

EAST AFRICAN BREWERIES LIMITED
2020 ANNUAL GENERAL MEETING
WEDNESDAY, 16th SEPTEMBER 2020 AT 11:00 A.M.

PRE-AGM QUESTIONS FROM SHAREHOLDERS

	QUESTIONS	RESPONSE
1	How is EABL embracing digital and emerging technology to drive growth?	<p>We have invested in capabilities to better connect with our customers, enabling us to provide broader and better options to consumers while leveraging technology to reach them on e-commerce platforms. We have also simplified the sales process for our sales teams through data analytics and technology, ensuring that sales representatives can navigate complexity and are well coordinated, capable and agile to drive active selling.</p> <p>We have enabled our distributors with real time business analytics that enable them to drive performance and execution at the grassroots. Through simplification, we have embedded data driven decision making and execution at the micro level through our Route to Consumers.</p>
2	Is the Company considering giving of bonus shares? Can shareholders get bonus shares instead of being paid dividend?	<p>On the issue of dividends, the Board and management regularly review the dividends paid, considering the Company's financial position and investment plans. We have been making major investments for the Company's growth across the region and continue to do so to the benefit of shareholders. We also look at the issue of bonus shares, and in considering this, we have decided as a Board that it is not the right time to give a bonus issue.</p>
3	Should shareholders expect gifts this year?	<p>Unlike other years, we are faced with unprecedented Covid-19 situation that necessitates the AGM to be held through electronic means. This makes it difficult to distribute gifts this year. Nonetheless, we are very grateful for our shareholders who continue to be aligned with our course towards emerging stronger post Covid -19.</p>

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4	Why did the cost of sales increase during the year under review?	The Cost of Sales decreased by 6% during the year, with 31% reduction in cost of sales in Q4 when the pandemic arose. As sales declined due to the Covid-19 impact, the variable costs of sales also declined. In addition, management made efforts to reduce on discretionary costs resulting in additional savings in costs of sales.
5	What is the tenure of the chairman of the board	EABL is guided by the provisions of Article 144 of the Company's Articles of Association and the provisions of the CMA Code of Governance. The Chairman of the Board is an independent Non-Executive director (NED) whose tenure does not exceed nine years. He may subsequently continue to serve as a director but will be designated as a Non-executive director.
6	How much is the dividend for this year?	In recognition of the uncertainty in the external environment in the face of Covid-19 pandemic and the need to conserve cash to protect the business, the directors recommended that the interim dividend of Kshs 3/- per share paid out in April this year will be the full and final dividend for the year.
7	Can you receive your dividend via M-PESA?	Yes you can. To receive dividend via M-Pesa, please contact our Share Registrar, Custody & Registrars for more details. Head office 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, Tel Pilot: (+254) 20 8690360 Fax: (+254) 20 2211773 Office GSM: (+254) 726 971 599 / 737 095 124 Email: info@candrgroup.co.ke Uganda office 4th Floor, DTB Centre, Kampala Road P.O Box 74895 Kampala Tel Pilot: (+256) 414 237 504 Office GSM: (+256) 757 072 773 Email: info@candgroup.co.ug
8	Competition is healthy and inevitable, what measures have you put in place to ensure you remain at the summit as EABL?	<ul style="list-style-type: none"> At EABL, we are always open to competition, as we believe it is healthy for any industry, market, or consumer. On our part, we are focussed on our five-year strategic plan which will guide our execution and provide an even wider product portfolio to our consumers. Having said that, our biggest competition is, in fact, illicit/contraband products, which make up about 50% of the total beverage alcohol market. This is not only affecting our performance, but contraband and counterfeit products are also detrimental to the alcohol industry – since tax evasion enables price undercutting.

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		<ul style="list-style-type: none"> At the value segment, we have positioned Senator (and other innovation brands) to help address this potential with a lot of success in the last decade.
9	Will the Directors/Management consider a stock split to make the share price more affordable to small investors?	The Board has considered this and is of the view that in view of the fact that the shares are currently at a price that assures shareholders of good liquidity and are trading at a discount, and as such, do not recommend a split at this point in time.
10	Is there an opportunity for a special dividend?	During the financial year 2020, EABL has not had any significant one-off gains that would warrant special dividend payment and as such, no opportunity has been noted at this point in time. In the past, we have awarded special dividends where we have significant one-off gains and will look out for such opportunities as they arise.
11	How much is the Board remunerated and how is it arrived at?	<p>We have provided a detailed remuneration report in the Annual report. However, in brief, our approach to recognizing the contribution of our employees and our Directors is based on our reward principles which are summarized below for non-Executive Directors:</p> <ul style="list-style-type: none"> Competitiveness – reflective of the market and peers for similar skills and regularly benchmarked to market Transparency – simple and globally aligned Performance based – linked to our performance ambition <p>Regarding the Independent Non-Executive Directors (INEDS), these are paid fees and allowances that are reflective of the market and peers, based on a benchmarking survey undertaken every two years. For each INED, the remuneration is adjusted for participation in Board meetings.</p> <p>Non-Executive Directors who are full time employees of Diageo are not entitled to fees and allowances for sitting on the Board of EABL</p>