

SELECTIVE EMPOWERMENT INVESTMENTS 1 LIMITED
(“SEI1” or “the Company”)

**MINUTES OF THE NINTH ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD
VIA ZOOM ON TUESDAY, 22 MARCH 2022 AT 10H00**

PRESENT: 3.2% of Shareholders Present / Present by Representation

DIRECTORS:

TN Sindane	TNS	Chairperson
S Sibiyi	SS	Non-Executive Director
S Tsie	ST	Independent Non-Executive Director
T Motlogeloa	TM	Non-Executive Director
M Mogokare	MM	Independent Non-Executive Director

IN ATTENDANCE:

M Maradzika	MD	Managing Director
The Meetings Specialists	TMS	Meeting Administrators
Singular Systems	SS	Transfer Secretaries
K Maseko	KM	IKB – Company Secretaries

Item no.	Minute	Action
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1 OPENING AND WELCOME

The Chairperson of the Board of Directors, Ms Sindane, welcomed all present to the ninth Annual General Meeting of Selective Empowerment Investments 1 Limited.

The Chairperson made an announcement that, as part of succession planning on the Board, the meeting would be led by TM, the Deputy Chairperson of the Board. TM then took over the meeting.

2 CONFIRMATION OF QUORUM

- a. It was also noted that the quorum was 3.2%, this included all votable shares by proxy and in person.
- b. The Deputy Chairperson declared the meeting open.
- c. Mr Maja raised a concern that some Shareholders were appointed by other members as proxies, the signed proxies were sent directly to the Transfer Secretaries, who in turn do not share the signed proxies with the appointed proxies. It was therefore requested that a meeting be held between the Transfer Secretaries and appointed proxies for verification.
- d. The Transfer Secretaries were requested to provide a response on the matter.

SS



3 APPOINTMENT OF SCRUTINEER

The motion to appoint Izzy van Schoor, representatives of Singular Financial Systems and The Meeting Specialist Proprietary Limited, as the scrutineer to count the votes carried with no objections.

4 POINTERS ON HOW TO NAVIGATE ZOOM

The Chairperson highlighted that the Shareholders who would like to pose questions should click on the 'Q&A' icon at the bottom of the screen and those who wished to address the meeting directly should click on the 'raise your hand' icon.

5 CHAIRPERSON'S REPORT

The Chairperson's Report for the year ended 30 June 2020 was circulated to the Shareholders and taken as read without any objections.

6 PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The Chairperson handed over to the Managing Director, Ms Maradzika, to provide an overview of the Company's performance.

The Managing Director highlighted the following salient points:

- a. Strategy – the strategy has been revised to outline future SEI1 business model (February 22). SEI1 balanced scorecard was implemented and metrics applying to Subsidiary companies. SEI1 organisational values were also being implemented.
- b. Governance – the Board and sub-committees were compliant; an additional independent Non-Executive Director was appointed; a board evaluation process was done to ensure good governance and alignment to King IV principles; and a Board Succession Plan was also done and is being continuously monitored.
- c. Compliance – the OTC trading platform was implemented with Singular Systems; the Group presents compliance with CIPC/SARS requirements on annual reports; and there is continued engagement with CIPC on legal cases.
- d. Operations – cost containment through Odd-lot offer and stringent procurement policy; the unlisted investment strategy was implemented; inhouse finance & investment capabilities were established; and there was continued stakeholder engagement & visibility
- e. Seboka Distributors was liquidated in July 2021, post year end. The business model was heavily impacted by Covid-19 restrictions and the board opted not to further fund the business resulting in the liquidation of



the business. The loan balance with SE11 is not recoverable and has been impaired in the AFS at approximately R3.7 million.

