

SAMEER AFRICA PLC ("THE COMPANY")

MINUTES OF THE 48TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD AT SAMEER INDUSTRIAL PARK SITUATED ALONG ROAD C, OFF ENTERPRISE ROAD, NAIROBI ON FRIDAY 9TH JUNE 2017, 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. A. H. Butt | - | Director (holding proxy for Sameer Investments Limited) |
| 5. | Dr. L.M. Mbuthia | - | Director |
| 6. | Dr. W.I. Nyamute | - | Director |
| 7. | Ms. M. Ngatia | - | Director |

APOLOGIES

- | | | | |
|----|-------------------|---|----------|
| 1. | Mr. S. N. Merali | - | Director |
| 2. | Mr. S. M. Githiga | - | Director |

SHAREHOLDERS

738 members representing 72.76% of the issued capital of the company were present in person or by proxy.

IN ATTENDANCE

- | | | | |
|----|----------------|---|--|
| 1. | Mr. J. Kariuki | - | 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) |



MIN/AGM/1/2017 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.

MIN/AGM/2/2017 Constitution of the Meeting

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/3/2017 Adoption of the Agenda

The agenda of the meeting having been read, was on a proposal by Mr. Robert Marondo and seconded by Mr. Arthur Wakaba, **adopted** as presented.

MIN/AGM/4/2017 Confirmation of the Minutes of the Previous Annual General Meeting

The minutes of the previous Annual General Meeting of Shareholders held on 14th June, 2016, having been circulated to members were presented for approval.

Upon consideration, shareholders on a proposal by Mr. Nahashion Ikamati and seconded by Mr. Benson Mwangi, **resolved that** the minutes of the 47th Annual General Meeting held on Tuesday 14th June 2016, be confirmed as a true record of the proceedings and signed by the Chairman.

MIN/AGM/5/2017 Report on the Financial Statements for the Year ended 31st December, 2016

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

In terms of performance it was reported that the Company returned a loss before tax of Kshs 865,056,000/-, against a profit before tax of Kshs 5,689,000/- achieved in 2015. Shareholders were informed that tight liquidity across all markets, ever-increasing competition from subsidized Chinese tyres, currency volatility in Tanzania, Uganda and Burundi and severe foreign currency shortages across all our export markets, adversely affected Group performance. Group



revenues had declined by 14% to Kshs 2.9 billion compared to Kshs 3.36 billion in 2015, as a result. Focus had been on the reduction of overhead expenses, credit control and working capital optimization which had assisted the group in reducing overhead expenses before reorganization charges and net finance costs.

To counter the effect of the subsidized tyre imports on the business margins, the Company announced the closure of its Mombasa Road manufacturing plant and the outsourcing of Yana tyre production to factories in China and India. Further, the manufacturing sector in Kenya being a key pillar of the Vision 2030 initiative again failed to perform to expectations, but its poor performance was understandable given the low level of support that it continued to receive. The sectors contribution to GDP had stagnated at 10%, which was insufficient in boosting employment opportunities and export earnings potential.

He noted that that the group's three year strategic plan (2017-2019), was based on five key pillars, transiting from manufacturing to a selling organization, growing the Yana Tyre Centre retail footprint, leasing of former factory space to third parties, investment to develop the vacant land and rigidly adhering to the four brand strategy for the tyre business.

Upon presentation of his report the Chairman invited Mr. J. Kariuki, the representative of the auditors, Messrs. KPMG Kenya, to read the Auditor's report.

In his presentation to the meeting Mr Kariuki **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. Further, it was inquired whether returning production to Kenya was a viable option. Shareholders also sought to know whether KPMG Kenya was a reputable institution with which to continue contracting.

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 with a view



stemming future losses. Strategies put in place by Management included closing the factory, commencing offshore production of tyres and letting out the factory space to third parties. The Company was also 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 the decision to commence offshore production of Yana tyres in lower cost jurisdictions, it was reported that this was an alternative sourcing strategy owing to the challenging economic environment that was no longer conducive to local tyre manufacture.

Upon consideration and there being no further questions and or comments from the Shareholders on the Financial Statements, upon a proposal by Mr Apollo Mbeta and seconded by Mr. Timothy Matolo **it was resolved** that the financial statements for the year ended 31st December, 2016 together with the directors and auditors reports thereon be **received and adopted**.

