

MARKET NOTICE	NO. 1/2020
<p>CONDUCT OF ANNUAL OR EXTRAORDINARY GENERAL MEETINGS FOR INTERMEDIARIES IN THE CAPITAL MARKETS INDUSTRY DURING THE CORONA VIRUS DISEASE 2019 (COVID- 19) PERIOD</p> <p>In light of the Public Health (Control of COVID- 19) Rules, 2020 as well as the public health Guidelines and Standard Operating Procedures aimed at controlling the spread of the corona virus, the Authority hereby issues the following Guidelines as reference standards for all parties involved in the establishment, governance, operations and functioning of the capital markets business that propose to hold electronic or virtual Annual or Extraordinary General Meetings, collectively referred to as “Meetings”;</p> <p>In developing these guidelines, reference is made to the investor protection interests mandated under the Capital Markets Authority Act, Cap 84 and the Regulations made thereunder and protecting and enhancing interest holder participation in the Meetings as required under the Collective Investment Schemes Act, 2003 and the Regulations made thereunder.</p> <p>A capital markets intermediary that proposes to hold an electronic or virtual Meeting shall abide by the following guidelines:</p> <p>General Principles</p> <ol style="list-style-type: none"> 1. Confirm that the proposed meeting mode is permitted by the company’s Articles of Association, the Trust Deed (where applicable) or relevant legislation or by court order from a court of competent jurisdiction; 2. In holding a virtual Meeting, the intermediary shall ensure that it expands, not restrict investor or interest holder participation (Participants). To this end, the virtual Meeting platform used should provide an opportunity to the Participants to remotely attend and facilitate participation in the Meeting to the same degree as they would have in person; 3. A Meeting may be held entirely by electronic communication provided it enables concurrent discussion and reasonable participation from all members in attendance; 	<p>Date: 05 August 2020</p> <p>Type of Notice: Guidance</p> <p>Suggested routing: All Market Participants involved in the operation of Collective Investment Schemes</p>

4. While considering to hold a virtual meeting, you are required to take into account the historic practices with respect to convening meetings, the Participant base, previous level of attendance and engagement.

Pre -Meeting Communication

5. In addition to all mandated pre meeting notices, make public/widely circulate the procedures for Participant access to and participation in virtual meetings just as they would for physical meetings and adhere to those procedures to ensure that all Participants receive a meaningful opportunity to participate in the meeting. It is important that the Meeting notice informs Participants of the company's intention to hold a Meeting electronically and provide necessary information in order to enable Participants, or their proxies, to access the available medium or means of electronic communication (for example, dial in details need to be provided and that Participants must have access to a computer or smart device in order to join the online meeting);
6. Any changes to the above published procedures shall be communicated to the Participants within a reasonable period of time in advance of the meeting.

Access to Virtual Platforms and Attendance

7. Ensure that the online platform on which the meeting is to be conducted is easily accessible to all Participants, to the biggest extent practicable. In selecting the platform, the Intermediary shall endeavour to maintain an optimal balance between the security of the platform and cost and convenience of use on the part of the Participant.
8. Establish procedures to validate online meeting participants, proxies (where applicable) or invited attendees and take reasonable measures to verify that each person deemed present and permitted to vote at the meeting has the right to vote or is a valid proxy or representative for persons invited to attend.
9. Establish processes that guarantee accurate and proper recording of attendance.

Participation

10. Use its best endeavours to provide Participants and proxy holders a reasonable opportunity to participate in the meeting—by viewing and/ or hearing meeting proceedings as they happen through utilizing a platform that accommodates most, if not all, Participants.
11. Establish clear procedures on how Participants can present proposals during the Meeting.

Voting

12. Establish procedures for Participants to vote remotely on matters submitted to them and have in place measures to ensure that such votes are properly recorded in a transparent manner.
13. Use of poll voting. Any company that does not ordinarily use a poll voting system should consider doing so, if authorised to do so by their Articles of Association or the Trust Deed. This will ensure that votes of members not present at the Meeting are counted on the required resolutions;
14. Encourage early return of proxies. To ensure most or all Participants are able to vote on the resolutions at an AGM, even those that are not present, each Participant should be reminded to send their proxy appointment as soon as possible ahead of the meeting;
15. In furtherance of 13 above, ensure there is a process in place to facilitate independent confirmation of proper opening and closing of the polls; and poll results.

Participants' Questions. (Question and Answer Session)

16. Establish reasonable and transparent guidelines for receiving and responding to questions from Participants in the Meetings and that the question and answer sessions give most Participants an opportunity to engage directly with a Company's directors, managers and officers that would otherwise be available at an in-person AGM or EGM.
17. Companies should provide means for Participants to raise questions prior to an AGM, thereby allowing those not in attendance the opportunity to raise issues which can then be dealt with at the AGM.
18. Have a clear record of the questions asked and the answers provided for reference for both the Participants and the intermediary. The questions and answers covered should, following the meeting, be published on the company website.

Technology Failure and IT Support

19. An intermediary should have a robust risk management/contingency plan to minimize risk of disruption of the meeting due to technological failure from power outage or network interruption and cyber security breaches which may interfere with the integrity of the meeting log-in credentials, voting/poll results.

20. Provide an IT helpdesk to ensure prompt support for Participants; and a test environment in advance of the meeting to allow Participants to test their access and ability to participate in the meeting.



Keith Kalyegira
Chief Executive Officer