

TOL Gases Limited

YEAR 2020 ANNUAL GENERAL MEETING

**JULIUS NYERERE
INTERNATIONAL CONVENTION
CENTRE – RUAHA HALL AND VIA
ZOOM VIDEO CONFERENCING**

27th AUGUST, 2021



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NOTICE

2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Meeting of the Shareholders of TOL Gases Limited for the year ended December, 31, 2020 will be held on a hybrid of physical attendance at the Julius Nyerere International Convention Centre (JNICC) and via ZOOM video conferencing on 27th August, 2021 at 9.00 am to transact the following business:-

1. Adoption of the Agenda.
2. Confirmation of Minutes of the year 2019 Annual General Meeting held on 28th August, 2020.
3. Matters arising from minutes of the year 2019 Annual General Meeting.
4. Chairman's Statement.
5. To receive the Directors' Report, Auditors' Report and the Audited Financial Statements for the year ended December, 31, 2020.
6. To approve Dividend Payment.
7. Election of Directors
8. To approve Directors' Fees.
9. To appoint Auditors for the year 2021.
10. Any other business (Duly notified at least seven days before the meeting)

Registration for participating in the ZOOM Video Conferencing should be done through phone no 0685750201/0685750203.

A member entitled to attend and vote at the Meeting is entitled to appoint any person (whether a member of the Company or not) to attend and vote in his stead.

All proxy forms or letters appointing proxy must be lodged at the office of the Company Secretary at least 48 hours before the time fixed for the holding of the meeting or via email to mjuliana@tol-gases.co.tz /nlulu@to.gases.co.tz

BY ORDER OF THE BOARD

**JULIANA MRIKARIA - MWAKYOBÉ
FOR COMPANY SECRETARY**

TOL GASES LIMITED

YEAR 2019 ANNUAL GENERAL MEETING

Minutes of the year 2019 Annual General Meeting held on 28th August, 2020 on a hybrid of physical attendance at the Ruaha Hall, Julius Nyerere International Convention Centre, Shaaban Robert Street, Dar es Salaam and via zoom video conferencing

Present:

(List of Shareholders who attended is appended).

Directors present:

1. Mr. Simon Mponji - in the Chair
2. Eng. Joseph C. Machange - Director
3. Mr. Justin Massawe - Director
4. Prof. Abraham Temu - Director
5. Mr. Some Selestine - Director (Zoom)
6. Mr. David. C. Mchangilla - Company Secretary.

By invitation:

1. Adela Kaale - CMSA
2. Witness Gwele - CMSA

In attendance:

1. Mr. Daniel M. Warungu - Managing Director
2. Mr. Evarist Tilafu - Director of Finance
3. Mrs. Juliana M. Mwakyobe - Director of HR and Administration
4. Mr. Daudi Mlwale - BDM Director
5. Mr. Luice Mnonjela - Technical Manager

1.0 NOTICE AND QUORUM:

NOTICE having been duly served on all the Shareholders and

there being the requisite quorum, the meeting was called to order at 9:23am.

2.0 PROXIES:

There were no proxies to be tabled.

3.0 AGENDA:

- (i) Adoption of the Agenda
- (ii) Confirmation of Minutes of the year 2018 Annual General Meeting held on 28th June, 2019
- (iii) Matters Arising from Minutes of the year 2018 Annual General Meeting
- (iv) Chairman's Statement
- (v) To Receive the Directors' Report, Auditors Report and Audited Financial Statements for the year ended December 31, 2019
- (vi) To Approve Dividend Payment
- (vii) To Approve Directors' Fees
- (viii) To Appoint Auditors for the year 2020
- (ix) Any other Business (duly notified at least seven days before the meeting).

4.0 ADOPTION OF THE AGENDA:

TABLED and **ADOPTED** the Agenda as presented.

5.0 CONFIRMATION OF MINUTES OF THE YEAR 2018 ANNUAL GENERAL MEETING HELD ON 28TH JUNE, 2019:

TABLED and **NOTED** minutes of the year 2018 AGM held on 28th June, 2019.

The minutes were **CONFIRMED** to be a correct record of the said meeting and the Chairman and the Company Secretary signed the same.

6.0 MATTERS ARISING:

TABLED and **NOTED** a paper on Matters Arising from minutes of the year 2018 Annual General Meeting held on 28th June, 2019.

