



The African Seed Company

# SEED CO LIMITED ("THE COMPANY") NOTICE OF AN ELECTION FOR CASH OR SCRIP DIVIDEND AND ELECTION FORM

## 1. Dividend payment

On Friday, 13 June 2019, at the Company's Analyst Briefing of results for the year ended 31 March 2019, it was announced that the Board of Directors of the Company ("the Board") had approved a final dividend of US\$0.40 cents per share payable in RTGS to Shareholders.

Shareholders have an option to elect whether to take their total dividend of US\$0.40 cents per share payable in RTGS at RTGS 2.37 per share cash after applying the average Zimbabwe Interbank Rate of 1USD: RTGS\$5.9136 on 13 June 2019, being the first dividend announcement date, ("Cash Dividend") or in the form of additional shares in the Company ("Scrip Dividend").

In terms of the dividend election options, this Circular sets out the following choices available to shareholders:

- the amount of cash you will receive if you elect to take up your dividend entitlement wholly in cash; or
- the number of shares you will be issued should you elect to reinvest your dividend entitlement in the Company.

## 2. Election procedures

The following procedures are required to take up one of these options:

- to receive your dividend entitlement in cash you should tick "Option 1" on the Election Form.
- to receive shares in lieu of your dividend entitlement, you should tick "Option 2" on the Election Form.

## 3. Return of Election Forms

The Election Forms must reach the Company's Transfer Secretaries, or registered office of the Company, by no later than 4pm on 2 August 2019.

**NB: A Cash Dividend will be paid to Shareholders unless they elect to receive the Scrip Dividend.**

## 4. Basis of Scrip Dividend allotment

Should a Shareholder elect to receive the Scrip Dividend, such Shareholder's entitlement to new Seed Co Limited shares will be calculated by multiplying the number of shares held by that Shareholder at the Record Date (12 July 2019) by RTGS2.37 cents per share, being the 13 June 2019 RTGS equivalent of the US\$0.40 cents dividend per share, and dividing it by the Scrip Dividend reference price of RTGS175 cents per share, being the closing price of Seed Co Limited shares traded on the ZSE on 12 June 2019 i.e. the day before the 2019 results briefing (less the Cash Dividend elected portion).

A fraction of a share will be rounded down to the nearest whole share. Shareholders whose scrip entitlement amount to less than one (1) share will be paid out in cash.

For ease of calculation, the Scrip Dividend is being offered using the Entitlement Ratio of 1.35 new shares for every 100 already held as of 12 July 2019.

Based on the Scrip Dividend reference price of RTGS175 cents per share, 3,275,271 ordinary shares will be issued should all Shareholders elect to take up the Scrip Dividend.

## 5. Taxation

Where withholding tax has to be accounted for, the dividend entitlement calculation will be by reference to the net amount of the Scrip Dividend per share, accounting for the applicable Zimbabwean shareholders' withholding tax rate.

## 6. Foreign Shareholders

Application for Exchange Control approval will be made to make the Scrip Dividend election available to Non-resident Shareholders. The cash component of the dividend will be paid in line with foreign exchange regulations prevailing in Zimbabwe.

## 7. Nominee organisations

Nominee organisations holding shares on behalf of a number of different Shareholders may split the election based on the intention of various Shareholders. The split should be made in liaison with the Company's Transfer Secretaries.

## 8. Recent trading of shares

If on or before 12 July 2019 you have traded in the Company's shares, kindly contact your Stockbroker or Agent without delay. Your Stockbroker or Agent will then advise you on how to deal with your Election Form.

## 9. Delivery and listing of new shares

Application will be made to the Zimbabwe Stock Exchange for the listing of the new shares. The new shares, when issued, will rank pari passu in all respects with the existing shares and will qualify for all dividends thereafter. Subject to the Zimbabwe Stock Exchange agreeing to admit the new shares to the official list, definitive share certificates and electronic crediting of the new shares will take place and/or will be mailed at the risk of the person entitled thereto, on or about Wednesday, 7 August 2019. Dealing in the new shares is expected to begin on Monday, 19 August 2019.

## 10. Salient dates and times

Event	Date
Dividend Announcement & Election modalities press release	Thursday, June 27, 2019
Last Day to trade cum-dividend	Tuesday, July 09, 2019
Shares trade ex-dividend from	Wednesday, July 10, 2019
Dividend Record Date	Friday, July 12, 2019
Election Forms mailed to shareholders	Tuesday, July 16, 2019
Latest Time and Date of Receipt of Election Forms-1600hrs	Friday, August 02, 2019
Cash Dividend Payment Date	Wednesday, August 07, 2019
Scrip Dividend share certificate issuance & mailing	Wednesday, August 07, 2019
Announcement of the number of new shares issued as Scrip Dividend	Friday, August 09, 2019
Listing of new shares on the ZSE	Monday, August 19, 2019

## CASH DIVIDEND AND SCRIP DIVIDEND ELECTION FORM

Name and address of Shareholder	Shareholder number
<b>Number of fully paid ordinary shares registered in your name at the close of business on 12 July 2019</b>	
<b>Gross dividend per share at RTGS2.37 cents</b>	RTGS
<b>Less 10% withholding tax if applicable</b>	RTGS
<b>Net dividend payable</b>	RTGS
<b>NB: The basis of the Scrip Dividend Offer is being made on the Scrip Dividend reference price of RTGS175 cents per share and a Scrip Dividend Entitlement Ratio of 1.35 new shares for every 100 shares held as of 11 July 2019</b>	
<b>To: The Directors Seed Co Limited</b>	
I/We the undersigned, being the Registered Shareholder(s) of ordinary shares in Seed Co Limited at the close of business on 12 July 2019, give notice that in respect of the dividend shown above for the year ended 31 March 2019, hereby irrevocably elect as follows:	
<b>PLEASE TICK THE OPTION(S) AND INDICATE THE AMOUNT OF CASH AND/OR SHARES YOU WISH TO RECEIVE</b>	
Option 1: <input type="checkbox"/> Dividend to be paid	
Option 2: <input type="checkbox"/> An allotment of new shares credited as fully paid	
Signature 1.....	Signature 2. .....
Date.....	Date.....
<b>Joint Shareholders must all sign-off the Election Form and in the case of a corporation, this Election Form must be signed-off by a duly authorised official and delivered, by 4pm on Friday 2 August 2019, to:</b>	
<b>Transfer Secretaries</b> Corpserve (Pvt) Ltd 2nd Floor, ZB Centre, Kwame Nkrumah Avenue, PO Box 2208, Harare, Zimbabwe t: +263 4758193 c: +263 773 249 337 email: <a href="mailto:corpserve@escrowgroup.org">corpserve@escrowgroup.org</a> or <a href="mailto:operationszim@escrowgroup.org">operationszim@escrowgroup.org</a>	

## Registered Office

No. 1 Shamwari Road, Stapleford, P. O. Box WGT 64, Westgate, Harare, Zimbabwe