



## **EXPLANATIONS TO RESOLUTIONS PROPOSED FOR THE ANNUAL GENERAL MEETING SCHEDULED FOR THURSDAY, 17 JULY 2025**

### **ORDINARY BUSINESS**

**RESOLUTION 1:** To receive, consider, and if deemed fit, pass an ordinary resolution to adopt the Company's Audited Financial Statements for the year ended 31 March 2025, including the reports of the Directors and External Auditor.

In line with Article 75 of the Company's Articles of Association, shareholders are required to consider and if appropriate approve the Company's Audited Financial Statements as recommended by the Board and audited by the Company's External Auditor. The Audited Financial Statements are available on the Company's website at [www.qcil.com](http://www.qcil.com) and were circulated to shareholders whose email addresses are on file with the Company. The Audited Financial Statements are also available on the Uganda Securities Exchange website at [www.use.or.ug](http://www.use.or.ug).

**RESOLUTION 2:** To receive, consider, and if deemed fit, pass an ordinary resolution to approve the Directors' recommendation to declare a final dividend of UGX 6.0 per share, less withholding tax, for the year ended 31 March 2025. If approved, shareholders registered by the close of business on **7 August 2025** will be eligible to receive the dividend, which shall be paid on or about **14 August 2025**.

In accordance with the Company's Dividend Policy, dividends will be considered for payment in any financial year where the Company records a net profit exceeding UGX 4 billion. The Board of Directors may recommend a final dividend based on this performance, which is subject to approval by shareholders at the Annual General Meeting (AGM). *For avoidance of doubt*, this final dividend is exclusive of the first interim dividend of UGX 3.5 per share, paid on 2 December 2024, and the second interim dividend of UGX 4.0 per share, paid on 14 March 2025.

**RESOLUTION 3:** To consider and if deemed fit, pass an ordinary resolution to confirm the appointment of Ms. Botsang Ramorwa as a Non-Executive Director in accordance with Article 99 of the Articles of Association of the Company.

Ms. Botsang Ramorwa is a Fund Principal at the Public Investment Corporation SOC Limited (PIC), focusing on private equity investments in mid and large enterprises in South Africa and the rest of Africa. She has over 11 years of experience as an investment professional in corporate finance and project finance advisory. Prior to joining PIC in 2014, Ms. Botsang Ramorwa worked in Africana Finance and Investments as an Investment Analyst. Prior to this she was an Associate Lecturer in Corporate Finance at University of Witwatersrand.

Ms. Botsang Ramorwa is currently pursuing a Doctor of Philosophy (PhD candidate) at Witwatersrand University, Johannesburg. She has a Master of Commerce, Finance; a Bachelor of Commerce Honours, Finance and a Bachelor of Commerce, Finance and Economics, from Witwatersrand University, Johannesburg.

Having duly considered Ms. Botsang Ramorwa's nomination by the PIC, the Board recommends her appointment to shareholders.

**RESOLUTION 4:** To consider and if deemed fit, pass an ordinary resolution to confirm the appointment and re-election of Mr. Joseph Baliddawa and Mr. Vusi Raseroka, in accordance with Article 115 of the Articles of Association.

In line with Article 115 of the Company's Articles of Association, one-third of the Board of Directors (excluding Executive Directors) retire annually and are subject to rotation. The retiring members are eligible for re-election at the AGM.

#### **4a) Re-Election of Mr. Joseph Baliddawa**

Mr. Joseph Baliddawa is a former partner of PricewaterhouseCoopers Africa (PwC), having spent 34 years with PwC in a variety of roles in the UK, Zambia and Uganda.

He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a Member of the Institute of Certified Public Accountants of Uganda (CPA) and a Founder Council Member of both the Institute of Certified Public Accountants of Uganda and the Zambia Institute of Chartered Accountants (ZICA).

He has extensive experience in management and leadership, with a strong background in risk management, quality assurance compliance standards, and financial reporting. While in PwC’s country leadership, he played a pivotal role in the formulation and monitoring of the implementation of strategic growth plans across Africa.

He is a former President of the Institute of Corporate Governance of Uganda, Chair of the Audit Committees of the Commercial Bank of Africa and Alliance Africa General Insurance Limited. He is a former President of the Institute of Corporate Governance of Uganda, former president of the Institute of Certified Public Accountants of Uganda, founder and former chairman of the Public Accountants Examinations Board, former Council Member of the Eastern, Central, and Southern Africa Federation of Accountants, Former Board member of Commercial Bank of Africa and chairman of its Board Audit Committee, former member of the Board Audit Committee of the New Vision Group.

He currently serves as the Chairperson of the Board Audit and Risk Committee and is a member of the Remuneration Committee.

