

BBS BANK LIMITED



HOW FAR CAN WE GO?

Notice of Annual General Meeting

For the Financial Year Ended 31 December 2022

**BBS
Bank**

BBS BANK LIMITED

(Incorporated in the Republic of Botswana)

Company Registration Number: BW00001057162

BSE Share Code ISIN: BW0000001965

NOTICE OF ANNUAL GENERAL MEETING

Notice is Hereby Given that the 2022 Annual General Meeting ("AGM") of shareholders of BBS Bank Limited (Hereinafter "BBS Bank" or "the Bank") will be held at Avani Gaborone Hotel & Resort and virtually, through electronic participation on Friday 28 April 2023 at 09h00.

Purpose of the AGM

The purpose is to transact the business set out in this notice of the AGM ("Notice"), to consider and if deemed fit, to adopt, pass, with or without modification the following resolutions, and to transact any other business as may be transacted at the AGM or raised by shareholders and to answer any questions put forth by shareholders in terms of the Companies Act Cap. 42:01 as amended ("the Act") and the Constitution of BBS Bank ("Constitution"), regarding the affairs and business of the Bank.

AGENDA

Ordinary Business

1.To read the notice convening the meeting and confirm the presence of a quorum in accordance with the Constitution.

2.To note the appointment of Ms. Pedzani Tafa as the new Managing Director of BBS Bank effective 4 January 2023 as approved by the Board of Directors of BBS Bank.

In terms of the Constitution and Board Charter, the Board is responsible for the recruitment and appointment of a Managing Director. On 22 December 2022, the Bank published an X-News notice on the BSE (the "announcement") informing shareholders of the appointment of Ms. Tafa who succeeded Mr. Pius K. Molefe following his retirement. The Board is pleased with Ms. Tafa's appointment and is confident that her experience and intimate knowledge of commercial and retail banking will benefit the strategy and growth of BBS bank. In accordance with the Board Charter, the Managing Director is also an ex-officio member of the BBS Bank Board.

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3. Ordinary Resolution Number 1

To receive and adopt the minutes of the AGM held on 29 April 2022.

RESOLVED THAT the Minutes of the AGM held on 29 April 2022 be and are hereby adopted.

4. Ordinary Resolution Number 2

To receive, consider and adopt in terms of the Act and the Constitution, the Audited Consolidated Financial Statements of the Bank (as approved by the Board of Directors of BBS Bank) including the report of directors and auditors.

RESOLVED THAT the Audited Consolidated Financial Statements for the financial year ended 31 December 2022, together with the directors' and independent auditors' reports thereon be and are hereby adopted.

*The full set of audited financial statements of the Bank for the year ended 31 December 2022 can be accessed on the Bank's website (www.bbs.co.bw), and can be obtained free of charge upon request from the Company Secretary by emailing to bbs@bbs.co.bw and will also be emailed to shareholders.

5. Ordinary Resolution Number 3

BBS Bank, being a public interest entity and bank and registered on the BSE is required to have its annual financial statements audited by an external auditor. The external auditor should be appointed annually by the shareholders at the Bank's annual general meeting. The BBS Bank Board has considered the continued independence of the external auditors and has concluded that there is no cause to believe that the auditors have acted without objectivity and independence. In line with the Banking Act Cap. 46:04, Financial Reporting Act and King IV Code of Corporate Governance which the Bank has adopted, the Board has confirmed that the audit quality for the year ended 31 December 2022 was satisfactory and therefore recommended Ernst & Young for re-appointment as the independent external auditors of the Bank for the ensuing year.

RESOLVED THAT Ernst & Young be and is hereby re-appointed as the external auditors of the Bank and to hold office until the conclusion of the next AGM.

6. Ordinary Resolution Number 4

To consider and ratify the remuneration of external auditors, Ernst & Young for the year ended 31 December 2022 (as approved by the BBS Bank Board of Directors).

RESOLVED THAT the remuneration of Ernst & Young, BWP1,946m, for the year ended 31 December 2022 be and is hereby ratified.

7. Ordinary Resolution Number 5

To consider and adopt the adjustment to the annual remuneration of non-executive Directors, effective 1 July 2023.

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BBS Bank is transforming into a fully-fledged commercial bank, with new responsibilities for directors. The fees for directors have not changed for at least five years, despite a movement in macroeconomic and other relevant factors. The Board has considered that the Bank is not in a position to afford increments similar to those of commercial banks, as the bank is still developing and loss making. The Directors have thus concluded that the annual retainer, which is currently payable quarterly should be merged into the sitting fee, with a premium, to constitute the new meeting fees as part of the remuneration structure of directors.

*The remuneration of Directors is determined by the Board of Directors in terms of clause 91 of the Constitution.

