

# **SACOS GROUP LIMITED**

## **12<sup>th</sup> Annual General Meeting**

**Held at the Seychelles Trading Company Conference Room, Latanier Road, Victoria at 10.15AM, on the 31<sup>st</sup> October 2018**

### **Minutes of Meeting**

#### **PRESENT**

##### **Directors**

Mrs Lekha Nair	Chairperson
Mr Louis Rivalland	Director
Mr Patrice Bastide	Director
MR Rod Thorrington	Director
Mrs Ina Barbe	Director
Mr Bernard Adonis	Director
Ms Jennifer Morel	Chief Executive Officer
Ms Doreen Bradburn	Director
Ms Georgette Capricieuse	Deputy CEO

##### **Sacos Management**

Mrs Tacey Furneau Chief Financial Officer

##### **Service providers**

Mrs Daniella Larue	Representing Valsen Fiduciaries (Seychelles) Limited, Company Secretary
Mr Daron Walker	Representing Constant Capital, Sponsor Advisor
Mr Kieran Shah	Legal Counsel
Mr Bernard Pool	Pool & Patel, Auditors

##### **Shareholders**

79 shareholders or their proxies No. of shares: 1,212,104  
Shareholding represented: 60.6%

## **1 Introduction**

The meeting was called to order at 10.15AM by Mrs Lekha Nair, the board chairperson who reminded those present that this was the annual general meeting for the year ending 31<sup>st</sup> December 2017.

The chairperson also announced that the proceedings shall be in Creole despite the fact that all written communications were in English and invited those who could not follow to request for translation into English. She clarified that questions will be answered in the language in which they are asked.

The chairperson introduced the board members present who were:

- Mr Patrice Bastide, Mr Louis Rivalland, Mr Rod Thorrington, Mrs Ina Barbe, Mr Bernard Adonis, Ms Jennifer Morel who was appointed director in January, Ms Doreen Bradburn, appointed director in September and Ms Georgette Capricieuse, appointed a director on 23<sup>rd</sup> October by which time it was too late to be included on the list of directors to be appointed at this AGM.

- Mrs Tacey Furneau who had been appointed Chief Financial Officer as of 26<sup>th</sup> October 2018.

The chairperson reminded the meeting of the directors who resigned on the board since the last AGM:

- Mr Mark Inch, who resigned at the end of the last AGM;
- Mr Jean Claude D’Offay who resigned on the 31<sup>st</sup> August and:
- Mr Mark Sinovich, who resigned on the 14 September.

On behalf of the shareholders and Sacos staff, the chairperson thanked the retired directors for their contribution during their tenure and wished them the best for the future.

The chairperson asked the meeting to observe a minute of silence in memory of the shareholders who died during the year 2017.

### 1.1 Notice convening the meeting

The chairperson asked the meeting for the notice of the meeting to be taken as read and the meeting agreed.

### 1.2 Report on proxies received

The chairperson asked the Secretary to report on the proxies received which were as follows;

No.	Shareholder's Name	No. Shares Proxy Appointed	% shareholding
1	Opportunity Investment Co Ltd	757,477	37.87%
2	Mark inch	200,000	10.00%
3	Loz Ltd	47,500	2.38%
4	Seychelles Pension Fund	26,569	1.33%
5	Manuela Rosetta & Charles Gertrude	340	0.02%
6	Edwin Stanley Palmer	3,109	0.16%
7	Celestine Marie Philia Gedeon	3,128	0.16%
8	Louissette Joanna Cafrine	130	0.01%
9	Antoine Jourdan Cafrine	130	0.01%
10	Nandakumar Nair	280	0.01%
11	Santha Kumari Nair	360	0.02%
	<b>Total Proxy</b>	<b>1,185,269</b>	<b>51.95%</b>

The chairperson confirmed that the proxies received totaled 1,185,296 shares which represents 52% shareholding and all the resolutions received the support of 51.6% shareholding based on the proxies.

