

SAMEER AFRICA PLC

MINUTES OF THE 52ND ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD VIA VIRTUAL-CONFERENCE ON THURSDAY 10TH JUNE 2021 COMMENCING AT 10.00 AM.

PRESENT

DIRECTORS

- | | | | |
|----|------------------------------|---|---|
| 1. | Eng. Erastus. Mwongera | - | Chairman |
| 2. | Mr. Akif H. Butt Investments | - | Director (holding proxy for Sameer Limited) |
| 3. | Mr. Peter. Gitonga | - | Managing Director |
| 4. | Dr. Lydia M. Mbuthia | - | Director |
| 5. | Mr. Sameer N. Merali | - | Director |
| 6. | Mrs. Mary. Ngatia | - | Director |

SHAREHOLDERS

699 members representing 79.88% of the issued capital of the Company registered for the meeting and were present in person or by proxy.

IN ATTENDANCE

- | | | | |
|----|-----------------------|---|--|
| 1. | Mr. R. Komanduri | - | Representing the auditors RSM EA LLP |
| 2. | M/s. Purity. Kairuthi | - | Representing the share registrars Custody and Registrar Services Limited |
| 3. | Mr. Sheba. Mohamed | - | Company Secretary (Taking Minutes) |

MIN/AGM/1/2021

INTRODUCTION

The Chairman called the meeting to order and invited Mr. Hassan Awadh to recite an Islamic prayer and Mr. Anthony Mbithi to recite a Christian prayer. The Chairman welcomed Shareholders present at the meeting and directed them to the Integrated Financial Report for the detailed bio data of the Directors who served office during the course of the Financial Year. Thereafter he introduced the members of the Board of Directors and the Representative of the Auditors.

MIN/AGM/2/2021: CONSTITUTION OF THE MEETING

The Chairman, in his opening statement gave guidance to the Shareholders on the use of the virtual platform, protocols and online etiquette to be observed when participating in this virtual AGM. He stated that questions could be submitted throughout the AGM and the Board would endeavor to answer some of these questions during the AGM.

Further, that voting would be facilitated as a poll vote. He further stated that Shareholders would find it more efficient to vote on all resolutions at one time, therefore voting would be enabled for up to 1 hour after conclusion of the AGM to allow Shareholders to hear the addresses for all the resolutions prior to voting. The results of the voting would be published within 24 hours after the conclusion of the AGM on the Company's website.

The Chairman then 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/3/2021: ADOPTION OF THE AGENDA

The Agenda of the meeting having been read, was on proposal by Mr. Gikuru Isaac Ichai and seconded by Mr. Stephen Irungu Kimani adopted as presented.

MIN/AGM/4/2021: MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The Minutes of the previous Annual General Meeting of Shareholders held on 29th June 2020 had been circulated to Shareholders and were taken as read and confirmed as a true record of the deliberations of the meeting.

MIN/AGM/5/2021: REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

The Chairman briefed the Shareholders on the key issues affecting the Company as follows:-

Significant changes occurred to the Company's business in the year 2020 that included cessation of the tyre business in April 2020. This decision followed other Board decisions taken in 2019 and early 2020 to exit from the Group's regional operations in Burundi, Tanzania and Uganda.

These bold decisions by the Board enabled the Group to withstand the economic downturn occasioned by the Corona Virus pandemic. The business remained strong in 2020 and emerged as a leaner and more efficient organization.

As a result of the decisions taken above Group revenues reduced by Kes 1 billion or 57% and gross margins declined from Kes 270 million to Kes 244 million a decrease of 10%. Overheads reduced from Kes 876 million to Kes 118 million a reduction of 87% mainly due to the rightsizing of the business.

After careful consideration the Board on 21st January 2021 decided to re-enter the tyre business with a revised strategy for the Yana and Summit brands. The decision was informed by the fact that there was sustained demand for the Yana tyres, the positive equity of Yana and the shifting customer demands and consumption patterns.

The new strategy will also revamp the property business which is a reliable source of income and growth for the Group. It is worth to note despite the fact that other property businesses were affected by the economic downturn the Group rental properties remained resilient due to the unique mix of tenants and the businesses they operate. The Group intends to invest in this sector to upgrade the existing investment properties and develop grade 'A' warehousing in response to emerging demands from East African region of such properties.

On Risk Management it was reported that the Board had committed the Group to a process of risk management that was aligned to the principles of best practice and corporate governance. The Company's business strategy depended upon taking calculated risks in a way that did not jeopardize the direct interests of the different stakeholders. A sound assessment of risk enabled the Company to anticipate and respond to changes in our business environment, as well as make informed decisions under conditions of uncertainty. All key risks associated with major change and significant actions by the Group fall within the process of risk assessment and management.