RESOLVED THAT the annual remuneration of non-executive directors, be adopted as set out in the table below effective 1 July 2023 to P3,672,000. (2022: P2,148,000) (2021: P1,229,000):

	Proposed Remuneration	Fee (BWP)
1	Board Chairperson [per Board Meeting]	27,000
2	Lead Independent Director [Board Attendance]	21,000
3	Director [Board Attendance]	15,000
4	Committee Chairpersons	18,000
5	Director [Committee Attendance]	11,500
6	<i>Ad hoc</i> meetings/Engagements	2,000 hourly rate capped at 10,000
7	Annual Retainer	Revoked
	Total Budget	<u>3,672,000</u>

8. Ordinary Resolution Number 6

To consider and re-elect Mr. Geoffrey Moamodi Bakwena who retires by rotation in July 2023 in terms of the Constitution, and being eligible has offered himself for re-election.

In terms of the BBS Bank Board Nominations Process, eligibility for re-appointment of a director should take into account many factors, including the specific skill sets and attributes of the Board member who is up for and wishes to be considered for renewal, the gaps and specifics the Board needs, and/or potential leadership candidacy. Nomination for re-election of an incumbent director shall be considered on the basis of a director's performance, including attendance at meetings of the Board and its committees. The results of the skills gap analysis and Board evaluation exercise reveal that the Board is satisfied with the knowledge, skill, experience and performance of Mr. Bakwena. His experience as a qualified governance professional, long experience as a director across many companies brings to the BBS Bank Board the much-needed leadership and governance experience. Institutional knowledge is critical to facilitate appropriate guidance at Board level and the Board is satisfied that his longer service and experience helps to strengthen the Board in discharging its oversight responsibilities, since most members are relatively new. The Board considered his continued independence albeit related party, performance, attendance at meetings, his contributions, experience and knowledge that he brings to the Board, and recommends him to the Shareholders for re-election.

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RESOLVED THAT Mr. Geoffrey Moamodi Bakwena who retires by rotation in terms of the Constitution, and being eligible and having offered himself for re-election, be and is hereby re-elected as a non-executive director.

*Biographical profile of Mr. Bakwena is set out in the Annual Report and on the Annexure to this Notice.

9. Ordinary Resolution Number 7

To consider and appoint by way of separate resolutions the following individuals as independent non-executive directors of BBS Bank in terms of the Constitution:

9.1. Ms. Sejo Lenong

9.2. Mr. Lehuka Ignatius Maseng

The results of the Board Skills Gap Analysis as well the board evaluation exercise completed by directors during the financial year revealed a deficiency in the balance and mix of skills, knowledge, qualifications, experience and gender diversity within the BBS Bank Board. In November 2022, the Board through an independent recruitment firm advertised positions for non-executive directors with particular focus on financial reporting, accounting and audit practice, as well as Information Technology Governance and Information Technology Risk with a view to address the said deficiencies. The recruitment followed an approved Board Nomination Process. The Board also considered the need to have the majority of directors categorized as independent, in addition to complying with regulatory requirements on related party representation within the Board. After screening and evaluating all relevant factors, the BBS Bank Board concluded that based on their experience, qualifications and skills as well as the needs of the Bank, together with their insights into various aspects of commercial banking, Ms. Sejo Lenong and Mr. Lehuka Ignatius Maseng be recommended to the Shareholders for appointment as non-executive Directors of BBS Bank. The Constitution requires that directors be elected by the Shareholders by way of ordinary resolution. The appointment of directors is also vetted and approved by Bank of Botswana.

RESOLVED THAT Ms. Sejo Lenong be and is hereby appointed as non-executive Director of BBS Bank, subject to regulatory approval.

RESOLVED THAT Mr. Lehuka Ignatius Maseng be and is hereby appointed as non-executive Director of BBS Bank, subject to regulatory approval.

*Biographical profiles of Ms. Lenong and Mr. Maseng respectively are set on the Annexure to this Notice.

10. Any Other Business

To transact any other business which may be transacted at the AGM, including answering questions put forth by Shareholders regarding the affairs and business of the Bank.

11. Adjournment of AGM by Chairperson

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NOTES TO THE NOTICE OF THE AGM

1.Registration and Attendance

(i)**Electronic Registration:** Shareholders may attend either virtually or in-person (physically) at the venue. To attend the AGM, shareholders should access the link “BBS 2022 Annual General Meeting Registration” in the BBS Bank website for registration and verification purposes. Upon successful verification during registration, an email with the AGM credentials will be sent to the Shareholder. On the day of the meeting, Shareholders should start logging in from 08h00.

(ii)**Registration and Attendance at the Venue:** Shareholders who wish to attend the AGM in-person, and who have not registered online, will be able to register at the venue from 08h00 to 08h45. In order to register at the venue, shareholders will be required to provide identification, as more fully set out at the ‘identification’ section below.

