF Capital, Sponsor Advisor	√	

Shareholders

62 shareholders or their proxies No. of shares represented: 1,248,350 shares
Shareholding represented: 62.4175%

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1 Introduction

The meeting was called to order at 10.32AM by Mr Patrice Bastide, the board chairperson, who reminded those present that this was the AGM for the year ended 31st December 2021.

The chairperson also announced that the proceedings shall be in Creole even though all written communications were in English.

He then introduced the directors present who were: Mr Garry Albert, Mrs Priya Moulinié, Ms Veronica Maria, Ms Georgette Capricieuse appointed CEO and director on 7th June 2022, Mr Charles De Clarisse appointed director on 13th January 2022 and Mrs Tacey Furneau, Chief Financial Officer and also a director.

He presented the apologies of the two directors who were unable to attend the AGM, namely Mr. Louis Rivalland and Ms Doreen Bradburn.

The chairperson then asked the meeting to observe a minute of silence in memory of the shareholders who died during the year 2021.

1.1 Notice convening the meeting

The chairperson then called on the Company Secretary to read the notice convening the Annual General Meeting and this was done.

1.2 Report on proxies received

The Chairperson asked the Company Secretary to report on the proxies received which were as follows;

No.	Shareholder's Name	No. Shares Proxy Appointed	% shareholding
1	MARK INCH	200,800	10.04%
2	OPPORTUNITY INVESTMENT COMPANY LIMITED	386,313	19.32%
3	SEYCHELLES PENSION FUND	26,569	1.33%
4	LOZ LTD	47,500	2.38%
5	SWAN GENERAL LTD	372,123	18.61%
6	SWAN INTERNATIONAL CO LTD	161,513	8.08%
7	ROSELINE NICETTE	170	0.01%
	Total Proxies	1,194,988	59.75%

The Company Secretary reported that 7 shareholders, representing 1,194,988 shares or 59.75% shareholding submitted proxy forms by 48 hours before the AGM was convened.

The Company Secretary also confirmed that 62 shareholders or their proxies were present in the room, representing 1,248,350 shares between them or 62.4175% shareholding and confirmed that there was a quorum for the meeting to continue.

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2 The Chairperson's Report.

The Chairperson reminded the members present that his report had been circulated with the accounts as part of the annual report to all shareholders and proceeded to read a creole version of that report.

After delivering his report, the Chairperson opened the floor for questions.

1. **Mr Dolor Ernesta** stated that it was important that shareholders are informed who the directors are representing on the board since they are not shareholders of Sacos. He opined that it is not correct to have directors representing shareholders when they themselves do not own any shares. He stated that the directors are representing significant shareholders and that this should be made known to other shareholders. He concluded that he is of the opinion that the directors are able and competent but that the shareholders should be given more information on who each director is representing.
2. The Chairperson explained that good governance guidelines require that a director works in the interest of the company where he/she is a director and they have a duty to act for the good of the company. He added that the directors are nominated by significant shareholders but work in the interest of the company. He further stated that there are safeguards in place that ensure that the directors are acting within their powers and referred to the King Report, that is a guide for governance structures, where one of the key principles outlined is the duties of directors.
3. In response to Mr Ernesta's point with regards to the requirement for board directors to be also shareholders, the Chairperson stated that this is not required. He explained that the non-executive directors are paid a fee and they should earn their fee by working for the good of the company.
4. **Mr Dolor Ernesta** also questioned the ownership of Sacos Life Assurance Company Ltd since as per the annual report, Sacos Group is the 100% shareholder of Sacos Life. He added that this should be explained by the auditor since the assets of Sacos Life should be owned by the Sacos Life Policy holders. He explained that clear explanations with regards to the assets of the Sacos Life Assurance Company should be given to shareholders as there have been issues in the past with regards to same and to ensure that history does not repeat itself, it is important that there be more explanation given to ensure transparency.
5. In his response, the Chairperson concurred with Mr Ernesta that a company with shares in another company should distance itself from the benefits and underlying assets of the said company. This means that the directors and management of an insurance company cannot appropriate the assets of said company, but they can invest the assets as guided by the actuary based on the analysis of the current market environment. He explained that the actuary produces an actuarial report which the Company submits to the FSA at the end of each financial year which contains strict guidelines on which investment (whether it is property, private equity, fixed income or foreign exchange) is possible and these guide the Financial team's actions.

