

SAMEER AFRICA LIMITED ("THE COMPANY")

MINUTES OF THE 47th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD AT THE BOMAS OF KENYA, SITUATED ALONG FOREST EDGE ROAD, OFF LANGATA ROAD, NAIROBI ON TUESDAY 14TH JUNE, 2016 COMMENCING AT 11.30 AM

PRESENT

DIRECTORS

1. Eng. E. Mwongera - Chairman
2. Mr. A. Walmsley - Managing Director
3. Mr. P. Gitonga - Director
4. Mr. S. M. Githiga - Director
5. Mr. A. H. Butt - Director (holding proxy for Sameer Investments Limited)

APOLOGIES

1. Mr. S. N. Merali - Director

SHAREHOLDERS

697 members representing 72.68% of the issued capital of the company were present in person or by proxy

IN ATTENDANCE

1. Mr. E. Aholi - Representing the Auditors KPMG Kenya
 2. Mr. J.T. Kiago - Representing the Share Registrars Custody and Registrar Services Limited
 3. Mr. E. Imbamba - Company Secretary (Taking minutes)
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MIN/AGM/1/2016

Introduction

The chairman called the meeting to order at 11.30 am and invited volunteers to recite Islamic and Christian prayers. The chairman welcomed the shareholders to the meeting and introduced members of the board of directors and the auditors' representative. Upon invitation, the managing director introduced senior members of management to the shareholders.

ek. [Signature]

MIN/AGM/2/2016

Constitution of the meeting

The chairman requested the company secretary to confirm that the meeting had been duly convened and was properly constituted.

It was confirmed that the notice convening the meeting had been duly issued and that the requisite quorum required for the holding of the meeting under the company's articles of association had been met. The chairman consequently, **declared** the meeting properly convened and constituted.

MIN/AGM/3/2016

Adoption of the agenda

The agenda of the meeting having been read, was on a proposal by Mr. Timothy Matolo and seconded by Mr. Chami Alois Wafula, **adopted** as presented.

MIN/AGM/4/2016

Minutes of the previous annual general meeting

The minutes of the previous annual general meeting of shareholders held on 29th May 2015, having been circulated to members were presented for approval.

Upon consideration, shareholders on a proposal by Mr. Apollo Mbeta and seconded by Mr. Francis Kariuki, **resolved that** the minutes of the 46th Annual General Meeting held on Friday 29th May 2015, were confirmed as a true record of the proceedings and signed by the chairman.

MIN/AGM/5/2016

Report and financial statements for the year ended 31st December, 2015

The chairman highlighted some of the salient points in his statement including the operating environment, the financial highlights and the future outlook.

In terms of performance it was noted that the company returned a profit before tax of Kshs 5,690,000/-, against a loss before tax of Kshs 69,457,000/- achieved in 2014. Shareholders were informed that tight liquidity across all markets, ever-increasing competition from subsidized imports from the east and volatility in the currency markets, adversely affected Group performance. Further, despite a 2% decline in factory production costs, driven by lower raw material input prices and aggressive cost saving efforts, the average selling prices of the company's flagship YANA brand declined further by 3% as against sales in 2014, as competition from subsidized imports intensified ensuring the company was unable to reverse the yield declines experienced from 2012.

To counter the effect of the subsidized tyre imports on the company's margins and to actively participate in the growing discount sector of the market, the company commenced contract manufacturing of its second brand, Summit, and would introduce new tyre sizes in the brand in the near future. It was reported that the first shipment of Summit was received in the last quarter of 2014, and by the end of 2015, the company had succeeded in expanding the line-up to 16 sizes. Further, sales had been encouraging

and the company was expecting to achieve significant growth in the brand from 2016 and beyond.

The company had also continued to pursue its strategy of growing its retail network through Yana Tyre Centres. Although the group only rolled out 1 new tyre centre in 2015, 3 centres were scheduled to be opened in the first quarter of 2016. The board was confident that the long term profitability of the company was dependent upon the aggressive growth of this channel.

Upon presentation of his report the chairman invited Mr. E. Aholi, the representative of the auditors, Messrs. KPMG Kenya, to read the auditor's report.

In his presentation to the meeting Mr Aholi **confirmed** to members that having obtained all information and explanations from management, he was of the opinion that proper books of accounts had been kept by the company and that the statement of financial position and statement of comprehensive income of the company were in agreement with the books of account and gave a true and fair view of the financial position of the company. Thereafter, the chairman declared the meeting open for discussion on the financial statements.

