

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in Seed Co International Limited ("SCIL" or "the Company"), but is a document issued, in compliance with the Botswana Stock Exchange Listings Requirements, to inform SCIL Shareholders of the Proposed Scrip Dividend whose terms and conditions are more fully set out in this Circular.

Action required:-

- If you wish to receive the cash distribution, do not make the election to receive distribution in respect of your shareholding in the form of shares instead of cash ("the Scrip Distribution") and do not complete the Form of Election, and you will automatically receive the full cash distribution.
- If you wish to receive the Scrip Distribution in respect of your shareholding, you must complete the Form of Election and cause it to be received by the Transfer Agents, by no later than 17H00 on Friday 20 August 2021.
- If you are in doubt as to what action to take, please consult your stockbroker, banker, attorney, accountant, or other professional advisor immediately.
- If you no longer hold any shares in SCIL, you should send this Circular, as soon as possible, to the stockbroker, bank, or other agent through whom the sale of your shareholding in SCIL was executed for onward delivery to the purchaser or transferee of your shares.

SCIL DOES NOT ACCEPT RESPONSIBILITY, AND WILL NOT BE HELD LIABLE, FOR ANY ACTION OF, OR OMISSION BY, ANY STOCKBROKER, BANK OR OTHER AGENT INCLUDING, WITHOUT LIMITATION, ANY FAILURE ON THE PART OF THE STOCKBROKER, BANK OR ANY OTHER AGENT OF ANY SHAREHOLDER TO NOTIFY SUCH SHAREHOLDER OF THE OPTIONS AVAILABLE IN TERMS OF THE SCRIP DIVIDEND.



The African Seed Company

SEED CO INTERNATIONAL LIMITED

(A public company incorporated in Botswana under company unique identification number BW0000 2529282)





CIRCULAR TO SHAREHOLDERS

REGARDING: -

- The offer of shares to shareholders registered as such in the records of the Company's consolidated Primary and Secondary Share Register at the close of business on 11 August 2021 ("the Record Date") at a price of 24.96 US Cents per scrip dividend share ("Scrip Distribution Option") in lieu of the cash distribution of 0.97 US Cents per every issued share in respect of the Company's trading for the year ended 31 March 2021; and*
- Correction of the "cum-dividend date" from 11 August 2021 erroneously stated in the First Notice to 1 July 2021.*

ENCLOSING a Form of Election

SHAREHOLDERS REGISTERED AS SUCH ON THE RECORDS OF THE COMPANY AT THE CLOSE OF BUSINESS ON **11 AUGUST 2021** ("the **Record Date**") WILL RECEIVE THE CASH DISTRIBUTION UNLESS THEY ELECT THE SCRIP DISTRIBUTION OPTION

Sponsoring Brokers in Botswana  <small>(A member of the Botswana Stock Exchange)</small>	Transfer Secretaries in Botswana  <small>CENTRAL SECURITIES DEPOSITORY BOTSWANA</small>
Sponsoring Brokers in Zimbabwe  Akribos Securities <small>Partnerships with a difference (Member of the VFEX)</small>	Transfer Secretaries in Zimbabwe  <small>Corpserve Zimbabwe</small>

DATE OF ISSUE: 22 JULY 2021

This Circular is available in English only and it also be available for viewing and downloading on SCIL's website www.seedcogroup.com

1) NOTICE

The Botswana Stock Exchange (“BSE”) has not verified the accuracy and truth of the contents of this Circular, as submitted to it and the BSE accepts no liability of whatever nature for any loss, liability, damage, or expenses resulting directly or indirectly from a decision taken based on the contents of this Circular.

2) INTRODUCTION

2.1 The Board of Directors of the Company (the “Board”) would like to offer shareholders the chance to receive the dividend for the period ending 31 March 2021 in new shares instead of in cash. In accordance with the Companies Act Cap 42:01 and the Constitution of the Company, the Board may offer to shareholders the opportunity to elect to receive scrip distributions in the form of shares (credited as fully paid) instead of in cash.

2.2 On the 30th of June 2021 by order of the Board the Company announced a dividend distribution of 0.97 US Cents per every issued share out of the Company’s distributable reserves payable in cash or scrip (the Distribution).

2.3 The scrip option has been provided by the Board in terms of Article 5.4 of the Company’s Constitution which empowers the Board of Directors accordingly.

2.4 Pursuant to the optional consideration nature of the dividend, the mechanics of the Distribution are as set out below:

2.4.1 Shareholders can either opt to receive the dividend as cash or scrip and there is no option for partial selection of cash and scrip.