6.1 PAYMENT OF DIVIDENDS (10.1):

6.1.1 **REPORTED** that as of June, 2020 Tsh 931,166,732.1 was paid to Shareholders and Tsh 68,333,267.90 remained unclaimed and that CSDR and TOL would continue to seek Shareholders that were yet to receive their 2018 dividend.

6.2 AMMENDMENT TO DIVIDEND POLICY:

6.2.1 **REPORTED** that the Dividend Policy had been amended accordingly.

6.2.2 **NOTED** that still it could be more appropriate if the payable dividend could be based on a fixed percentage of the achieved profit.

6.2.3 **REPORTED** that the Board would look into the possibility of basing payable dividend on a fixed percentage.

7.0 CHAIRMAN'S STATEMENT:

TABLED and **NOTED** the Chairman's Statement for year 2019 (previously circulated).

7.1 **REPORTED** that during the Covid-19 pandemic the Company had been at the forefront working with the Government of Tanzania, WHO, UNICEF and other non-

governmental bodies in ensuring that all hospitals across the country are supplied with medical oxygen.

7.2 **REPORTED** further that revenue declined by 6% from Tsh 18.4Bn recorded in 2018 to Tsh 17.2Bn.

7.3 **REPORTED** further that profit before tax declined by 15% from Tsh 3.6Bn in 2018 to Tsh 3.0Bn and profit after tax declined by 13% from Tsh 2.6Bn recorded in 2018 to Tsh 2.2Bn in 2019.

7.4 **REPORTED** further that the Board was determined to maintain a consistency of expectations from the Shareholders when it came to dividends and was therefore recommending maintaining the same pay-out as 2018 of Tsh 1Bn equivalent to Tshh 17.37 per share.

7.5 **RESOLVED** that the Chairman's Statement for year 2019 be and is hereby received and adopted.

8.0 TO RECIEVE THE DIRECTORS' REPORT, AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019:

TABLED and **NOTED** the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended December 31, 2019 (previously circulated).

8.1 **RESOLVED** that the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended December 31, 2019 be and are hereby received and adopted.

9.0 APPROVAL OF DIVIDEND PAYMENT:

9.1 **RESOLVED** that subject to the approvals of the Dar es Salaam Stock Exchange (DSE) and the Capital Markets and Securities Authority (CMSA), payment of a dividend of Tsh 17.37 per share for year ending 31st December, 2019 be and

is hereby approved.

10.0 APPROVAL OF DIRECTORS' FEES:

TABLED and **NOTED** a paper on Approval of Directors' Fees (previously circulated).

10.1 **REPORTED** that Director' fees had remained the same for the past five years i.e. Tsh 3,000,000/= for each Director and Tsh 3,500,000/= for the Chairman.

10.2 **REPORTED** further that it was being recommended that Directors' Fees for the year 2019 be reviewed upwards to Tsh 6,000,000/= for each Director and Tsh 8,000,000/= for the Chairman.

10.2 **RESOLVED** that Directors' fees for year 2019 be Tsh 6,000,000/= for each Director and Tsh 8,000,000/= for the Chairman.

11.0 TO APPOINT AUDITORS FOR YEAR 2019:

TABLED and **NOTED** a paper with recommendation on appointment of auditors for year 2020 (previously circulated).

11.1 **REPORTED** that the Board of Directors was recommending the appointment of KPMG as external auditors for the financial year 2019.

11.2 **RESOLVED** that KPMG be and are hereby appointed the Auditors of TOL Gases Limited 2020 financial statements at a fee of USD 22,500.

12.0 CLOSURE:

There being no other business to transact, the Chairman **CLOSED** the meeting at 10:59am with a vote of thanks.

Approved.....

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CHAIRMAN

COMPANY

SECRETARY

Date.....

TOL GASES LIMITED

YEAR 2020 ANNUAL GENERAL MEETING

MATTERS ARISING FROM MINUTES OF THE YEAR 2019 ANNUAL

GENERAL MEETING HELD ON 28thAUGUST 2020:

1.0 PAYMENT OF DIVIDEND

The AGM approved a dividend payout of Tsh 17.37 per share which is an equivalent of Tsh 1.0 Billion.