Shareholders presented various queries and clarifications from the board on diverse issues. Shareholders sought to know when the company would resume payment of dividend and further sought to know what steps were being taken to turn around the performance of the company. Clarification was also sought on the ownership of Sameer Business Park by the company. Shareholders also sought to know whether there was a policy on board diversity in place and whether plans were underway at reconstituting the board with a view to ensuring that it was not comprised of only one gender. The board and management were also advised to endeavor to reduce unnecessary expenditure in general and in particular expenses relating to hosting the meeting.

In response to the various queries from shareholders, the managing director informed the meeting that the company was making every effort in addressing the performance of the company. The company was aggressively pursuing a strategy of growing the retail network through the Yana Tyre Centres to reduce over reliance on the dealer trade which would enable the company to generate additional funds to support a dividend payment. The roll out of the Summit fighter brand was also very encouraging and was expected to bring price integrity and improve profit margins on the Bridgestone and Yana brands.

As regards Sameer Business Park Limited, it was reported that the company had a minority stake in the company and although it was early days the company remained confident of robust earnings in the near future. The chairman assured the shareholders of the company's commitment to diversity and that the current vacancy on the board, following the demise of Mr. Tom Owuor would soon be filled and the proposed candidate was a lady. The board took note of the comments, recommendations and advice presented by shareholders

OK. [Signature]

Upon consideration, Mr. Chami Alois **expressed gratitude** to the board of directors, management and staff for the efforts made despite the very difficult operating environment and encouraged the board to implement a strategy that would deliver profits. Shareholders appreciated the board and management in the stewardship in financial reporting, having been the overall winner of the 2015 FIRE awards

There being no further questions and or comments from the shareholders on the financial statements, upon a proposal by Mr Timothy Matolo and seconded by Mr. Chami Alois **it was resolved** that the financial statements for the year ended 31st December, 2015 together with the directors and auditors reports thereon be **received and adopted**.

MIN/AGM/7/2016

Election of directors

The company secretary informed the meeting that in accordance with article 92 of the company's articles of association Mr Sameer Naushad Merali was retiring by rotation. It was further reported that he was offering himself for re-election to be voted in singly.

Upon consideration, shareholders on a proposal by Mr. Chami Alois and seconded by Mr. Japheth Mulwa, **unanimously resolved** that Mr Sameer Naushad Merali be re-elected as a director.

MIN/AGM/8/2016

Directors' emoluments

The chairman informed the shareholders that the directors' emoluments were set out on page 113 of the financial statements under note 33(b) of the financial statements and sought approval to confirm the emoluments as stated therein.

Upon consideration, shareholders on a proposal by Ms. Jemimah Obada and seconded by Mr. David Karanja, **resolved** that the directors' emoluments as set out in the financial statements be approved and confirmed.

MIN/AGM/9/2016

Re-appointment of Auditors

It was proposed that pursuant to section 159(2) of the Companies Act (Cap 486) of the Laws of Kenya, Messers KPMG Kenya who had indicated their willingness to continue in office, be re-appointed auditors of the company.

Upon a proposal by Mr. Wilson Kariuki and seconded by Mr. Stephen Kariuki **shareholders unanimously approved** the re-appointment of Messrs KPMG Kenya as the auditors of the company.

It was further resolved that the directors be authorized to fix the remuneration of the auditors for the ensuing year.

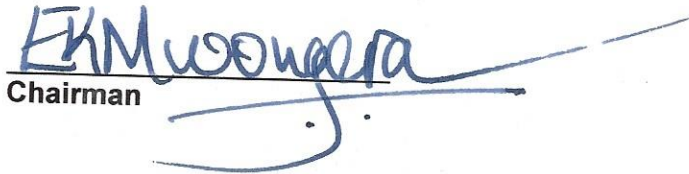


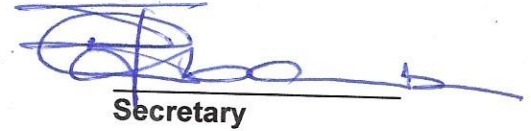
MIN/AGM/10/2016

Any other business

There being no notice of any other business the chairman thanked the members for attending the meeting and declared the meeting formally closed at 12.56 pm.

Confirmed and verified this 9th day of June 2017


Chairman


Secretary