2.4.2 In the event all shareholders opt to receive the dividend in scrip, the table below illustrates the changes to the Company’s issued share capital:

Issued ordinary shares before the scrip dividend	381,452,827
Current stated capital before the scrip dividend	US\$36,462,929-00
Consideration for which the scrip dividend is to be issued	24.96 US cents per scrip dividend share
Maximum number of dividend scrip/shares to be issued	14,827,778
The proportion in which scrip dividend is to be issued	0,03887 scrip per every share held
Value of reserves to be capitalized for the scrip dividend issue	US\$3,701,013-00
Issued ordinary shares after the scrip dividend	396,280,605

2.5 Subject to the tax regime under Botswana International Financial Services Centre as well as any Double Taxation Avoidance Agreement between Botswana and the country of tax residence of a Shareholder not resident in Botswana for tax, the Company will not deduct withholding tax on the dividend on shares comprising shares or cash.

2.6 The issue of the shares distributed in terms of Scrip Dividend will take place on or before Thursday 26 August 2021.

3) BASIS OF THE AWARD OF SCRIP DISTRIBUTION SHARES

Shareholders registered in the books of the Company on the Record Date will be entitled, upon election, to receive as many fully paid shares in the Company at an issue price of 24.96 US Cents per scrip dividend share as is approximate in value in value of the Distribution due to such holder in respect of the Distribution (“Scrip Distribution Shares”).

4) NOT RENOUNCEABLE

The offer of Scrip Distribution Shares in lieu of a cash distribution is not renounceable. If a Shareholder does not accept the offer of Scrip Distribution Shares instead of cash, the holder is deemed to require and will be paid the distribution in cash.

5) ISSUE OF SHARES AND AMOUNT TO BE CAPITALIZED

5.1 The stated capital of the Company is US\$36,462,929.

5.2 There are currently 381,452,827 shares in issue.

5.3 In the event all shareholders take up the offer of the scrip distribution then a further 14,827,778 shares will be offered at 24.96 US Cents per scrip dividend share, in an aggregate amount of US\$3,701,013-00 being the Distribution which will be capitalized, and as a result the stated capital of the Company will be increased by US\$3,701,013-00 and as a result the number of issued Shares will increase from 381,452,827 to 396,280,605.

5.4 The 14,827,778 shares the subject of the offer of the scrip distribution represent 3.89% of the current number of shares in issue. The 14,827,778 the subject of the offer of the scrip distribution will represent 3.74% of the total shares in issue if all the 14,827,778 Scrip Dividend Shares are taken up by shareholders.

5.5 The Scrip Distribution Shares, when issued, will rank *pari passu* in all respects with the existing shares of the Company.

6) REASON FOR THE SCRIP DISTRIBUTION ISSUE

By opting for the issue of shares in lieu of a cash distribution, shareholders will, at no transaction cost, inject further capital into the Company without incurring the usual substantial transaction costs associated with external capital raises. The additional shareholders’ funds retained in the business will help to optimize the Company’s capital structure while at the same time affording the Company the enhanced capacity to support existing and new business growth.

7) COMMITTED ELECTIONS

At the time of issuing this Circular, the Company had not received any indication from any shareholder regarding their preference in terms of the offered distribution election after the 1st Scrip Dividend Announcement made on 30 June 2021.

8) CASH DISTRIBUTION OPTION

8.1 Shareholders who wish to receive the cash distribution do not need take any further action.

8.2 If a shareholder takes no action and does not elect to receive shares, that shareholder will receive the full cash distribution.

8.3 The exchange rate for Pula denominated cash settlements will be announced immediately after the Dividend Record Date.

9) SCRIP DISTRIBUTION SHARES ENTITLEMENT AND FRACTIONAL SHARES

9.1 The number of scrip distribution shares to which a shareholder will be entitled will be calculated on the following basis:

- ✓ 0.039159 scrip dividend share per every share held as of the Record Date.

9.2 Where the entitlements to Scrip Distribution Shares results in a fraction of a share, the shares awarded will be rounded up to the nearest whole number, for example:

- ✓ if a shareholder has 1,000 shares it's $1,000 \times 0.039159 = 39.195 = 40$ scrip dividend shares rounded up.

10) OPENING OF THE OFFER AND THE LAST DAY TO MAKE THE ELECTION

The offer of the scrip option opens at the commencement of business on 12 July 2021 and closes at close of business on Friday 20 August 2021. A holder of shares is required to notify the Transfer Agents if he/she/it wishes to receive their distribution in the form of new shares, within the period in which the offer is open. In the event of failure to elect the Scrip Distribution option, within the open period, such shareholder shall be deemed by the Company to have declined the offer of the Scrip Distribution Option and, accordingly, the shareholder will automatically receive the cash distribution.