### 1.3 Changes in the conduct of the meeting

Before delivering her remarks, the chairperson highlighted a few changes that have been introduced in the conduct of this 12<sup>th</sup> AGM, in line with good governance standards applicable to companies listed on the Trop-X stock exchange. These relate to the following;

1. The proxy form now details the resolutions to be voted on at the AGM and gives members the option to vote for, against and also to withhold their vote.
2. After the meeting, the company will indicate on its website the number of proxy votes lodged and the number of shares that they represent.
3. On the newly designed proxy form, shareholders have the option of indicating the name of one person as their proxy, failing which they can appoint the chairperson of the meeting as their proxy. This is in line with good governance where a shareholder can still be represented despite not knowing anyone who could attend and vote on their behalf. In this case, they can always appoint the chairperson as their proxy.
4. There is no resolution to approve the minutes of the last AGM. Members present were informed that from now on the minutes of all general meetings will be posted on the company's website and this will be done six weeks after the general meeting.
5. The directors also resolved that in line with the Corporate Governance Code, all directors will stand for re-election at each AGM instead of the one third as was customary.
6. Changes in the annual report included the following:
  - a. A separate governance report which focuses on the board's work.
  - b. The directors' report now presents the company's strategies.
  - c. And at the back of the report we present the profile of persons and institutions with substantial shareholdings.
7. Under the "**Investor Relations**" tab on the company's website, there is information for investors which we hope will be of interest to all Sacos shareholders.

## 2 The Chairperson's Report

The Chairperson reminded the members present that her report had been circulated with the accounts as part of the annual report to all shareholders and proceeded to read a creole version of her report.

After delivering her report, the chairperson opened the floor for questions but there were no questions on the chairperson's report.

The chairperson moved that the report be received. The meeting voted in favour of the motion, there being no votes against the motion and no votes withheld.

## 3 The Directors report including the audited financial statements

The chairperson asked the meeting for the directors' report and the audited financial statements to be taken as read.

The chairperson invited questions on the directors' report and audited financial statements but there were none. The chairperson moved that the directors' report and the audited accounts for the year ending 31st December 2017 be approved. The motion was seconded by Mrs Morel.

There being no votes withheld and no votes against the motion, the chairperson declared the motion carried.

## 4 Declaration of SCR1.50 dividend

The chairperson moved that the final dividend of SCR1.50 per share recommended in the Directors' Report for the period ended 31st December 2017 be declared payable on the 15<sup>th</sup> November 2018 to all shareholders whose names appeared on the Register of Members on 31<sup>st</sup> October 2018.

The motion was seconded by Yannick Jean and the meeting voted in favour of the motion, there being no votes against the motion and no votes withheld.

The chairperson announced that dividends will be paid on the 15<sup>th</sup> November 2018 as follows:

- For those that collect cash or cheques, this dividend can be collected on the 15<sup>th</sup> November 2018 at the Sacos Office, at Maison Esplanade in Victoria, at the Sacos Office on Praslin and at the Pension Fund House on La Digue. La Digue shareholders who fail to collect their dividend on the 15<sup>th</sup> November will have to report either at the Praslin office or at the Sacos Office in Victoria for their dividends.
- Those who are paid by cheques posted to them, the cheques will be available on the 15<sup>th</sup> November 2018.
- For those who get paid by bank transfer, the dividend will be transferred into their bank account on the 15<sup>th</sup> November 2018.

## 5 To pass the ordinary resolutions for Re-election and election of directors

The meeting moved to the re-election of directors and the directors retiring and seeking re-election. The chairperson informed the meeting that the board of directors resolved that in line with Trop-X Model Corporate Governance Code, all directors will retire at each AGM and being eligible offer themselves for re-election.

She indicated that there will be 2 groups to be elected:

- There are 6 directors retiring by rotation and standing for re-election and
- 2 directors who were appointed since the last AGM and in line with section 163 (4) of the Companies Ordinance must retire and offer themselves for election.