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6. **Mr Dolor Ernesta** also commented on the new insurance products, namely Funeral Insurance Plans and he commended the Sacos Management for the adverts that have been produced to market the products. He also wanted some information on Sacos' market share.
7. The Chief Executive Officer (CEO), informed the meeting that Sacos is still number one for insurance business, although it is not possible to make clear comparisons because detailed information on insurance markets is not available. She confirmed that there are 5 players in the insurance business, with H Savy being Sacos' main competitor. She also stated that presently, Sacos is not able to know where the clients that are leaving are taking their business.
8. **Mr Alex Fideria** commented on the fact that Sacos is encouraging shareholders to access the website for information and for copies of documents such as annual report and minutes of meetings and other investment information. He opined that there are still many shareholders who do not have access to the website and stated that many shareholders present at the meeting did not get a copy of the annual report.
9. The CEO clarified that hard copies of the annual report are made available at the Sacos office for shareholders to collect. Further, she explained that in the past many copies of the annual report were produced but were wasted because they were not taken. She also stated that though the documents are available online and is shared by email, hard copies of documents are available on demand although large numbers of copies are not printed in order to prevent wastage.

The Chairperson then moved that his report be received. There being no votes withheld and no votes against the motion, the motion was therefore carried.

3 The Directors report including the audited financial statements for the year ending 31 December 2021

The Chairperson asked the meeting for the directors' report, auditor's report and the audited financial statements for the year ending 31st December 2021 to be taken as read and opened the floor for questions.

1. **Mr Radley Weber** enquired on the methods employed to reduce the Company's operation costs. The Chief Financial Officer (CFO) explained that Sacos embarked on cost restructuring of the Company in 2020 aimed at improving the efficiency of the operations and the measures introduced included: downsizing the staff size by about 15 thus reducing the payroll associated costs, occupying less space and therefore reducing on rentals (Sacos was occupying 3 floors of the Esplanade building and with the restructuring, was able to give up one floor), moving towards digitization which has led to reduced use of paper, which was a huge expense for Sacos. The CFO further explained that with the restrictions due to COVID, Sacos had to close the La Digue and Providence offices and this has also helped to reduce costs.

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2. **Mr Weber** also commented on the profit of SCR18 million that has been recorded for 2021 and queried on the return on equity for 2021, and how it compares to 2020. The CFO pointed out that the return was worked on by the auditors and this can be found in the annual report.
3. **Mr Weber** enquired about Docklands and referred to the extensive renovation work that has been undertaken and wanted to know the costs of the renovations and the expected return. The CFO clarified that the Docklands building is owned by Sacos Life and not Sacos Group and informed that the cost of the complete renovation was between SCR35 and SCR40 million.

The Chairperson moved that the directors' report and the audited accounts for the year ending 31st December 2021 be approved.

The motion was seconded by **Mr. Radley Weber** .

There being no votes withheld and no votes against the motion, the Chairperson declared the motion carried.

4 Declaration of SCR3 dividend.

The chairperson moved that a final dividend of SCR3 per share recommended by the directors for the period ended 31st December 2021 be declared and be payable on the 17th August 2022 to all shareholders on the register of members by close of business on Tuesday 26th July 2022.

The motion was seconded by **Mr Alex Fideria**

The meeting voted in favour of the motion, there being no votes against the motion and no votes withheld.

Shareholders were informed that the dividend will be paid on Wednesday 17th August 2022 into shareholders' bank accounts only to limit groupings at the Sacos premises. The Chairperson pointed out that in the event of some members not having a bank account, Sacos will make the necessary arrangements for these members to collect their dividend in a safe way and in compliance to the Public Health Authority's protocols.

5 To pass the ordinary resolutions for the re-election and election of directors

The meeting moved to the re-election of directors and the directors retiring and seeking re-election. The Chairperson informed the meeting that the board of directors resolved that in line with the Model Corporate Governance Code, all directors will retire at each AGM and being eligible offer themselves for re-election.

He indicated that there will be 2 groups to be elected:

- There are 7 directors retiring by rotation and standing for re-election; and
- 2 directors who were appointed since the last AGM and in line with section 163 (4) of the Companies Ordinance must retire and offer themselves for election.

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5.1 Re-election of directors

The Chairperson moved that in accordance with section 163 (3) of the Companies Ordinance and in line with the Model Corporate Governance Code that the following directors, who retire by rotation, be re-elected as directors of the Company: Louis Rivalland, Tacey Furneau, Doreen Bradburn, Garry Albert, Veronica Maria, Priya Moulinié, and Patrice Bastide.