His attendance at meetings in the past two financial years was as follows:

| RC               | ARC       | Board     | ARC       | RC        | Board     | RC       | ARC      | Board    | RC        | ARC       | Board     |
|------------------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------|-----------|-----------|
| <b>FY2023/24</b> |           |           |           |           |           |          |          |          |           |           |           |
| 8<br>Aug         | 8<br>Aug  | 9<br>Aug  | 22<br>Nov | 23<br>Nov | 23<br>Nov | 6<br>Feb | 6<br>Feb | 7<br>Feb | 7<br>May  | 7<br>May  | 8<br>May  |
| √                | √         | √         | √         | √         | √         | √        | √        | √        | √         | √         | √         |
| <b>FY2024/25</b> |           |           |           |           |           |          |          |          |           |           |           |
| 22<br>Aug        | 22<br>Aug | 23<br>Aug | 20<br>Nov | 20<br>Nov | 21<br>Nov | 4<br>Feb | 5<br>Feb | 6<br>Feb | 21<br>May | 21<br>May | 22<br>May |
| √                | √         | √         | √         | √         | √         | √        | √        | √        | √         | √         | √         |

**√-Present      X - Absent with Apology**

**Mr. Joseph Baliddawa retires by rotation in accordance with Article 115 of the Articles of Association and, being eligible, offers himself for re-election.**

**4b) Re-Election of Mr. Vusi Raseroka**

Mr. Vusi Raseroka is an accomplished and highly experienced private equity investment professional with over three decades of experience in private equity, corporate finance, infrastructure and project financing (debt and equity), and investment management across the African continent. He is passionate about investing in Africa and has transacted across multiple jurisdictions on the African continent.

Mr. Vusi Raseroka is the Chief Executive Officer of Norsad Capital, a position he was appointed to in October 2024. He has held several prominent leadership roles throughout his career, including Fund Principal for several PIC funds.

Mr. Vusi Raseroka holds a BCom degree in Accounting from the University of Botswana, is a Fellow of the Association of Chartered Certified Accountants (FCCA) (UK) and is a member of the Institute of Directors of Southern Africa.

He is currently serving as a member of the Remuneration Committee.

His attendance of meetings in the past two financial years was as follows:

| RC               | Board     | RC        | Board     | RC       | Board    | RC        | Board     |
|------------------|-----------|-----------|-----------|----------|----------|-----------|-----------|
| <b>FY2023/24</b> |           |           |           |          |          |           |           |
|                  |           | 23<br>Nov | 23<br>Nov | 6<br>Feb | 7<br>Feb | 7<br>May  | 8<br>May  |
|                  |           | √         | √         | √        | √        | √         | √         |
| <b>FY2024/25</b> |           |           |           |          |          |           |           |
| 22<br>Aug        | 23<br>Aug | 20<br>Nov | 21<br>Nov | 5<br>Feb | 6<br>Feb | 21<br>May | 22<br>May |
| √                | √         | √         | √         | √        | √        | X         | X         |

**√-Present      X - Absent with Apology**

**Mr. Vusi Raseroka retires by rotation in accordance with Article 115 of the Articles of Association and, being eligible, offers himself for re-election.**

**RESOLUTION 5:** To consider and if deemed fit, pass an ordinary resolution to approve the re-appointment of Grant Thornton as External Auditor of the Company for the 2025/26 financial year and authorize the Board of Directors to set their remuneration. in accordance with Article 115 of the Articles of Association.

The Audit and Risk Committee undertook a performance evaluation of the External Auditor and provided feedback. The Committee found Grant Thornton’s performance satisfactory and recommended to the Board the re-appointment of Grant Thornton, Certified Public Accountants Uganda, for the financial year ending 31 March 2026, in line with applicable legal requirements. The Board, in turn, recommends the re-appointment of Grant Thornton to the shareholders.

**RESOLUTION 6:** To consider and if deemed fit, pass an ordinary resolution to approve fees payable to Non-Executive Directors for the 2025/26 financial year.

The Board is not recommending any increment to the fees but seeks shareholders’ approval to maintain the fees payable to its Non-Executive Directors for FY2025/26 as follows:

|                                   |           |
|-----------------------------------|-----------|
| <b>Quarterly Fee</b>              | US\$3,000 |
| <b>Meetings Sitting Allowance</b> |           |
| For Chairperson:                  | US\$1,000 |
| For Committee Member:             | US\$750   |

**SPECIAL BUSINESS**

**RESOLUTION 7:**

To receive, consider and, if deemed fit, pass a special resolution, in accordance with Article 105 of the Articles of Association of the Company:

- a. To ratify the entering into of a term loan facility in the amount of US\$36,000,000 for the purpose of funding the construction of a second manufacturing facility and a working capital facility in the amount of US\$15,000,000 for operational purposes, both from Stanbic Bank Uganda Limited; and
- b. To ratify the authorisation of the Board of Directors to negotiate, finalize, and execute all necessary agreements and documents in connection with the said borrowings, including the creation of any security interests over the assets of the Company, and to take any such steps necessary or expedient to give effect to the foregoing.

Article 104 of the Company's Articles of Association requires shareholder approval when the Company's borrowing exceeds its nominal share capital. With the current share capital standing at UGX 45 billion, the Company seeks ratification to borrow UGX 133 billion (approximately US\$36 million) from Stanbic Bank to finance the construction of a second manufacturing facility.

#### **RESOLUTION 8:**

To receive, consider and, if deemed fit, pass a special resolution to amend the Articles of Association of the Company as follows:

- c. By amending all references to "the Companies Act 2012" to read "the Companies Act, Cap.106"; and
- d. By substituting the current Article 1 with the following:  
**Article 1:** The name of the Company is *Quality Chemical Industries Limited*

The proposed changes to the Company's Articles of Association are intended to bring the Articles of Association in line with the recently revised legal framework in Uganda and to reflect the recent change in the Company's registered name from *Cipla Quality Chemical Industries Limited* to *Quality Chemical Industries Limited*. In accordance with Section 16 of the Companies Act, Cap.106, such amendments to the Articles must be effected by special resolution of the shareholders.

End.