### 5.1 Re-election of directors

The chairperson moved that in accordance with section 163 (3) of the Companies Ordinance and in line with the Model Corporate Governance Code contained in the Trop-X Listing Rules, that the following directors, who retire by rotation, be re-elected as directors of the Company:

#### 5.1.1 Patrice Bastide

The motion was seconded by Mr Jean Raguin. The meeting voted in favour of the motion and there was no dissenting vote. The chairperson declared the motion carried

#### 5.1.2 Louis Rivalland

The motion was seconded by Mr Yannick Jean. The meeting voted in favour of the motion and there was no dissenting vote. The chairperson declared the motion carried

#### 5.1.3 Rod Thorrington

The motion was seconded by Dr Erna Athanasius. The meeting voted in favour of the motion and there was no dissenting vote. The chairperson declared the motion carried

#### 5.1.4 Ina Barbe

The motion was seconded by Ms Camilla Faure. The meeting voted in favour of the motion and there was no dissenting vote. The chairperson declared the motion carried

#### 5.1.5 Bernard Adonis

The motion was seconded by Mrs Maggie Ahweng. The meeting voted in favour of the motion and there was no dissenting vote. The chairperson declared the motion carried

#### 5.1.6 Lekha Nair

The motion was seconded by Mr Terence Dingwall. The meeting voted in favour of the motion and there was no dissenting vote. The chairperson declared the motion carried.

### 5.2 Election of Jennifer Morel as director

The chairperson moved that in accordance with section 163 (4) of the Companies Ordinance that Jennifer Morel, who retires and being eligible offers herself for election, be elected as director of the Company. The motion was seconded by Dr Erna Athanasius. The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

### 5.3 Election of Doreen Bradburn as director

The chairperson moved that in accordance with section 163 (4) of the Companies Ordinance that Doreen Bradburn, who retires and being eligible offers herself for election, be elected as director of the Company. The motion was seconded by Ms Cath Bonne. The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

## 6 Directors' Remuneration

The chairperson proposed that remuneration of non-executive directors totaling SCR 1,366,384 including income tax be approved for the financial year 2018. The motion was seconded by Theresette Marie. The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

## 7 Chief Executive Officer's Remuneration

The chairperson proposed that remuneration of the chief executive officer totaling SCR 1,508,812 per annum including income tax be approved. The motion was seconded by Mr Terence Dingwall. The meeting voted in favour of the motion and there was no dissenting vote and no vote withheld. The motion was therefore carried.

## 8 Appointment of Auditors

The Chairperson moved that Pool & Patel be appointed auditors of the Company for the financial year 2018 and that the directors be authorised to fix their remuneration. The motion was seconded by Mr Bernard Elizabeth. The meeting voted in favour of the motion and there was no dissenting vote. The motion was therefore carried.

## 9 Any other business

The chairperson invited the members present to ask any questions on issues affecting the company.

1. **Mr Pat Titus Lam** wanted to know if the staff of Fresh Cuts have insurance cover given that the company insures with Sacos. He was advised by the chairperson to visit the Sacos office and have his queries addressed by the staff.
2. **Mr Steven Rousseau** wanted to know how much the company is paying for rent at Maison Esplanade and whether this is not an additional financial burden given that the company was not paying rent at Sacos Tower. Mr Rod Thorrington, the chairperson of the Investment & Finance Committee explained that the rental at Maison Esplanade varies: for example the ground floor space is more expensive than the first and second floor spaces and that the company negotiated an average rate which is 20% cheaper than the ex-Nouvobanq space which was the other option considered at the time. He further explained that the company has managed to rent out Sacos Tower for more than the rent paid at Maison Esplanade, although Sacos Tower is a bigger building, and therefore there is a net gain. There is also a gain in the customer service culture since the customer service area in the new building is open plan, customer friendly, easy to navigate when compared to Sacos Tower, which was not conducive for customers as they had to move up and down in an elevator and there were parking problems. He stressed that the company considered both cultural and financial benefits in making this decision.
3. **Mr Dolor Ernesta** stated that he expected that the chairperson's report would address some of the issues raised at the last meeting, but he felt it did not. He made the following points:
  - a. He expressed concern that the life funds had become insolvent, which he felt was serious. He stressed that the life funds belong to the life policy holders and remarked that some unsound investments have been made in the past and it seemed that the present directors do not want to provide the details and he felt that the truth needs to be told.
  - b. He wanted to know what is happening to the property that has remained undeveloped for 5-7 years, for which the company purchased the Yangste's Lease from the Catholic Church. The company paid a few millions of rupees and it has been making annual lease payments as well. He felt that it was important that this information is shared and if the previous directors have