The motion was seconded by **Mrs Lorette De Comarmond**.

One person voted against the motion and the rest voted in favour of the motion. The motion was therefore carried.

5.2 Election of Charles De Clarisse as director

The Chairperson moved that in accordance with section 163 (4) of the Companies Ordinance that Charles De Clarisse, who retires and being eligible offers himself for election, be elected as director of the Company.

1. **Mr Dolor Ernesta** raised a point of order and wanted more information about the new directors being elected to the board. He stated that it was important for shareholders to have some information on their background. The Chairperson went over a short bio of the two new directors, Mr Charles De Clarisse and Ms Georgette Capricieuse and informed the meeting that the bio of each of the directors were included in the annual report.
2. **Mr Ernesta** thanked the Chairperson for the bios and remarked that it is good that there are new and younger persons joining the board with the aim of bringing more success to the Company and that could in time translate to more dividends for shareholders.

The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

5.3 Election of Georgette Capricieuse as director

The Chairperson moved that in accordance with section 163 (4) of the Companies Ordinance that Georgette Capricieuse, who retires and being eligible offers herself for election, be elected as director of the Company.

The motion was seconded by **Mr Terrence Dingwall**.

The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

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6 Non-Executive Directors' Remuneration.

The chairperson proposed that the remuneration of non-executive directors totaling SCR960,000 including income tax be approved for the financial year 2022.

The motion was seconded by **Mr Camille Bonne**.

The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

7 Chief Executive Officer's Remuneration

The Chairperson proposed that remuneration of the Chief Executive Officer totaling SCR 1,323,000 per annum including income tax be approved.

The motion was seconded by **Mr Terrence Dingwall**.

The meeting voted in favour of the motion and there was no dissenting vote and no vote withheld. The motion was therefore carried.

8 Chief Financial Officer's Remuneration

The Chairperson proposed that remuneration of the Chief Financial Officer's remuneration totaling SCR 1,032,000 per annum including income tax be approved.

The motion was seconded by **Mr Antoine Fernandes**.

The meeting voted in favour of the motion and there was no dissenting vote and no vote withheld. The motion was therefore carried.

Mr Radley Weber wanted clarification as to whether the executive directors, i.e the CFO and the CEO, who also sit on the board receive a share of the SCR960,000. The Chairperson clarified that the directors' remuneration refers to the fees for the Non-Executive Directors only.

9 Appointment of Auditors

The Chairperson moved to authorise the directors to appoint the auditors and fix their remuneration for the financial year 2022.

The motion was seconded by **Mr Davis Laporte**.

The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

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10 Any other business

Having concluded the ordinary business of the AGM, the Chairperson then opened the floor for shareholders' questions

1. **Mr Alex Fideria** queried about the Sacos' outreach programme stating that he had said before that Perseverance is one place where Sacos could focus their efforts to get residents to buy Sacos' products. He stated that even though there are adverts on the various Sacos products, it might still be worthwhile to go directly to the people to market the products.
2. The CEO responded by saying that there have been some road shows in 2022 as part of Sacos' outreach programme namely: at the Victoria bus terminal, Providence near Sreeji building with staff going to meet with existing clients and prospective clients, Perseverance, which yielded positive response that the company might re-visit the site, Praslin and La Digue.
3. It was further explained that as part of the outreach programme, Sacos will revisit certain sites such as on La Digue where the Company no longer has a physical presence so staff from Praslin and Mahe will go there once weekly to service clients. The CEO indicated that Providence is also a hot zone as there are many businesses and it will be worthwhile to offer Sacos' products to them so this site will be re-visited. Anse Royale is also on the list for the outreach programme as Sacos wants to decentralize their outreach programme.
4. The CEO also iterated that in addition to the road shows, Sacos will be going towards corporate clients as part of the outreach programme, especially clients that were with Sacos initially to understand their concerns and their insurance needs with the aim of bringing them back on board.
5. **Ms Rosie Morel** offered that more thought should go into upgrading the travel insurance plan. She remarked that the travel insurance documentation from Sacos, is in the form of a folder, whereas in places like Europe, this is in the form of a card, which is very travel-friendly and easily accessible.
6. The CEO responded that Sacos is exploring the possibility of the card to replace the travel insurance document but this was put on hold during COVID. She added that with the move to digitization, Sacos is exploring the possibility to have travel insurance documents and information that could also be stored in digital wallets and accessed via smart phones.
7. **Mr Dolor Ernesta** made the following proposals:
 - i. Firstly, Sacos should work with HFC and PEMC for the homeowners that are benefitting under the housing scheme. He explained that the two agencies currently pay a standard, minimum home insurance for the basic units as the prices of the houses are being subsidized. He added that alterations being made increase the value of these homes and their insurance policies, but homeowners are not being advised to pay for the difference in insurance. Furthermore, once they have paid off their mortgages, these homeowners stop taking insurance covers for their homes.