Shareholders were informed that Mr. Peter Gitonga replaced Mr. Simon Gachomo as Managing Director in an acting capacity from 29th August 2019. Due to his able leadership that enabled the Company to make a turn around during periods of significant change and transformation Mr. Peter Gitonga was confirmed as the Managing Director with effect from 1st January 2021. On behalf of the Board the Chairman congratulated Mr. Peter Gitonga and wished him the very best.

During year 2020 Dr. Winnie Nyamute who had been with the Group since May 2017 as an independent non-executive director retired by rotation and although was eligible, she did not offer herself for re-election. He thanked Dr. Nyamute for her contribution and wished her success in her future endeavours.

The various Board Committees were reconstituted and continued to play their vital role in supporting the Board to discharge its duties. Going forward, the Board would continue to enhance governance and compliance practices and would focus on risk management. He thanked all the stakeholders for their efforts and contribution to the sustainable growth of Sameer Africa PLC.

Upon presentation of his report the Chairman invited Mr. Ranganath Komanduri, the representative of the auditors, Messrs. RSM EA LLP to present the Auditor's report.

Mr. Ranganath Komanduri confirmed to the 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 took questions that had been posted by Shareholders on the online platform on the financial statements.

Shareholders presented various questions and sought clarification from the Board on diverse issues. Shareholders sought to know among others:-

(a) How stable is the Company?

The Chairman explained that the Company is stable and was profitable in the year 2020, a turn from the losses reported in the last three years. Total equity also improved in 2020 to Kes 115 million from the previous year's Kes 69 million.

(b) What is the future prospects of Sameer?

The future prospects of the Company have been discussed by the Chairman on page 7 of the Annual Report. In summary, the Company has adopted a new strategy that will see investment in improving our property business and re-entry into the tyre business under a new operating model.

(c) As required by The Capital Markets Authority's Code of Corporate Governance for Issuers of Securities to the Public 2015, please confirm the following; have you conducted internal legal and compliance audits in the years 2019 & 2020? The Governance auditor is required to share his opinion in the annual report, kindly share the same for our review.

The Chairman explained that in compliance with the CMA's Code, the Company had conducted a corporate governance audit, the audit was conducted by Azali Certified Public Secretaries. The legal and compliance audit is scheduled for this year, and we will report on it in

our 2021 annual report and financial statements. The Company has also undergone a CMA governance assessment for the financial year 2019.

(d) Is there an annual performance appraisal for Directors? Given the losses and poor performance over the years which directors have taken the accountability for the same?

The Chairman informed the meeting that the performance appraisal for directors is conducted yearly. The performance of the Company is influenced both by internal and external factors. The Directors have been proactive in assessing the operating environment and making the necessary changes to the Company's strategy to safeguard the Shareholders' interest. Due to these Board actions, there is now a turnaround in the business.

(e) I have not received my dividends for the last 3 years. Kindly consider sending it through M-Pesa. Efforts to follow the same has been futile.

The Chairman informed Shareholders that the Company has not declared a dividend for the past three years, which is the reason the Shareholder had not received any payment.

(f) The policy of showing the land and lease values at cost (Year 1969 costs) is now inappropriate as the statement of financial position is distorted and does not show the proper picture.

The Chairman explained that the Company produces its financial statements under the International Financial Reporting Standards (IFRS). IFRS allows the Company to elect whether to carry its land at cost or fair value. The Company has chosen to use the cost approach. The Directors review the appropriateness of the accounting policies in use and they have satisfied themselves that the cost basis is the most appropriate method to use at this time.

(g) Was there a complete and full valuation of all the property in the year? The Company policy says that it happens every 3 years yet the last one was done in 2016.

The Chairman informed members that the Company valued all its investment properties at the end of 2020. The valuation was carried out by Knight Frank Limited, who are professional valuers. The amounts disclosed in the 2020 Annual Financial Statements reflect this new valuation.

(h) What is the acreage of the property land on Mombasa Road and Westland's that the Company owns including leased? In future this should be disclosed in the notes.

The Mombasa Road property is 32.68 Ha while the Westland's properties are 0.844 Ha. The Company has disclosed the fair value of all its investment properties in Note 16 of the 2020 Annual Financial Statements.

- (i) The share is now trading at Kes 3.30 (less that 10% of the IPO price of Kes 35) versus a par value of Kes 5. This indicates that over 90% market capitalization value of the Company has been eroded putting to question the Company's strategy over the past 10 years e.g., Property developments, closure of manufacturing plant, opening and closing & write-off of regional subsidiaries. Eveready PLC a company managed by yourselves underwent a similar strategy change and have never recovered to date. What makes you confident that the "new" strategy will work this time round?**

The Chairman explained that the Directors continuously monitor the Company's strategy and make changes to the strategy in response to the market. Strategy changes are made to safeguard the Shareholder's wealth. Additionally, the strategy has demonstrated positive results in 2020.