made mistakes, then the shareholders need to know what is being done to mitigate these. He stated that it is clear that money has been lost. He further wanted to know whether the company is recovering the money invested in the properties being sold off. He felt that it is important that shareholders know and understand these issues.

- c. He wanted to know the plans for Docklands and whether the company is making money on that property.
  - d. He said that the impression is that H Savy is doing better than Sacos in the area of general insurance. He affirmed that in the past, insurance was equated with Sacos and he feels that the company has lost this position which it needs to regain but that this will not be possible if the company's financial situation is not reversed.
  - e. He also said that if the directors say that in the past dividends were paid out of reserves, it means that past directors were not telling the truth. He welcomed the refreshing of the board and he congratulated Mrs Tacey Furneau on her appointment as CFO and Doreen Bradburn on her appointment as director.
  - f. He wanted to know the company's plans to address staff issues, i.e. will they be replaced, will staff be required to go out more, which he feels is most important because the company has lost its leadership position in the insurance industry. He requested the chair and some of the directors to comment.
4. The chairperson explained that the present board has been dealing with legacy issues ranging from the way the company was doing business to the products which had not changed since 1999. Presently, with four insurance companies, competition is fierce and unless the company makes a concerted effort to change its approach to doing business, especially in general insurance, it will continue losing its market share. Our service was not customer focused, we were waiting for customers to come to us and now we need to go to them or otherwise our competitors will. This is one of the reasons we have moved from Sacos Tower to the Maison Esplanade which is more customer friendly. She invited shareholders to visit the new office and experience the difference for themselves. She indicated that there is already a marked difference in staff morale.
  5. She stated that there were some investment decisions made before that are hurting the company even now and invited the chairperson of the Investment and Finance Committee to respond on the issue of the Ste Claire lease and Docklands.
  6. She indicated that the company is proud to have a 100% Seychellois staff complement. She said that it took two years to correct the past issues in the finance section. The company is now IFRS compliant and has introduced good governance practices which are helping to turn the company around but it is taking some time to complete the turnaround.
  7. Mr Rod Thorrington, the chairperson of the Investment and Finance board committee further explained that after three years, the board is still trying to address the legacy issues. On the investment side, Sacos owned a lot of non-income producing assets, mostly vacant land, some of which the company had put money into but were not generating any income such as the Anse Royale property. Sacos Life need to invest in assets that produce recurring income in order to pay maturing policies and therefore investment decisions need to focus on assets that produce regular income. On

the books there are 7-8 large vacant tracts of land, some of which the company has sold and is in the process of selling others. Where investments are concerned, the focus is shifting to assets that produce a higher yield which means that in property, there is a shift from residential to commercial and industrial properties.