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- ii. Secondly, there is an insurance association that is in place and this association should be more pro-active and lobby on behalf of the insurance business. He asserted that although there have been discussions to make insurance cover for all sea vessels in the Seychelles waters as well as all business assets in Seychelles mandatory, this still has not materialised. He added that although there are regulations in place, there is no enforcement.
 - iii. Mr Ernesta opined that mortgage protection is something that should be taken seriously despite the fact that this was described as a rip-off by the Minister of finance. He further affirmed that there is a need to understand this product to understand its benefits. He explained that mortgage protection benefits business owners in case of death or incapacitation and removes the necessity for the bank to have to repossess assets.
 - iv. Thirdly, Sacos should ensure that when it chooses to donate to any association, that the said association is in good standing. He referred to the recent requirement from the Registrar of Companies to ensure that the annual filings of all associations are in order and up to date. He further stated that Sacos therefore needs to ensure that these associations are able to show that they are in good standing as it is important to know where the funds being donated are going. He gave the example of Sacos sponsoring the La Passe FC and added that for football clubs, they are required by their federation to be in good standing so it was easy to show that all their records were in order. Mr Ernesta compared the success of sponsoring the football club against sponsoring the basketball and volleyball clubs, Premium Spikers and Premium Cobras, while reiterating that it is important for shareholders to know how Sacos' money is being used.
8. **Mr Ernesta** concluded by congratulating the new Sacos Board and stating that he hopes that the team will work hard for the good of the company and that he looks forward to the new strategy for Sacos. He also pointed out that the cost for medical treatment is on the rise and there is a need to work towards getting a better medical insurance in Seychelles that will benefit the population.
9. **Mr Terrence Dingwall** suggested that Sacos should be more proactive to retain the existing policy holders. He proposed that policy holders are contacted when their policies are due for renewal. He used the example of his two insurance policies which lapsed during the year and he was not contacted. The CEO thanked Mr Dingwall for his intervention and informed that in the past, many of the renewal notices that were sent by post were not being delivered and this was one of the reasons that triggered the move towards digital transformation. The CEO confirmed that in line with the digitization drive, Sacos is exploring the use of bulk SMS or emails to remind policy holders of their renewal but also stated that policy holders should do their part to inform Sacos if there is any change in their details.
10. **Mr Francis Edmond Simeon** remarked that there is a lack of insurance options for persons over 70 years. He stated that insurance companies including Sacos will not provide life insurance to persons over 70 years and added that this should be reconsidered. The Chairperson clarified that life insurance worldwide is considered risky for people above 60 years old and more so above 70 such that in most jurisdictions no cover is available beyond 60 years old. He went on to explain that the decision not to grant life insurance cover is also a technical one based on available statistics of

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mortality rate and for a small market with a demography such as Seychelles it will be very difficult to provide life insurance cover for persons over 70.

11. **Mr Terrence Dingwall** stated that although life insurance cannot be issued to persons over 70, when it comes to travel insurance, Sacos should be able to provide cover. He further stated that it is wrong for a person who has worked all their life and planning to travel during their retirement to be refused travel insurance and is of the opinion that Sacos should be able to accommodate the request. The Chairperson concurred with Mr Dingwall that this request is one that is possible to accommodate and that Sacos should note this point to discuss with reinsurers, taking into consideration the demography of Seychelles.
12. **Ms Rosie Morel** remarked that the life expectancy worldwide is going up and the evidence for this is backed by WHO. She added that Sacos should give more thought on insurance for the older policy holders and negotiate further with international agencies. The Chairperson agreed that people are living longer and added that certain developed countries have in the last 15 years started to offer specific insurance products to retired policy holders who can get insurance covers from 61 years. He continued that such insurance products are something that Sacos will be looking into in the future.
13. **Mr Godfroy Bonnelame** remarked that the auditor was not introduced to the meeting at the start. The chairperson acknowledged the oversight, and she was introduced as Ms Gemma Roberts the audit partner from Pool and Patel.
14. **Mr Bonnelame** congratulated the new board and wanted to know if there was a designated person on the board to represent the shareholders. The chairperson reiterated that the directors on the board are there to work for the good of the company and reiterated that all directors are there to work in the interest of Sacos and not individual groups of shareholders. The chairperson further explained that the board has all the necessary competencies to be able to carry out their role and bring the company forward.
15. **Mr Bonnelame** wanted to know what Sacos was doing to honour the policy holders who have been with Sacos since the beginning. The CEO acknowledged that although there is the loyalty programme in place, more can still be done, especially for the older policy holders who have been with Sacos the longest. She informed the AGM that as part of the loyalty programme Sacos is giving back by refunding the premium to policy holders and they have started with two insurance products, namely home insurance and motor insurance. She explained that it is in Sacos' plan to honour the older policy holders.
16. **Mr Bonnelame** wanted to know if a shareholder has a concern, who is the person to contact at Sacos to pass on the concern. The Company Secretary informed that on the board of directors there are two executive directors and these directors are available if ever a shareholder has any concerns.
17. **Mr Antoine Fernandes** remarked on the absence of Mr Louis Rivalland stating the rationale for his query is that Mr Rivalland rarely attends the AGMs. The chairperson explained that Mr Rivalland is