MIN/AGM/6/2017 **Election of Directors**

The Company Secretary informed the meeting that in accordance with Article 92 of the Company's Articles of Association, Mr Peter Gitonga was retiring by rotation. It was further reported that he was offering himself for re-election to be voted in singly.

Upon a proposal by Mr. Chami Alois and seconded by Mr. Timothy Matolo, **unanimously resolved** that Mr Peter Gitonga be re-elected as a Director.

The Company Secretary informed the meeting that in accordance with Article 92 of the Company's Articles of Association, Dr. Winnie I. Nyamute was retiring by rotation. It was further reported that she was offering herself for re-election to be voted in singly.

Upon a proposal by Ms. Margaret Kocholla and seconded by Mr. Bernard Marondo, **unanimously resolved** that Dr. Winnie I. Nyamute be re-elected as a Director.

The Company Secretary informed the meeting that in accordance with Article 92 of the Company's Articles of Association, Dr. Lydia M. Mbuthia was retiring by rotation. It was further reported that she was offering herself for re-election to be voted in singly.



Upon a proposal by Ms. Peninah Muchiri and seconded by Mr. Sebastian Kimathi, **unanimously resolved** that Dr. Lydia M. Mbutia be re-elected as a Director.

The Company Secretary informed the meeting that in accordance with Article 92 of the Company's Articles of Association, Ms. Mary W. Ngatia was retiring by rotation. It was further reported that she was offering herself for re-election to be voted in singly.

Upon a proposal by Mr. Arthur Wakaba and seconded by Mr. Haggai Muchiri, **unanimously resolved** that Ms. Mary W. Ngatia be re-elected as a director.

MIN/AGM/7/2017 Appointment of Members of the Audit, Risk and Corporate Governance Committee

It was proposed that in accordance with Section 769 of the Companies Act 2015, the following, being members of the Audit, Risk and Corporate Governance Committee of the Board, be elected to continue to serve on the said committee:

- (a) Dr. Winnie I. Nyamute;
- (b) Dr. Lydia M. Mbutia;
- (c) Mr. Stephen Githiga;
- (d) Ms. Mary Ngatia;
- (e) Mr. Sameer N. Merali.

Upon a proposal by Mr. Benjamin Nyambati and seconded by Mr. Wilson Muchiri **Shareholders unanimously approved** the appointment of the members of the Audit, Risk and Corporate Governance Committee.

MIN/AGM/8/2017 Directors' Eemoluments

The Chairman informed the Shareholders that the Directors' emoluments were set out on page 66 of the financial statements under note 33(b) of the Financial Statements and sought approval to confirm the emoluments as stated therein.

Upon a proposal by Ms. Juliet Musyoki and seconded by Mr. Peter Gichuhi, **resolved** that the Directors' emoluments as set out in the Financial Statements be approved and confirmed.

MIN/AGM/9/2017 Re-appointment of Auditors

It was proposed that in accordance with the provisions of section 721(4) of the Companies Act 2015 of the Laws of Kenya to authorize the directors to fix their remuneration for the ensuing financial year.

Upon a proposal by Ms. Margaret Mutitu and seconded by Mr. Benjamin Nyambati, **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/10/2017 Special Business

(a) Change of name to Sameer Africa PLC

It was proposed that in accordance with Sections 53 and 62 of the Companies Act 2015 of the Laws of Kenya the name of the company be changed from "Sameer Africa Limited" to "Sameer Africa PLC".

Upon a proposal by Mr. Elijah Oloo and seconded by Mr. Joshua Ogutu **Shareholders unanimously approved** the change of name to "Sameer Africa PLC".

(b) Adoption of new Articles of Association


It was proposed that the Company adopts new Articles of Association in lieu of the existing memorandum and articles of association in compliance with the provisions of the Companies Act, 2015 of the laws of Kenya.

Upon a proposal by Mr. Jacob Muriithi and seconded by Mr. Joshua Ogutu **Shareholders unanimously approved** the adoption of the new Articles of Association in lieu of the existing Memorandum and Articles of Association.

MIN/AGM/11/2017 Any other business

There being no notice of any other business the Chairman thanked Shareholders for attending the meeting and declared the meeting formally closed at 13.07 pm.

Confirmed and verified this ^{22nd} day of June 2018


Chairman


Secretary