- f. The Group numbers presented incorporated all active subsidiaries as of 30 June 2021. Revenue was from Interest and Dividends from the investment portfolios. Other income included other income and fair value movements.
- g. Key Group expenses are as follows:
 - Stakeholder management
 - Employee & Board costs
 - Admin Costs
 - Legal Fees
 - Consulting & Investment related costs including asset management fees, transaction costs and DD expenses.
- h. 2021A showed the asset numbers before impairments of R130m and 2021 showed the numbers post impairment of R126m following the impairment of the loan to Seboka Distributors.
- i. The FV price for the Odd-Lot Offer was determined by assessing the Net Asset Value of the business considering impairments.
- j. Stakeholder costs have more than doubled in the last few years due to compliance matters where SE11 is required to have a trading platform for shares.
- k. As part of several cost cutting initiatives for the Group, the Odd-lot offer resulted in a cost saving that will result in a future cost saving in excess of approximately just under R2million per annum going forward if implemented.
- l. There has been a decline in the equity value of the business largely due to market fluctuations, further exacerbated by the Covid-19 pandemic and increased costs pertaining to legal and compliance costs (CIPC legal fees, Stakeholder costs). The half year results, influenced by the Odd-lot offer and better market performance show an improvement in the share price of SE11 as at the 31st of December 2021.
- m. Most legacy compliance matters have been resolved, however SE11 awaits court hearing dates to conclude on Director Delinquency and Liquidation matters.
- n. Through review of the share register and engagement with the scheme administrators, Singular, SE11 has noted the following:
 - High number of shareholders who have not provided FICA documents.
 - High number of shareholders who do not update contact information when there are changes.
 - This was important to ensure that the share register was kept up to date and that all shareholders can be reached for AGM's/SGM's to receive all company information.



- Shareholders were urged to update their contact details to ensure accuracy of the share register. Shareholders were further encouraged to share this information with other shareholders of SEI1 and encourage them to participate in key matters through the Transfer Secretaries, the designated partner for SEI1 stakeholder engagement.

Following the above presentation, the following was highlighted from the shareholders:

- o. Mr Madiga raised concern that the MD did not raise the issues between SEI1 and SEI2 during her presentation of the challenges experienced by SEI1. There are also challenges within the Board that were not reported to the Shareholders and have a very serious risk to the Company. Mr Madiga also highlighted that there were certain resolutions (Remuneration Related) that were being requested to be passed, however, the numbers were not included in the notice on how much being requested to be approved.
- p. The Deputy Chairperson, on behalf of the Board highlighted that the issues raised were being attended to by the Board and it would be pre-mature to raise them at Shareholder level (to the extent that they are shareholder issues) whilst they were still being dealt with at Board level.
- q. On the Remuneration matter, the MD highlighted that the numbers and information relating to remuneration were included in the annual report and that the resolution included in the notice was not to approve the remuneration but to approve the remuneration policy and implementation report, which were also included in the annual report.
- r. Mr Maja raised concern on the poor performance of Shareholders to roadshows and general meetings and requested that feedback from roadshows, i.e. cost and venues. The MD responded that total cost for roadshows was incorporated into the December 2021 newsletter to shareholders, similarly, the feedback from the AGM road shows would be incorporated into the March 2022 newsletter. How the location was selected for the roadshows was through stratification of where most of the shareholders live per area.
- s. Mr Maja also raised concern on the Odd-Lot Offer process that there were a number of shareholders that did not understand the process. The MD responded to say through the Transfer Secretaries, some shareholders confirmed in the outbound calls that they were not interested in participating in the Odd Lot Offer process and sufficient efforts were made to communicate this process to shareholders.
- t. Mr Poopedi raised concern that the Board and the external auditors were not visible on the screen. This can be something for consideration at the meeting going forward. Notwithstanding, Mr Bopedi highlighted his concern on the Income Statement that the revenue coming through compared to the previous year was less, yet the operating costs have increased. Perhaps consideration could be given to increasing the shareholders, particularly through more listed and unlisted shares before covering operating costs.



Over and above these concerns, Mr Poopedi also raised the following concerns:

- The Fair Value increase of R17 million shown in the income statement not reflecting in the balance sheet.
 - Note 26 (Vat amount owed to us by SARS).
 - Note 30 (Loan of R745 000) – amount does not come through in the financials.
 - Note 20 (SD sales) – the stock was equal to the cost of sale. The Gross Profit Percentage on SD sales was 175%, there is was unclear as to what happened with SD as it was an income generating entity.
 - Following the share buyback, the numbers in seemed to still be the same (Note 15).
- u. Due to time constraints and the extensive questions raised by Mr Poopedi, it was agreed that the MD put together a written response to be shared with the shareholders post the meeting.
- v. The Deputy Chairperson also confirmed that at the beginning of the meeting, the Chairperson and himself, the Deputy Chairperson did show their faces however, due to bandwidth, could not keep their videos on.