UPDATE:

Tshs. 886,294,361.66 was paid out to Shareholders as of March 2021. Tshs. 62,640,299.58 remains unclaimed. Total unclaimed dividend for the financial years 2018 & 2019 is Tshs 125, 098, 439.13.

CSDR and the Company will continue to seek Shareholders who are yet to receive their 2018 and 2019 dividend so as payment can be made accordingly.

2.0 DIVIDEND PAYOUT

The AGM approved the amendment to the dividend payment policy which had hitherto been based on fixed percentages of profit as the payout ratio, by mandating the Board of Directors to be recommending the appropriate payout ratio for each year taking into consideration the Company's financial position and its future plans.

The shareholders requested a consideration for a dividend payout ratio based on fixed percentage of achieved profits.

UPDATE:

The existing dividend policy sets out dividend payout based on a fixed percentage of achieved profits. This will remain in operation

and the Board of Directors will always endeavor to honor the policy or surpass the stipulated percentage when circumstances allow. However, the Board of Directors bound by their fiduciary duty to always act in the best interest of the Company will reserve their right to recommend the right percentage of profits to be distributed to Shareholders always maintaining a good balance between the needs of the Company to operate sustainably and that of Shareholders to receive dividends from their investment in the Company.

TOL GASES LIMITED

CHAIRMAN'S STATEMENT

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2020

My fellow Shareholders, fellow Directors, Distinguished Guests, Ladies and Gentlemen, I am delighted to welcome you to the annual general meeting (AGM) of our Company to present to you the Directors Reports for the year ending 31st December 2020.

We began the year unsure of the effects and severity of disruptions from the then newly announced Covid-19 pandemic on our Country, our customers both within and outside Tanzania, our employees and ultimately our Company. However, we ended the year more certain than ever of the essential and life-saving nature of our products, and more specifically medical oxygen in treating covid-19 patients in the country, cementing our Company's importance in the society.

Year 2020 presented a handful of challenges and opportunities too, not only to our Company but globally, Our Company has proved resilient and adaptive has continued to be responsive to the needs of its market environment. I thank our employees for adapting accordingly and delivering uninterrupted supplies of unprecedented demand for medical as well as industrial gases to our customers across our regional market when they need us most.

Performance for the financial year 2020 improved marginally compared to that of 2019. Revenue for the year grew by 15% from Tshs 17.2Bn recorded in 2019 to Tshs 19.8Bn. Profit before tax grew by 24% from Tshs 3.0Bn in 2019 to Tshs 3.8Bn in 2020. Profit after tax grew by 4% from 2.2Bn recorded in 2019 to Tshs 2.3Bn in financial year 2020.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the year 2020 was Tshs 6.6Bn, 6% higher than 2019's EBITDA of Tshs 6.2 Bn. EBITDA margin for 2020 financial year was 33%.

Even as the country and the region at large gears for vaccinating their citizens, it should be comforting to our customers and other stakeholders that our Company is ready to support medical oxygen requirements in the country. Our just concluded installation of the new air separation plant capable of supplying the country with the necessary

medical as well as industrial oxygen and nitrogen is testament to this readiness.

The new plant is expected to increase the overall profitability of the Company moving forward considering that the plant is replacing the perennial loss maker that is Aspen 1000.

On another development, buoyed by the positive development of the carbon dioxide market both locally and SADC countries of Zimbabwe, Zambia and DRC, the Board has embarked on building a new additional factory in Rungwe District to add production capacity. Alongside the new carbon dioxide factory, the Board has committed to invest in additional fleet commensurate with the new production capacity. This is welcome development to our shareholders but more importantly to our esteemed customers seeking TOL's commitment to supplying their carbon dioxide requirements reliably.

With the investment in both new air separation plant for the production of liquid oxygen and nitrogen as well as the additional carbon dioxide factory, TOL will become a solidly reliable manufacturer and distributor of medical and industrial gases in Tanzania as well as SADC, and for our shareholders a valid expectation of significantly increased profitability going forward.

The Board remains committed to maintaining a consistency of expectations from our shareholders when it comes to dividends. It is for this reason that the Board recommends a dividend payment of Tshs 34.78 per share doubling the Tshs 17.37 per share pay out last year.

Vote of thanks

I would like to take this opportunity to once again sincerely thank our staff members for their commitment and dedication to our Company, Board of Directors, and Management and to our valued customers and all stakeholders for their support in what was extraordinarily challenging year. I look forward to your continued support in the financial year 2021 and beyond.

