

## **EAST AFRICAN BREWERIES LIMITED**

### **MINUTES OF THE NINETY-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE JAMBO BALL ROOM, SAFARI PARK HOTEL, NAIROBI ON THURSDAY 21<sup>ST</sup> SEPTEMBER 2017 AT 11:00AM**

#### **Present:**

Mr. C. Muchene	-	Chairman
Mr. A. Cowan	-	Group Managing Director
Dr. G. Geiszl	-	Group Finance Director
Dr. A. Shonubi	-	Non-Executive Director
Mrs. J. Karuku	-	KBL Managing Director
Mr. J. Katto	-	Non-Executive Director
Mr. J. O'Keeffe	-	Non-Executive Director
Ms. C. Musyoka	-	Non-Executive Director
Dr. M. Oduor-Otieno	-	Non-Executive Director
Mr. P. Gallagher	-	Non-Executive Director
Ms. J. Munene	-	Company Secretary

#### **Absent with Apologies:**

Mr. N. Mchechu	-	Non-Executive Director
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#### **Invitees:**

Mrs. A. Eriksson	-	Representing PricewaterhouseCoopers, the Company's Auditors
Mr. R. Harney	-	Representing Coulson & Harney Advocates, the Company's Legal Advisors
Mrs. K. Makatiani	-	Representing Custody & Registrars, the Company's Shares Registrar

Members in person	423
Members via Proxies	203
Total	626

#### **01/2017 WELCOME REMARKS BY CHAIRMAN**

The Chairman welcomed Shareholders to the Annual General Meeting and introduced members of the Board and Senior Management.

#### **02/2017 QUORUM & NOTICE OF THE MEETING**

The Chairman requested the Secretary to confirm quorum and read the notice of the meeting. After confirmation of quorum and the notice being read, the Chairman declared the meeting as duly constituted.

#### **03/2017 REPORT OF DIRECTORS AND AUDITED ACCOUNTS**

The Chairman gave a broad overview about the environment in which the business operated during the last financial year as well as highlights of the Company's performance.

He informed the shareholders that the economic indicators in the key markets that the company operated reflected growth and that the region experienced widespread political stability. However, he advised shareholders that the growth was driven by investment in infrastructure and did not flow through to consumer spending.

It was further noted that in the key markets of Kenya, Uganda and Tanzania, inflation had been on an upward trajectory primarily caused by drought. This

resulted in an increase in the company's cost of production and negatively impacted affordability of the company's products.

Shareholders were further informed that the business in Kenya continued to experience the impact of tax increases effected at the end of 2015 thereby further eroding customers' ability to afford the company's spirits and bottled beer. On performance, the Chairman reported that the company's gross turnover was Kshs 70 billion, translating to an increase of 9% compared to the previous financial year. It was further reported that Profit after Tax from continuing operations increased by 6% driven by organizational and operational efficiencies across the group. Volumes grew by 5% and net sales by 9% for the year under review with performance mainly driven by double-digit growth in spirits and value beer segments. Growth in the top-line was impacted by the decline in bottled beer sales due to the excise-driven price increases and negative impact of drought that resulted in suppressed demand.

Regarding business outlook, the Chairman reported that East Africa continued to enjoy a steady increase in foreign direct investment especially in the infrastructure and manufacturing sector which supported growth of the economy. Given the positive outlook, shareholders were advised that the board had made a strategic decision to invest Kshs 15 billion in a new 1 Million-hectolitre brewery in Kisumu dedicated to the production of Senator Keg.

On the governance front, the Chairman informed shareholders that changes brought about by revision to the company law had made it necessary to provide additional information on the Directors' Report and to include a Directors' Remuneration Report as contained in the Annual Report. The said changes in law also required the Auditor to provide additional information in the audit report.

The shareholders were informed that the board of directors continued to ensure full compliance with the law and always endeavoured to achieve the highest standards of corporate governance.

With those remarks the Chairman then invited Mrs. A. Eriksson of PricewaterhouseCoopers to read the Auditors' Report to Members.

Thereafter, the Chairman invited the Group Managing Director and the Group Finance & Strategy Director to share top line highlights of the Company's performance.

After extensive discussions, the Chairman requested a Shareholder to propose the first Resolution of the meeting.

Mr. K. Mandolo proposed the following resolution:

**THAT the Annual Report and the Audited Financial statements for the year ended 30 June, 2017 as audited and reported on by the Company's Auditors together with the Directors Report and Directors Remuneration Report now submitted to this meeting be and are hereby approved and adopted.**

Mr. A. Chami seconded the resolution which was put to the meeting and declared as carried unanimously.

## **04/2017 DIVIDEND DECLARATION**

Ms. M. Kiarie proposed the following resolution:

**THAT the interim dividend of Kshs 2.00 per ordinary share paid on 21 April 2017 be and is hereby confirmed and that a final dividend of Kshs 5.50 per ordinary share payable, net of Withholding Tax, on or about the 31 October 2017 to Shareholders on the Register at the close of business on 25 August 2017 be and is hereby approved.**

Mr. M. Kangi seconded the resolution which was put to the meeting and declared as carried unanimously.

#### **05/2017 ELECTION OF DIRECTORS**

Mr. J. Wamai proposed the following resolution:

**THAT Mr. John O’Keeffe be and is hereby re-elected a Director of the Company in accordance with Article 108 of the Articles of Association.**

Mr. J. Gituma seconded the resolution which was put to the Meeting and declared carried unanimously.

Mrs. F. Kimani proposed the following resolution:

**THAT Dr. Alan Shonubi be and is hereby re-elected a Director of the Company in accordance with Article 108 of the Articles of Association.**

Mr. A. Mwangi seconded the resolution which was put to the Meeting and declared carried unanimously.

Mrs. J. Mwangi proposed the following resolution:

**THAT Ms. Carol Musyoka be and is hereby re-elected a Director of the Company in accordance with Article 108 of the Articles of Association.**

Mrs. L. Wanjiku seconded the resolution, which was put to the Meeting and declared carried unanimously.

#### **BOARD AUDIT & RISK COMMITTEE MEMBERS**

Mrs. S. Chepkorir proposed the following resolution:

**THAT Mr. Mchechu, Mr. Katto, Dr. Oduor-Otieno and Mr. Gallagher be elected to continue serving as members of the Board Audit & Risk Committee.**

Mr. M. Masaba, seconded the resolution which was put to the Meeting and declared carried unanimously.

#### **06/2017 REMUNERATION OF DIRECTORS**

Mr. J. Waweru proposed the following resolution:

**THAT an increase in Directors Fees by approximately Kshs 20,124,927/- for all Independent Non-Executive Directors together be approved.**

Mr. I. Kimani seconded the resolution which was put to the Meeting and declared carried unanimously.

**07/2017 APPOINTMENT AND REMUNERATION OF AUDITORS**

Mr. J. Chege proposed the following resolution:

**THAT PricewaterhouseCoopers continue in office as Auditors of the Company for the period ending with the next Annual General Meeting of the Company and that the Directors be authorized to determine their remuneration.**

Mr. M. Zablon seconded the resolution which was put to the Meeting and declared carried unanimously.

**08/2017 END OF PROCEEDINGS**

Having received no notice of any other business, the Chairman declared the business of the Ninety-Fifth Annual General Meeting as concluded and thanked Shareholders for their attendance.

**CONFIRMED AND APPROVED THIS 15TH DAY OF NOVEMBER 2017**

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**CHAIRMAN**

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**SECRETARY**