11) ELECTION FOR SCRIP DISTRIBUTION WHETHER SENT BY POST OR OTHERWISE RECEIVED AFTER THE CLOSE OF BUSINESS ON FRIDAY 20 AUGUST 2021 WILL NOT BE ACCEPTED

12) LISTING OF THE SCRIP DISTRIBUTION SHARES

When the new shares are issued, the Company will instruct the Transfer Agents or broker to credit the shareholders securities account in the CSDB or the VFEXD or the share register maintained by Corpserve Registrars in Zimbabwe. Application has been made to the BSE and the VFEX to grant a listing of the Scrip Distribution shares arising from the Scrip Distribution issue with effect from the commencement of business on Monday 30 August 2021.

13) APPROVAL FOR THE LISTING OF ADDITIONAL SHARES

The BSE and the VFEX have respectively approved in principle the issue of the scrip distribution shares and the listing thereof on the respective stock exchanges i.e. primary listing on the BSE and secondary listing on the VFEX.

14) RESULTS OF THE SCRIP DISTRIBUTION OPTION

The results of the Scrip Distribution Option will be published on the BSE Exchange News Service (“Xnews”) on or about Friday 27 August 2021.

15) SALIENT DATES

Event	Date
Dividend announcement date	Wednesday, 30 June 2021
Cum-dividend date*	Thursday, 1 July 2021
Last day to trade cum-dividend	Thursday, 12 August 2021
Ex-dividend date	Friday, 13 August 2021
Last day to register / Dividend record date	Tuesday, 17 August 2021
Deadline to return Election Forms – by 1700hrs	Friday, 20 August 2021
Dividend settlement date	Thursday, 26 August 2021
Scrip Dividend results announcement date	Friday, 27 August 2021
Scrip dividend shares listing date	Monday, 30 August 2021

Kindly note that the Cum-Dividend Date in the First Scrip Dividend Notice published on 30 June 2021 was incorrect. The correct Dividend Date is **1 July 2021.*

NB: - These dates are subject to change. Any change will be notified on X News and in the Press

16) SOLVENCY AND LIQUIDITY POSITION

In arriving at the dividend declaration conclusion, the Board, in terms of Section 58 (3) of the Companies Act of Botswana, assessed and adjudged the Company to be solvent and liquid with sound distributable reserves. This sound financial position and the going concern status of the Company will not be adversely affected by the distribution explained in this Circular. Accordingly, the Company will satisfy the solvency and liquidity test as defined in Section 4 of the Companies Act. Since the test was performed, there has been no significant change to Seed Co International Limited’s financial position.

By order of the Board,

Company Secretary

SCRIP DISTRIBUTION: FORM OF ELECTION



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SEED CO INTERNATIONAL LIMITED

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FORM OF ELECTION

To be sent to the Transfer Agents to reach them by 1700hrs on Friday 20 August 2021 at the following respective addresses:

Transfer Secretaries in Botswana	Transfer Secretaries in Zimbabwe
The CSDB Fourth Floor, Fairscape Precinct Plot 70667, Fairgrounds Office Park Private Bag 00417 Gaborone, Botswana T: +267 367 4400 E: info@bse.co.bw / nphalatse@bse.co.bw	Corpserve Registrars 2 nd Floor, ZB Centre Corner First Street and Kwame Nkrumah Avenue Harare, Zimbabwe T: +263 242 758 193 / c: +263 773 249 337 E: corpserve@escrowgroup.org / operationszim@escrowgroup.org

Please note that no part elections are accepted. Accordingly, you can either elect to take up the offer for Scrip Distribution Shares in full or take no action to receive the dividend entitlement in full as cash.

Kindly note that there is no option for partial selection of cash and scrip.

Please note no late elections whether sent by post or otherwise will be accepted.

I/We _____
[name of holder of shares]

[shareholder number]

declare that I am/we are the holder/s of _____ shares, and hereby unconditionally and irrevocably accept the offer of Scrip Distribution Shares set out in the Circular dated 9 July 2021, and elect to receive the Scrip Distribution in respect of all the shares held by me/us, and accept that the number of Scrip Distribution Shares will be rounded up to the nearest whole number.

I acknowledge that I/we shall receive such number of shares at a value of 24.96 US Cents per scrip dividend share as is equal to the value of the distribution in respect of all the shares I/we hold in respect of which I/we have elected to receive the Scrip Distribution, after deduction of any applicable tax; and

I/we further acknowledge that if I/we fail to complete the detail as regards the correct number of shares held by me/us in respect of which I/we elect to receive the Scrip Distribution, I/we will be deemed to have elected to receive the Scrip Distribution in respect of all the shares held by me/us and registered as such on the CSDB and VFEXD platforms and/or the share register maintained by Corpserve Registrars in Zimbabwe.

Dated at _____ this _____ day of August 2021

Name of Shareholder: _____

Postal Address: _____

Physical address: _____

Email Address: _____

Name: _____ Signature: _____

Capacity: _____ Company Stamp: _____
[who (in the case of a company, trust, fund or other corporate entity) warrants his/her authority]