Thank you all and God bless you

Michael N. Shirima
BOARD CHAIRMAN

TOL Gases Limited

YEAR 2020 ANNUAL GENERAL MEETING

DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2020

TOL GASES LIMITED

YEAR 2020 ANNUAL GENERAL MEETING

APPROVAL OF DIVIDEND PAYMENT

It is proposed that subject to approval of DSE and CMSA, a dividend of Tsh. 34.78 per share be paid out for the year ending 31st December 2020.

Pursuant to the dividend payment declaration and approval from DSE and CMSA, the proposed timetable for dividend payment shall be as follows:

Announcement of Dividend Payment:	27 th August, 2021
Trading of Shares cum Dividend:	27 th August 2021 – 19 th September 2021
Trading of Shares Ex-Dividend:	20 th September 2021
Closure of the Members Register:	23 rd September 2021
Re-Opening of the Register:	24 th September 2021
Dividend Payment on/or about:	15 th October 2021

Dividend will be paid directly to shareholders bank accounts.

TOL GASES LIMITED

YEAR 2020 ANNUAL GENERAL MEETING

ELECTION OF DIRECTORS.

WHEREAS Section 86 of the MEMARTS requires that in every 3 years, one – third of the Directors for the time being shall retire from office.

WHEREAS Mr. Godfrey Urasa (Director Representing Professionals) has passed away and Mr. Simon Mponji (Director Representing the major shareholder has retired).

WHEREAS, Section 89 of the MEMARTS requires that no person other than a Director retiring shall be eligible for election of Directorship unless he/she is recommended by the Directors or proposed by a Shareholder who is duly qualified to be present and vote at the meeting and has signed the proposition to concede his willingness to be elected.

WHEREAS, any shareholder who would like to nominate a person for election to represent minority interests or experts, may submit the following to the Secretary not earlier than 9th August 2021 and not later than 21st August 2021 :-

- Notice of his/her intention to propose such a person signed by the proposed person conceding his willingness to be elected.
- Resume of the proposed person with due consideration to the following conditions set forth hereunder:

- ✚ Name, Physical and Business addresses of the Candidate.
- ✚ Age between 21 and 70 years.
- ✚ Be of Sound Mind,
- ✚ No history of Bankruptcy or insolvency
- ✚ No past conviction records
- ✚ Not been subject of criminal or civil proceeding or enforcement action in relation to the management of an entity and/or commercial or professional activities.
- ✚ Not been personally refused a license or authorization relating to a commercial or professional activity or had such license or authorization revoked.
- ✚ Not disqualified by the law to become director of the Company.
- ✚ Not been terminated, resigned or was asked to resign from a position as Director or Manager of, or professional service provider to, an entity in circumstances which reflected adversely on their competence, diligence, judgement, honesty, or integrity in discharging their responsibilities in the position.
- ✚ Must have a minimum education of a Bachelor Degree in any discipline and from a recognizing institution.

WHEREAS, the election will be conducted through voting by Shares.

WHEREAS, election will be done all the shareholders.

SUBMISSION:

Shareholders are requested to implement the aforementioned in line with the amended MEMARTS.

TOL GASES LIMITED

YEAR 2020 ANNUAL GENERAL MEETING

APPROVAL OF YEAR 2020 DIRECTORS' FEES

It is recommended that Director's fees to remain the same i.e. T.Shs. 6,000,000/= net of taxes for each Director and T.Shs. 8,000,000/= net of taxes for the Chairman as was approved by the Shareholders in 2019 AGM.

TOL GASES LIMITED

YEAR 2020 ANNUAL GENERAL MEETING

APPOINTMENT OF EXTERNAL AUDITORS

According to articles 136 of TOL Gases Limited Memorandum and Articles of Association (MEMARTS), “The Company shall at each AGM appoint an auditor or auditors to hold office until the next ensuing AGM”.

The Board of Directors is hereby recommending the appointment of KPMG as external auditors for the financial year 2021.

Shareholders are requested to approve the appointment of KPMG to be External Auditors of TOL Gases Limited 2021 Financial Statements at a fee of USD 22500

TOL Gases Limited

YEAR 2020 ANNUAL GENERAL MEETING

ANY OTHER BUSINESS