

SAMEER AFRICA PLC ("THE COMPANY")

MINUTES OF THE 49TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD AT SAMEER INDUSTRIAL PARK SITUATED ALONG ROAD C, OFF ENTERPRISE ROAD, NAIROBI ON FRIDAY 22ND JUNE 2018, COMMENCING AT 11.30 AM

PRESENT

DIRECTORS

- | | | | |
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| 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

- | | | | |
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| 1. | Mr. S. N. Merali | - | Director |
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SHAREHOLDERS

747 members representing 73.47% of the Issued Capital of the Company were present in person or by proxy.

IN ATTENDANCE

- | | | | |
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| 1. | Mr. J. Kariuki | - | Representing the auditors KPMG Kenya |
| 2. | Ms. P. Kairuthi | - | Representing the share registrars Custody and Registrar Services Limited |
| 3. | Mr. E. Imbamba | - | Company Secretary (Taking minutes) |

MIN/AGM/1/2018 Introduction

The Chairman called the meeting to order at 11.30 am and invited volunteers to recite Islamic and Christian prayers. The Chairman welcomed

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Shareholders present at 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 Shareholders.

MIN/AGM/2/2018 **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/3/2018 **Adoption of the Agenda**

The Agenda of the meeting having been read, was on a proposal by Mr. Robert Marondo and seconded by Mr. Irungu Kimani, **adopted** as presented.

MIN/AGM/4/2018 **Minutes of the previous Annual General Meeting**

The minutes of the previous Annual General Meeting of Shareholders held on 9th June 2017, having been circulated to members were presented for approval.

Upon consideration, Shareholders on a proposal by Mr. Francis Kahiga and seconded by Mr. Sosthene Ombogi, **resolved that** the minutes of the 48th Annual General Meeting held on Friday, 9th June 2017, be confirmed as a true record of the proceedings and were signed by the Chairman.

MIN/AGM/5/2018 **Reports and Financial Statements for the Year ended 31st December, 2017**

The Chairman highlighted 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 had recorded a gross profit of Kshs 781 million a decrease from Kshs 909 million recorded in 2016. Shareholders were informed the decrease in profit was attributed to adverse trading conditions and stock-outs of Yana Tyre sizes. Group revenues had declined by 9% to Kshs 2.6 billion compared to Kshs 2.9 billion in 2016. The decline in performance was in part on account of several challenges faced by the Company in the year including the adverse operating environment following the two general elections in Kenya in the second half of the year and tight liquidity which persisted across all East African markets.

The Chairman reported 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

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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.

Shareholders were informed that there were changes to the composition of the Board in 2017. Dr. Winnie Nyamute, Dr. Lydia Mbutia and Mrs. Mary Ngatia were appointed to the board on 4th May 2017 whereas Mr. Stephen Maina Githiga retired as a member of the Board on 23rd January 2018. As pertains the outlook of the Company, the Chairman reported that the Company continued to align itself to new economic realities and it needed to unlock the value of the Company's vacant land portfolio and also transit aggressively from being a tyre manufacturer to being a hard core selling organisation. He requested for stakeholder patience as the Company transitions to repositioning the tyre distribution business and unlocks the value of the Company's property portfolio.

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.

Mr. Kariuki **confirmed** to Shareholders 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 sought 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. An inquiry was also made as pertains the use/management of the machinery and equipment that was used to manufacture tyres. Shareholders made various suggestions geared at improving performance and also sought to know whether KPMG Kenya was a reputable institution with which to continue contracting.

In his response, the Managing Director informed the meeting that the Company was making every effort in addressing the performance of the Company with a view to returning to profitability. Strategies put in place by Management included property leasing, property development and franchising of the Yana Tyre Centres. It was confirmed that the machinery previously used to manufacture tyres at the factory had been disposed of and that Ms KPMG Kenya had performed well during the period and the Company had benefitted immensely from their expertise.

Upon consideration and there being no further questions and comments from the shareholders on the financial statements, on a proposal by Mr. Bernard Njuki Mwarongo and seconded by Ms. Consolata Wanjiru **it was resolved** that the Financial Statements for the Year ended 31st December,

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2017 together with the Directors and Auditors reports thereon be **received and adopted.**

MIN/AGM/6/2018 **Election of directors**

The Company Secretary informed the meeting that in accordance with Article 1.123 of the company's articles of association Mr. Akif Butt 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 Ms. Florence Sylvia Ogor and seconded by Mr. Alloys Chami, **unanimously resolved** that Mr. Akif Butt be re-elected as a Director.

The Company Secretary informed the meeting that in accordance with article 1.123 of the Company's Articles of Association Eng. Erastus Mwongera 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. Joseph Gituma and seconded by Mr. Sally Chepkorir, **unanimously resolved** that Eng. Erastus Mwongera be re-elected as a Director.

MIN/AGM/7/2018 **Appointment of Members of the Audit, Risk & Corporate Governance Committee**

It was proposed that in accordance with section 769 (1) 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) Ms. Mary Ngatia;
- (d) Mr. Sameer N. Merali.

Upon a proposal by Mr. Timothy Matolo and seconded by Ms. Monica Nduta **Shareholders unanimously approved** the appointment of the members of the Audit, Risk and Corporate Governance Committee.

MIN/AGM/8/2018 **Directors' Emoluments**

The Chairman informed the Shareholders that the Directors' emoluments were set out on page 66 of the financial statements and sought approval to confirm the emoluments as stated therein.

Upon consideration, shareholders on a proposal by Ms. Margaret Ochola and seconded by Mr. Benjamin Nyambaki, **resolved** that the directors'

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emoluments as set out in the Financial Statements be approved and confirmed.

MIN/AGM/9/2018 **Re-appointment of Auditors**

It was proposed that in accordance with the provisions of section 721(2) of the Companies Act 2015 of the Laws of Kenya and the Company's Auditors having expressed their willingness to continue to serve, the Shareholders were requested to authorize the directors to fix their remuneration for the ensuing financial year.

Upon a proposal by Ms. Irungu Kimani and seconded by Mr. Ben Muma, **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/10/2018 **Special Business**

(a) Changes to the Company's Articles of Association

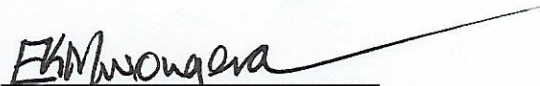
It was proposed that the Articles of Association of the company be amended in accordance with the draft Articles of Association available on the company's website. It was reported that the proposed changes were intended to align the Articles of Association to new changes to legislation.

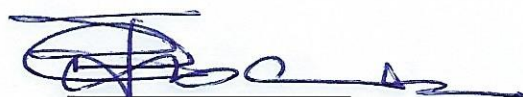
Upon a proposal by Ms. Loice Aresi and seconded by Mr. Edwin Mbugua **shareholders unanimously approved** the adoption of the new articles of association.

MIN/AGM/11/2018 **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 13.15 pm.

Confirmed and verified this 10th day of June 2019


Chairman


Secretary