



SAMEER AFRICA PLC

MINUTES OF THE 53RD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD VIA VIRTUAL-CONFERENCE ON THURSDAY 9TH JUNE 2022 COMMENCING AT 10.00 AM.

PRESENT

DIRECTORS

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

ABSENT WITH APOLOGY

- | | | | |
|----|-------------------|---|-------------------|
| 6. | Mr. Peter Gitonga | - | Managing Director |
|----|-------------------|---|-------------------|

SHAREHOLDERS

341 members representing 75.53% of the issued capital of the Company registered for the meeting and were present in person or by proxy.

IN ATTENDANCE

- | | | | |
|----|--------------------------|---|--|
| 1. | Benard Ndirangu | - | Head of Operations and Strategy |
| 2. | Mr. Elvis Ogeto | - | Representing the Auditors RSM EA LLP |
| 3. | M/s. Kerry Ann Makatiani | - | Representing the share registrars Custody and Registrar Services Limited |
| 4. | Mrs. Mercy Mbijiwe | - | Company Secretary (Taking Minutes) |
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MIN/AGM/1/2022 INTRODUCTION

The Chairman called the meeting to order and invited M/s Halima Doffa to recite an Islamic prayer and Mrs. Mercy Mbijiwe to recite a Christian prayer.

Thereafter he introduced the Members of the Board of Directors and the Representative of the Auditors and the Registrar.

MIN/AGM/2/2022: CONSTITUTION OF THE MEETING

The Chairman pointed that Covid 19 pandemic situation had not eased off and the number of those affected has started to rise again. As a result, the AGM meetings will therefore continue to be held a virtually. Arrangements have been made for Shareholders, to access information pertaining to the Audited Financial Statements of the Company for the year ended 31st December 2021. The Chairman asked Members to contribute to the meeting.

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/3/2022: 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/4/2022: MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The Minutes of the previous Annual General Meeting of Shareholders held on 10th June 2021 had been circulated to Shareholders and were taken as read and confirmed as a true record of the deliberations of the meeting.

MIN/AGM/5/2022: REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

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

The Company has delivered improved performance amidst a challenging operating environment, supply chain disruption, escalating freight charges and covid-19



pandemic restrictions during the year weighing heavily on profitability. The lean and fit for purpose business model adopted since the onset of the covid-19 pandemic has been the key driver for the solid performance.

Operating profit increased by 131% driven by sustained cost optimization and high occupancy levels of the Company's investment properties. The Group registered a profit after tax of Kshs 217 million for the year ended 31 December 2021 against a profit of Kshs 44 million in the year 2020.

The Group's performance demonstrated the Board's commitment to the strategy, resilience of the business and continuous efforts to ensure the business is future-ready.

2021 was the Company's year of stabilization in line with the Strategic Plan. The Company attained most of the objectives in relation to efficiency in utilization of the working capital, improved business processes and supply chain management. Enhancing capabilities in terms of reskilling and up skilling of the human resource capital had been ongoing and was purposed to ensure employees remained future focused and were empowered to work in the dynamic post covid-19 pandemic work environment.

The emphasis was to unlock more value from investment properties as the Board explored various concepts for additional outlay in industrial warehouses at the "sort after" Mombasa road complex. The Chairman pointed that the Board would continue to amend and adjust strategies to match the prevailing circumstances brought about by the uncertainty as a result of the covid-19 pandemic, Eastern Europe conflict and upcoming general elections.

Going into the future, the Board pointed that it was cautious but optimistic about the risks and opportunities to be extracted from the new strategic direction the Group has taken. The Company was committed to proactive and effective risk management to mitigate adverse effects on its operations and to identify and explore business opportunities.

The Board of Directors was responsible for defining risk appetite for all main risk categories relevant to the Company. The Board continued to oversee the risk management process and had carried out annual reviews of the Company's most important risk categories and internal control arrangements. In the coming financial year, the Board had identified supply chain disruption, culture risk and cyber security exposure as some of the key risks requiring continuous monitoring.

Sameer Africa PLC had implemented a framework with clear policies and procedures to facilitate risk management across the two businesses. This created a stable environment within which the Company could deliver on the strategic and operational objectives and identify and seize business opportunities.



Sameer Africa PLC

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www.sameerafrica.com

Directors: E.K. Mwangera - **Chairman**, J. Mugo - **Managing Director**, S.N. Merali, A.H. Butt, L.M. Mbuthia, M.W. Ngatia, P. Gitonga



The Chairman noted that a transparent and active corporate governance was crucial for aligning the interests of all the Stakeholders. During the year 2021 there were no changes in the Board Committees, and the Board Committees continued to support the Board in implementation of the Strategic Plan and ensuring all Company policies were adhered to and in line with the existing environment.

The Chairman pointed that the upcoming general elections and the continued depreciation of the Kenya shilling were likely to impact negatively on the business and performance in the second half of the year.