8. On the issue of residential properties, the company has sold part of Pointe Larue and is in the process of selling the second part. Quincy Apartments have been sold although the company is not selling Ocean View. There are two reasons for selling residential properties and one of them is the move to higher yielding assets and secondly because of the sensitivity involved in managing residents if one has to increase rent, dealing with families etc and it is easier to deal with commercial clients. Legacy issues here include past policies of providing free appliances, renting to friends, which are all practices the company wishes to move away from and adopt best practice for managing investments. These are the principles behind the strategy but in practice, the company goes to market and use multiple estate agents and consider all offers and the board makes decisions which are in the interest of the Sacos Group of companies. The company has documentation supporting all decisions in terms of what have been sold and how much was received.
9. Ste Claire which was being leased from the Catholic Church, was an expensive lease on undesirable terms for a property that could not be developed because the Happy Youth Club is located on the property. There was no exit clause in the lease agreement and the company has been trying to exit the lease for the past three years. The new CEO has now negotiated an exit in December 2018 and therefore in the 2018 accounts it will be written off and it will be a net loss to the company.
10. Docklands was bought for SCR45M and the valuation was done based on three methods: replacement costs, present value of income flows and comparison to existing properties and the company felt it was a good investment. The company realized that there was a need for maintenance and renovation, as it is being shown on the screen. The company intends to renovate the building as from January 2019 by which time all the tenants would have left the building and the renovation is expected to take 10-12 months. The returns are double digit, which is very good at 95% occupancy level.
11. Mrs Ina Barbe as chairperson of the Human Resources and Remuneration (HRR) Committee explained that the new board has undertaken a review of the staffing making sure that staff are doing jobs based on their competencies. Presently, staff performance is being audited in order to introduce appropriate training for those concerned. As explained before, staff working on the properties which have been sold, their jobs no longer exist and the company is in the process of discussing with the concerned authorities to exit them properly.
12. **Ms Rosie Morel** wanted to know whether the company has any new products for the next 2 to 5 years as she has heard talk of health insurance only. The chairperson explained that the company has been consulting its customers and does have a strategy to bring in new business. However, it was not appropriate to provide the details because of competition but assured the Shareholders that they will see the results in 2019.
13. **George Constance** wanted to know whether the company has a safety net for long serving, competent staff in terms of better salaries and promotion to senior positions. He also wanted to know how the company is looking into the working conditions of low level staff such as cleaners. He referred to the issues raised earlier by Mr Ernesta and wanted to know whether or not the company

has been charging too low rentals. He also wanted to know how much the company was paying for the Ste Claire lease annually. He proposed that a committee (council) is set up to look after the interests of shareholders especially to look into issues of conflicts of interests which may arise among board members because he felt that board members may be influenced by outside parties that the board may not be aware of. Whilst he appreciates the board's work, he felt that a council of shareholders will ensure there is no repetition of what happened in the past and would be an additional measure/structure to ensure good governance.

14. The chairperson said that the board welcomed the formation of a grouping (association) of shareholders so that they can come and share their observations and ideas. She reiterated that even without an association, shareholders should feel free to engage with board members and the Chief Executive officer on any issues they feel are important to them and to the company.
15. She remarked that staff issues are always sensitive and indicated that Sacos' policy is to support the staff to develop so as to provide the quality service the company requires. She said that competition is fierce and the company cannot afford to carry non-performing staff. She indicated that now staff have key performance indicators (KPIs) and annual performance assessment is being done. There are also clear job descriptions for everyone and they are expected to perform. She remarked that shareholders expect higher dividend and this means improved financial performance and increased performance of the staff. The company would like all the staff to be on board and would like to keep all staff but they must perform. She informed the meeting that the company has outsourced several services such as cleaning, which is a modern practice, and is looking at ways and means to reduce costs.
16. She continued saying the rental of Sacos flats was way below market rate, one of the reasons why it was always fully occupied. There is still a long waiting list, even now after having increased the rent three times over two years, which means that the rent is yet to be at market rate. She said that in the past, the company was not focusing on the returns on each of its investment and it was not focusing on its core business.
17. **Mrs Maggie Ahweng** wanted to know the benefits of re-branding for the company as it has been one year since the company rebranded and quite a lot of money has been spent on this. She said the company is rebranding but it has no new products, the insurance premium is non-competitive and she was doubtful of the efficiency of the rebranding. She said that as a broker, she would like to bring more business to Sacos but the prices are non-competitive. The chairperson explained that there are two phases to the rebranding: phase one focused on new uniforms, moving into new office space at Maison Esplanade all aimed at transforming Sacos into a modern, efficient company that delivers. The second phase will address the products, price and service. We would like the company's prices to be the most competitive and we welcome suggestions from brokers.
18. **Mrs Maggie Ahweng** wanted to know whether the life decreasing term assurance, a new life product with a very high premium was not helping the life business to be more profitable given that the life business was not profitable last year. The chairperson answered by saying that the company is undertaking a technical audit with Swan's assistance, to review the life products and prices.
19. **Mr Dolor Ernesta** reiterated that some things need to be said if we want to go forward. He said that he expected Swan would be able to assist Sacos but unfortunately this has not happened and expressed dissatisfaction with what is happening. He said that at one point Swan was doing a