7 SOCIAL AND ETHOCS REPORT

The report of the Social and Ethics Committee as set out in the annual report for the year ended 30 June 2021 was taken as read without any objections.

A FEW POINTERS ON HOW TO CAST VOTES

The Chairperson highlighted the following:

- a. All shareholders or their representatives who requested to vote would have received a link to the voting platform to either their mobile number or email address.
- b. Shareholders could vote 'For', 'Against' or 'Abstain' from voting.
- c. The Scrutineer would then count all the votes and inform the meeting of the results of the voting process.
- d. Mr Madiga raised challenges with voting on the platform as highlighted, further that the online platform was limiting and complicated. The Deputy Chairperson highlighted that he understands the challenges and the Board will review possible solutions and explore other options for the next AGM.

8 ORDINARY RESOLUTIONS

8.1 ORDINARY RESOLUTION 1

Ordinary Resolution 1 was to appoint MKIVA Incorporated as the independent external auditor of the Company for the ensuing financial period.

IT WAS RESOLVED THAT MKIVA Incorporated be and is hereby reappointed as the independent external auditor of the Company for the ensuing financial period terminating on the conclusion of the next AGM

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of the Company in accordance with the provisions of section 90(1) of the Companies Act. It was noted that Mr Unathi Mkiva from MKIVA Incorporated is the individual registered auditor who will undertake the audit for the financial year ending 30 June 2022 and the interim financial period ending 31 December 2022.

8.2 ORDINARY RESOLUTION 2

Ordinary Resolution 2 was to ratify the appointment of Ms Meriam Maishibe Kekana as an independent non-executive director of the Board with effect from 1 April 2021.

IT WAS RESOLVED THAT the appointment of Ms Meriam Maishibe Kekana as an independent non-executive director of the Board of the Company with effect from 1 November 2019 be and is hereby ratified.

8.3 ORDINARY RESOLUTION 3.1

Ordinary Resolution Number 3.1 was to note the retirement of Ms Nonkululeko Sindane by rotation.

IT WAS RESOLVED THAT Ms Nonkululeko Sindane who retired by rotation as a director of the Company in terms of the MOI and who, being eligible, has hereby not put herself up for re-election.

8.4 ORDINARY RESOLUTION 3.2

Ordinary Resolution Number 3.2 was to re-appoint Mr Mphikeleli Solly Tsie as a director of the Company.

IT WAS RESOLVED THAT Mr Mphikeleli Solly Tsie who retired by rotation as a director of the Company in terms of the MOI and who, being eligible, is hereby re-elected as a director.

8.5 ORDINARY RESOLUTION 4.1

Ordinary Resolution 4.1 was to appoint Mr Mphikeleli Solly Tsie as the Chairperson of the Audit and Risk Committee.

IT WAS RESOLVED THAT Mr Mphikeleli Solly Tsie be and is hereby appointed as the Chairperson of the Audit and Risk Committee.

8.6 ORDINARY RESOLUTION 4.2

Ordinary Resolution 4.2 was to appoint Ms Mokgadi Mogokare as a member of the Audit and Risk Committee.

IT WAS RESOLVED THAT Ms Mokgadi Mogokare be and is hereby appointed as a member of the Audit and Risk Committee.



8.7 ORDINARY RESOLUTION 4.3

Ordinary Resolution 4.3 was to appoint Mr Tiro Motlogeloa as a member of the Audit and Risk Committee.

IT WAS RESOLVED THAT Mr Tiro Motlogeloa be and is hereby appointed as a member of the Audit and Risk Committee.

8.8 ORDINARY RESOLUTION 4.4

Ordinary Resolution 4.4 was to appoint Mr Sihle Sicelo Sibiyi as a member of the Audit and Risk Committee.

IT WAS RESOLVED THAT Mr Sihle Sicelo Sibiyi be and is hereby appointed as a member of the Audit and Risk Committee.