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currently travelling as end of July is a busy period for partnership renewals and reinsurance treaty negotiations. He added that this is a busy period for all insurers, including Sacos as all insurers are changing the financial reporting standards. The Chairman noted the query but corrected that Mr Rivalland has been on the board since 2004 and has been the director that has attended the most AGMs.

18. **Mr Fernandes** referred to the minutes of meeting being posted on the Sacos website and suggested that same be included in the annual report. The Company Secretary explained that the minutes of meeting cannot be included as part of the annual report but copies of the minutes are circulated with the annual report and were available at the AGM.
19. **Mr Terrence Dingwall** enquired about purchasing of additional shares and wanted to know the procedure. The Company Secretary explained that he should go to MERJ, and meet with brokers and open a trading account, stating his intention to purchase shares and once this is possible, he will receive notification of availability and price and if he agrees he can purchase the shares.
20. **Ms Rosie Morel** stated that there is a need to have a reference person at Sacos that the shareholders can refer to if they have any queries. The Company Secretary informed the meeting that Sacos as a listed company, employs a Company Secretary, which presently is Azer Corporate. She explained that every shareholder transaction has to go through the Company Secretary and she shared the contact details of Azer Corporate.
21. **Mr Radley Weber** indicated that he purchased his shares through a broker and when the dividend was paid, it was paid by Sacos through the broker and the said broker held on to his dividend for 4 years. He felt that this is unacceptable and wanted to know if Sacos would not be able to pay dividends directly to the shareholders, without going through a broker. The Company Secretary explained that for shareholders whose shares have been dematerialised, meaning that they do not have a share certificate, the standing arrangement is that since the brokers facilitated the purchase of shares, the dividend is paid to MERJ and through the brokers. Ms Carmen Turner, representing the Sponsor Advisor confirmed that this is the current arrangement but that MERJ could be contacted to see if there is an alternative to this arrangement.
22. **Mr Dolor Ernesta** opined that this issue with the brokers on MERJ is complicated. He informed the meeting that he bought and sold shares through the broker Amalga, previously Constant Capital and there were many delays for the transactions to be completed. He further expressed frustration with the process of opening a brokerage account, which he felt is complicated and not worthwhile for a shareholder with few shares. He stated that the Sacos board needs to find a way to address these issues in consultation with the affected shareholders.
23. **Mr Ernesta** stated that HSavy and other insurance companies are not listed on the stock exchange and he felt that it might be difficult for Sacos to delist and remove itself from the stock exchange. He further clarified that initially the reason for listing was for tax benefit but wondered whether this is still worthwhile since now all insurance companies are subjected to the same tax rate. He opined that

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the Sacos board should discuss and decide if it is worthwhile to be listed. The Chairperson explained that this decision to remove Sacos from the stock exchange was raised before but stated that this is not a decision to be taken lightly and that any fiscal impact would be considered before such a decision is made. He advised that there are some discussions that have started with the aim to weigh all the possibilities and that this issue is on the Company's radar.

11 Closing of the meeting

There being no other questions, on behalf of the board the Chairperson thanked the shareholders for their participation and questions. He announced that Sacos is looking into the possibility of having the AGM earlier in the year.

Shareholders were invited for refreshments and snacks.

The meeting was declared closed at 12.09 pm.

8th September 2022

Chairperson

Date