- (j) Please clarify which subsidiary proposed a dividend payment that resulted in the group holding making a profit.**

The Chairman explained that Sameer Industrial Park Limited declared a dividend to Sameer Africa PLC.

- (k) Kindly advise how many acres belong to Sameer Africa Ltd on Mombasa Road and value of that land. Company not making profit for a long time why not liquidate Company and share assets to Shareholders.**

The Company has disclosed the fair value of all its investment properties in Note 16 of the 2020 Annual Financial Statements. The Company made a profit in 2020 and continues to be a viable business with growth opportunities.

- (l) Note 18 investment 25% in Sameer Business Park. Please confirm (a) what contribution did our Company contribution value its land and how many acres (b) how much dividends has our company gained from this investment for 12 years**

The Chairman explained that the Company's investment in Sameer Business Park (the associate) was land valued at Kes 140 million. The Company incorporates 25% of the profits made by Sameer Business Park in its books as an addition to the Company's own profit or loss. By incorporating the profit from Sameer Business Park into the Company's earnings, the carrying amount of the investment in associate has increased from Kes 140 million to Kes 169 million as at 31 December 2020.

There being no further questions and comments from the Shareholders the Financial Statement for the Year ended 31st December 2020 were unanimously approved together with the Directors and Auditors reports thereon.

MIN/AGM/6/2021: ELECTION OF DIRECTORS

The Chairman informed the meeting that in accordance with Article 1.123 of the Company's articles of association Dr. Lydia Muthoni Mbuthia was retiring by rotation and being eligible, did offer herself for re-election.

Noting that there were no questions raised on the retirement of the Director, on a proposal by Amanga Selinah Anima and seconded by Alois Channi the Shareholders resolved that Dr. Lydia Muthoni Ngatia be re-elected as a director.

The Chairman informed the meeting that in accordance with article 1.123 of the Company's Articles of Association Mr. Akif Hamid Butt was retiring by rotation. It was further reported that he was offering himself for re-election.

Noting that there were no questions raised on the re-election of the Director, on proposal by Albanus Wambua and seconded by Aisha Awadh Barisa the Shareholders unanimously resolved that Mr. Akif Hamid Butt be re-elected as a Director.

MIN/AGM/7/2021: APPOINTMENT OF MEMBERS OF THE AUDIT, RISK AND 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. Lydia M. Mbuthia
- (b) Ms. Mary Ngatia
- (c) Mr. Sameer N. Merali.

Noting that there were no questions raised on the appointment of members of the Committee, on proposal by Anganyo Peter Otieno and seconded by Maina Kennedy Kinya the Shareholders unanimously approved the appointment of the members of the Audit, Risk and Corporate Governance Committee.

MIN/AGM/8/2021 DIRECTORS' EMOLUMENTS

The Chairman informed the Shareholders that the Directors' emoluments (remuneration report and policy) were set out on page 19 of the integrated Annual Report and sought approval to confirm the emoluments as stated therein.

Noting that there were no questions raised on the Directors' emoluments, on proposal by Maina Samuel Muriuki and seconded by Malai Julianah Kavengi the Shareholders unanimously approved the Directors' emoluments as set out in the Financial Statements and confirmed and authorized Directors to fix their remuneration for the ensuing year.

MIN/AGM/9/2021 APPOINTMENT OF AUDITORS

It was reported that the Auditors, RSM Eastern Africa LLP and who being eligible, had expressed their willingness to continue to serve as auditors of the Company in accordance with the provisions of section 721(4) of the Companies Act 2015 and approval was sought to appoint them as Auditors of the Company and to authorize the Directors to fix their remuneration for the ensuing financial year.

Noting that there were no questions raised on the appointment of the Auditors, on proposal by Mbogoh Jervasio Kithaka and seconded by Moses Kibui the Shareholders unanimously approved the appointment of Messrs RSM East Africa LLP as the Auditors of the Company.

It was further unanimously resolved that the Directors be authorized to fix the remuneration of the Auditors for the ensuing year.

MIN/AGM/10/2021 ANY OTHER BUSINESS

There being no notice of any other business the Chairman thanked the Shareholders for attending the meeting and declared the meeting formally closed at 10.40 a.m.

CONFIRMED AND VERIFIED THIS

DAY OF

2022

CHAIRMAN

SECRETARY