8.9 ORDINARY RESOLUTION 4.5

Ordinary Resolution 4.5 was to appoint Ms Meriam Maishibe Kekana as a member of the Audit and Risk Committee.

IT WAS RESOLVED THAT Ms Meriam Maishibe Kekana be and is hereby appointed as a member of the Audit and Risk Committee.

8.10 ORDINARY RESOLUTION 5

Ordinary Resolution 5 was to place all the unissued ordinary shares of the Company under the control of the directors who were hereby authorised, subject to the provisions of the Companies Act, to allot and issue such shares in their discretion when and on such terms and conditions as they deem fit.

IT WAS RESOLVED THAT the motion to place all the unissued ordinary shares of the Company under the control of the directors who are hereby authorised, subject to the provisions of the Companies Act, to allot and issue such shares in their discretion when and on such terms and conditions as they deem fit be and is hereby approved.

8.11 ORDINARY RESOLUTION 6

Ordinary Resolution 6 was to endorse, on a non-binding basis, the Company's new Remuneration Policy.

IT WAS RESOLVED THAT the motion to endorse, on a non-binding basis, the Company's new Remuneration Policy be and is hereby approved.



8.12 ORDINARY RESOLUTION 7

Ordinary Resolution 6 was to endorse, on a non-binding basis, the Company's Remuneration Implementation Report.

IT WAS RESOLVED THAT the motion to endorse, on a non-binding basis, the Company's Remuneration Implementation Report be and is hereby approved.

9 SPECIAL RESOLUTIONS

9.1 SPECIAL RESOLUTION 1

Special Resolution 1 was to authorise the directors, by way of renewable general approval in terms of the MOI and Section 48 of the Companies Act, to acquire, from time to time, the issued shares of the Company, upon such conditions and in such amounts as the directors of the Company may from time to time determine.

IT WAS RESOLVED THAT the motion to authorise the directors by way of renewable general approval in terms of the MOI and Section 48 of the Companies Act, to acquire, from time to time, the issued shares of the Company, upon such conditions and in such amounts as the directors of the Company may from time to time determine be and is hereby approved.

9.2 SPECIAL RESOLUTION 2

Special Resolution 2 was to authorise the directors, in terms of and subject to the provisions of Section 45 of the Companies Act, to provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company.

Concerns were raised around the Company lending money to directors. The Chairperson read from Section 45 of the Companies Act which states when and how the lending of money should happen.

IT WAS RESOLVED THAT the motion to authorise the directors, in terms of and subject to the provisions of Section 45 of the Companies Act, to provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company be and is hereby approved.

10 ADOPTION OF RESOLUTIONS

The results of the voting process were noted as follows:

	Votes For %	Votes Against %	Result
Ordinary Resolution 1	95.25	4.75	Passed



Ordinary Resolution 2	98.92	1.08	Passed
Ordinary Resolution 3.1	93.51	6.49	Passed
Ordinary Resolution 3.2	92.73	7.27	Passed
Ordinary Resolution 4.1	96.60	3.40	Passed
Ordinary Resolution 4.2	98.03	1.97	Passed
Ordinary Resolution 4.3	96.94	3.06	Passed
Ordinary Resolution 4.4	96.91	3.09	Passed
Ordinary Resolution 4.5	97.03	2.97	Passed
Ordinary Resolution 5	87.72	12.28	Passed
Ordinary Resolution 6	94.29	5.71	Passed
Ordinary Resolution 7	95.27	4.73	Passed
Special Resolution 1	90.71	9.29	Passed
Special Resolution 2	86.05	13.95	Passed

The Chairperson thanked all attendees for their participation and declared that all the resolutions that were passed have now been adopted.

The Transfer Secretaries provided a response regarding the issue of the proxies raised earlier in the meeting and it was highlighted that the verification would be done on the same date and the results updated post verification.

11 CLOSURE

As all the business on the agenda had been dealt with, the Chairperson thanked everyone for their attendance and declared the meeting closed at 12h03.

Approved as a true reflection of the meeting:



MK Kekana

Chairperson

22 July 2022

Date