consultancy but they stopped after there were complaints. If they are assisting Sacos now, then they need to be serious about it. He noted that Swan is the reinsurer as well as being a shareholder and wanted to know what had happened to Africa RE and Swiss RE. The chairperson clarified that Swan is a reinsurer for the life business only and the company still uses Swiss RE and Africa RE. She explained that Swan has always been there but they can only assist if the company uses their services.

20. **Mr Dolor Ernesta** wanted the board to make an undertaking that they would use Swan more. He advised that staff should be sent on training with Swan for up to 3 months given that Swan has now expanded and have offices on the African mainland. He felt that this will push the staff to be more professional. He remarked that many of the staff still have the mindset of government workers and do not realise that they operate a business; they expect clients to come to them and also refuse to provide an adequate service and push clients away. For example, there is a need for more flexibility when providing quotations because clients do not want to wait long. Competitors are winning business by providing low quotations but then hits clients with high excess but he feels that the way the quotation is packaged is important. He advised that the way forward should be new place, new look, new service, new smile and more competitive premium rates. When we talk insurance, we must be talking about Sacos!
21. The chairperson thanked Mr Ernesta for echoing the board's credo on the way forward. She reiterated the need to make use of the opportunities available and indicated that there are staff who have gone for training at Swan in the past but not a lot. She indicated that the company will use Swan's services to provide more training on fraud and life insurance as indicated in the chairperson's report. Jennifer Morel, CEO Sacos, averred that the company has weaknesses in the technical capacity of some staff and it is going to obtain technical assistance in many areas, with a view to upskill the staff. On the life business, the team has gone out to do road shows to promote life products and the review of these products is planned for the coming year.
22. **Mrs Germaine Gill** wanted the company to engage shareholders on specific subjects. She wanted to know what is happening to the Pirates Arms building claiming it is an asset that is not generating money. She thanked the company for the nice complimentary mug and hope shareholders would be smiling when they come for the next AGM. The chairperson clarified that Pirates Arms belongs to Seychelles Pension Fund.
23. **Ms Christine Desir** said that as a broker coming to the Sacos offices often, she notices that Sacos has IT problems and it has been years and many companies have been contracted to work on the IT system but it does not seem that it has been fully commissioned. She stated that it is difficult to run an insurance business without an efficient IT system. She indicates that with increased competition, clients do not want to wait 1 hour to get a quotation. She cited as an example that it takes 15-20 minutes to load a motor policy at H Savy but at Sacos there seems to be a problem. She wanted to know when the IT problems will be resolved and how many companies have worked on the IT system to date with no results.
24. Ms Jennifer Morel, CEO, informed the meeting that the company purchased the software Agilis a couple of years ago and the company has gone live on the motor side but not on the non-motor side where issues are still being ironed out. The company plans to go live on everything in January 2019. So far, the company does not know of other companies that have failed using Agilis but as IT systems

are technical and sensitive, the company has to have the competence to manage it. In the next couple of months, all outstanding issues will be ironed out with the service provider.