(iii)**Electronic Attendance:** once registration is confirmed, shareholders wishing to attend virtually will be required to connect to the AGM through a virtual link and follow relevant prompts. Attendees may be required to complete all relevant fields including title, first name, last name, contact details and email address for verification and before the commencement of the meeting.

BBS Bank, its Directors, employees, transfer secretaries or advisors will not be responsible for loss of network connectivity or other network failure due to insufficient data, airtime, internet bandwidth and/or power outages that could limit or prevent any shareholder or proxy from participating in and/or voting at the AGM.

2.Proxies and Voting

(i)Shareholders are urged to consult clauses on proxies and proxy forms as outlined in the BBS Constitution, a copy of which is available on the Bank’s website by accessing the link “BBS Constitution”. The Constitution will also be emailed to Shareholders. The clauses are paraphrased in the “Notes” section of this Notice.

(ii)A shareholder is entitled to attend (and vote, if applicable) at the meeting. A shareholder may appoint a proxy to attend and participate at the meeting in the place of the shareholder. A proxy need not be a shareholder of the Bank.

(iii) Proxy Forms must be received by the Company Secretary 48 HOURS before the start of the meeting either by email at bbs@bbs.co.bw, or delivered at BBS Bank Head Office 4th Floor (see location details in the “Notes” section below) or at any BBS Bank Branch across the country.

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(iv) The Chairperson may accept or reject a proxy form which is completed and/or received other than in the accordance with these instructions.

(v) This Notice of the AGM which includes the form of proxy with additional notes and instructions, will also be available on the BBS Bank website www.bbs.co.bw . It will also be emailed to shareholders from 31 March 2023. Alternatively, it may be requested for from the Secretary at bbs@bbs.co.bw.

(vi) As stated above, the Form of Proxy or other authority appointing the Proxy must be delivered to BBS Bank Limited, Plot 13108-12, Corner of Lemmenyane and Segoditshane Roads, Broadhurst, Gaborone. Such can also be posted (at the risk of the shareholder) to BBS Bank Limited at P.O. Box 40029, Gaborone, or emailed to BBS Bank Limited at bbs@bbs.co.bw and must be duly received by the Bank at least 48 hours before the date of the meeting.

3. Identification

Shareholders and proxies will be required to provide proof of identification reasonably satisfactory before attending or participating in the meeting. Shareholders will be required to log in using their share account or identity numbers (National Identity Card numbers 'Oman' for citizens and Passport numbers for non-citizens).

4. Questions

To facilitate engagement and asking of questions between shareholders attending in-person and those attending virtually, the Bank will allow questions to be raised at the meeting by shareholders attending in person first and then by shareholders attending electronically. Shareholders attending virtually can also submit their questions by way of text via the electronic meeting chat box.

The Bank would like to respond to as many shareholders` questions as possible. Therefore, shareholders are encouraged to submit their questions prior to the meeting, at least 48 hours before the date of the meeting to bbs@bbs.co.bw to ensure that all questions are addressed at the AGM.

By order of the Board.



Dimpho Phagane
Company Secretary

29 March 2023

ANNEXURE

Summary of Biographical Profile of Directors to be considered for Re-election and/or Appointment.

Geoffrey Moamodi Bakwena (51) (Geoff)

MBA, BCom (Accounting), Fellow CSSA, PGDC ERM

Chairperson Board Audit Committee

Geoff has served as a non-executive director of BBS Bank since July 2020. He has served at several senior leadership roles across many sectors including Chief Executive Officer of Stockbrokers Botswana, worked for Botswana Stock Exchange, Atilo Capital and currently Dimension Data. He has served as non-executive director for MVA Fund, Botswana Stock Exchange and currently sits on the board of Botswana Privatization Asset Holdings as non-executive director.

Sejo Lenong (45) (Sejo)

B. Accountancy, ACCA, LDP

Sejo is currently the Senior Consultant for MTN South Africa/CFO Designate for Mascom Wireless since 2022. She was the Chief Financial Officer (CFO) for Bank Gaborone, a position she held since 2013 to 2022. Within the bank, she held various roles including Finance Manager from 2011-2013, Manager Risk and Internal Audit between 2009-2013, Special Projects Manager from 2007-2009 and she was Audit Senior with Deloitte & Touché from 2002-2007 before joining Bank Gaborone.

Lehuka Ignatius Maseng (51) (Lehuka)

BSc. Compt. Sci, MDP, ICT Certifications

Lehuka worked as Head of Information Governance & Architecture for FNB Botswana from 2017-2021 when he retired. Before that, he held several other positions within the bank being Chief Information Officer from 2010-2017 and IT Manager from 2004-2010. Before joining FNBB, Lehuka worked as Team Leader for ICL Botswana from 1998-2004.