The Board would continue in its commitment to the strategy which entered its second phase in the year 2022. Extracting value from the existing portfolio of investment, properties remained at the center of the Company growth agenda in the coming years. By developing sustainable and innovative industrial property products, the group was poised to enter a new phase of value creation anchored on the property business.

The Chair expressed sincere gratitude and appreciation to all the Shareholders, business partners, advisors and customers for their unwavering support and goodwill. He also appreciated Members of the Board, Management and Staff for their efforts and contribution in returning Sameer to profitability.

Upon presentation of his report the Chairman invited Mr. Elvis Ogeto, the Audit Partner Messrs. RSM EA LLP to present the Auditor's report.

Mr. Elvis Ogeto confirmed to the Shareholders that having obtained all information and explanations from Management, the External Auditor of the Company 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) Why has the Company not paid dividends?

The strategies being put in place have put the Company into profitability, however accumulated retained earnings are still in a negative position and it has not been possible to declare dividends.



The Company's performance will continue to be evaluated and recommendations made should circumstances change positively.

- (b) The Company looks like its shutting down with skeleton staff including Senior Management. Can Management be clear on the strategy as there are no sales being achieved?**

The Company has adopted a digitized low- opex business model that was necessary to return the Company to profitability. As the objectives in both the property and tyre businesses are achieved, growth in turnover will be realized.

- (c) The report of CEO and MD indicate a construction of new go down for rental purposes. Where is the source of the funding coming from? The last project of Sameer Business Park where 140 million was pledge yet there has been no dividend.**

The warehouse would be built with internally generated funds. The investment in the associate after accounting for the share of profits stood at Kshs 177.561,563.00.

- (d) Is the tyre business profitable?**

The tyre business is making a return to profitability. We have restructured how we operate the business with concentration on high margin customers and category management based on fast moving sizes of tyres.

- (e) What is the market share of tyre business in Kenya and what is Sameer Africa PLC share of that market?**

Market share of the tyre business in Kenya is estimated at Kshs 20 Billion with Sameer Africa PLC share being approximately 1.5%

- (f) Note 31of the accounts indicate a proposed sale of property. Which is the property on sale and how will the proceeds be invested?**

The property is located at the Mombasa road complex. The sale is not concluded and the proceeds will be used for reinvestment in industrial property and repayment of term loans.

- (g) The completion of the express highway has added value on the property on Mombasa road but this has not been factored in the property valuation?**

The market value has been indicated in note 3(i) of the accounting policy and Note 15(i) of the audited accounts.



(h) What is the current staff count?

The current staff count is a total of thirty-one (31) staff.

(i) How much dividend has Sameer Business Park generated since inception?

No dividend has been received from Sameer Business Park. However, the value of the investments is standing at Kshs 177,561,563.00 as 31st December 2021.

(j) The share price of the Company is trading below the par value of Kshs 5.00 what is the Boards view on this matter

The Board is confident with the new strategic direction taken this will be reflected in the share price as the Company's objectives are achieved.

(k) Since the group is managed by Sameer Investment Limited what safeguards have been taken to ensure the erosion of value seen in Eveready E.A PLC is not repeated at Sameer Africa PLC.

The Company has strong corporate governance structures in place to ensure the erosion of value seen in Eveready E.A PLC is not repeated here.

There being no further questions and comments from the Shareholders the Financial Statement for the Year ended 31st December 2021 were unanimously approved together with the Directors and Auditors reports thereon.

MIN/AGM/6/2022: ELECTION OF DIRECTORS

The Chairman informed the meeting that in accordance with Article 1.123 of the Company's Article of Association, Director Mr. Sameer Naushad Merali was retiring by rotation and being eligible, offered himself for re-election as a Director. Noting that there were no questions raised on the retirement of the Director, the Shareholders resolved that Mr. Sameer Naushad Merali be re-elected as a director.

The Chairman informed the meeting in accordance with Article 1.123 of the Company's Article of Association, Director Mrs. Mary Ngatia was retiring by rotation and being eligible, offered herself for re-election as a Director. Noting that there were no questions raised on the re-election of the Director, the Shareholders unanimously resolved that Mrs. Mary Ngatia be re-elected as a Director.



MIN/AGM/7/2022: 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) Mrs. Mary Ngatia
- (c) Mr. Sameer N. Merali.

Noting that there were no questions raised on the appointment of members of the Committee, the Shareholders unanimously approved the appointment of the members of the Audit, Risk and Corporate Governance Committee.

MIN/AGM/8/2022 DIRECTORS' EMOLUMENTS

The Chairman informed the Shareholders that the Directors' emoluments (remuneration report and policy) were set in 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, 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/9/2022 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(2) 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, 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.



A MEMBER OF THE SAMEER GROUP



MIN/AGM/10/2022 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

2023

CHAIRMAN

SECRETARY

YANA

SUMMIT TYRE

Firestone

Sameer Africa PLC

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