25. Mr Rod Thorrington further explained that the present board inherited a semi-customized IT system which the previous board had paid a local IT company starting 2007. They spent eight years developing a software that never came out. The company has since purchased a new software and has spent the last two and a half years testing and we aim to go live across all products beginning of January 2019. It is also an example of some of the issues the board has had to deal with since taking over.
26. **Ms Rosy Morel** wanted to continue from where Mr Constance had left regarding setting up a shareholder council. She felt the AGM was a good forum to get the shareholders' agreement. She notes that whilst the AGM minutes records the shareholders' recommendations, they are not actioned and followed up. The chairperson reiterated that shareholders are free to engage with board members and the CEO even without a formal set up. On the issue of following up the recommendations from meetings, she indicated that there were so many issues to attend to that the board focused on the priority ones before moving to others. So the company had to fix the approach to work before moving on new products. She noted the issues raised at this AGM and will ensure that they are addressed by the next AGM.
27. Mr Rod Thorrington clarified that in 2012, Sacos paid SCR11.1M for the Ste Claire lease and an annual lease payment of SCR962, 000 which means that the company has invested SCR16M into a property that it cannot develop. This is one of the issues the board has been tackling.
28. **Ms Juliana Barbe** wanted to know what is happening to the condominium project that was announced at the AGM two years ago, following the company's purchase of a property around SIM. The chairperson indicated that this relates to a property at Majoie, which is still on the company's books but that has not been developed. She informed the meeting that Sacos has 13 properties of which two have been sold (Anse Royale and La Digue), Quincy has been sold and we are in the process of selling the second part of Pointe Larue. There are only two commercial properties among them and the rest are residential and as it was said earlier, commercial properties have higher returns.
29. Mr Rod Thorrington further clarified that there is a misconception that Sacos is a property company. Sacos has to invest its life policy funds and any surplus funds from the general insurance side into investments that will generate returns for Sacos. In the last few years, along with its actuaries, the company has developed investment guidelines for Sacos Life and Sacos General. Property is only one asset class and presently Sacos is over-invested in properties and it needs other asset classes such as equities, fixed deposits, treasury bills and in foreign currency on overseas markets. This is to ensure that it is not over-exposed in one asset class, because if there is a property bubble or crash, the policy holders will be protected because the investments will be spread across a wide and diverse portfolio of assets. There is speculation that Sacos is selling assets because it needs money- which is not true. The company is using the money from the sale of assets to reinvest in different asset classes to protect the life policy holders and shareholders from any financial crisis.
30. **Mrs Maggie Ahweng** wanted to know if the company did not seek legal advice before signing the Ste Claire lease given that it spent SCR16M on a lease with no exit clause. Mr Rod Thorrington replied that he could not comment on what the rationale was in 2012 and the board did not want to play a blame game. He also pointed out that this is not the only lease that the company could not exit and

indicated that there were other investment decisions that were not in the interest of life policy holders and shareholders. The present board is trying to undo many of these decisions in the interest of the company and the life fund and its philosophy is to let bygones be bygones and move forward with a professional view and sound investment guidelines developed by the board.

31. **Mrs Maggie Ahweng** stated that it is a sad state of affairs that the shareholders have not benefitted because they are part and parcel of Sacos and she expressed concern about such situations and felt let down. She wanted to know who will be renting Sacos Tower and for how much. Mr Rod Thorrington explained that Sacos Tower is being rented by a government department. It will be used for office and services but not retail oriented. In so far as best returns is concerned, the company owns Sacos Tower and before it was renting it to itself so it could not treat it as a purely commercial transaction. The company has now retained the asset and will rent to a third party and then it negotiated strongly on the rent for its offices and the new location suits what it does. The rental income exceeds the rental cost so it is a net benefit to the company.
32. **Mr George Constance** wanted the AGM to move to set up the shareholder committee. The chairperson explained that the AGM's business has to be concluded and following that shareholders are welcome to stay behind and elect their representatives.

The chairperson encouraged the members present not to hesitate to offer suggestions on how the company can improve on its operations.

## 10 Closing of the meeting

There being no other questions, on behalf of the board the chairperson thanked the shareholders for their participation and questions. She indicated that the board and management will work hard to ensure the company reclaims its number one position in insurance. Shareholders were invited for refreshments and snacks.

The meeting was declared closed at 11.57AM.

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**Chairperson**

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**Date**