

BAMBURI CEMENT PLC

MINUTES OF THE 70TH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIRTUALLY THROUGH THE C&R GROUP VIRTUAL AGM PLATFORM ON THURSDAY 10TH JUNE 2021 AT 2.30 P.M.

PRESENT:

Directors:

Mbuvi Ngunze	-	Acting Chairman
Seddiq Hassani	-	Group Managing Director
Grace Oluoch	-	Group Finance Director
Austin Ouko	-	Non-Executive Director
Alice Owuor	-	Non-Executive Director
Dr. Helen Gichohi	-	Non-Executive Director
John Stull	-	Non-Executive Director
Rita Kavashe	-	Non-Executive Director
Vasileios Karalis	-	Non-Executive Director
Waeni Ngea	-	Company Secretary

Shareholders:

Shareholders present in person: 137 – see attached *Annexure 1*

Shareholders present via proxy: 28 – see attached *Annexure 1*

APOLOGIES:

Dr. John Simba	-	Board Chair
Jean-Michel Pons	-	Managing Director, Hima Cement

IN ATTENDANCE:

Fred Aloo	-	Deloitte & Touche, Auditors
Francis Olalo	-	Rachier & Amollo Advocates, Legal & Compliance Auditor
Pius Nduati	-	Dorion Associates, Governance Auditor
Purity Kairuthi	-	C&R Group, Share Registrar
Muhoya Chege	-	C&R Group, Share Registrar

1. CHAIRMAN'S REMARKS

The 70th Annual General Meeting commenced with opening remarks from Mr. Ngunze, the Chairman for the meeting. He informed shareholders that Mr. Simba, the current Board Chairman was unavailable and proceeded to introduce members of the Board and the Company's key partners who were present. He also noted the presence of the Company's management.

2. **CONFIRMATION OF A QUORUM**

The Company Secretary tabled the proxies received and confirmed that a total number of 559 shareholders holding 277,794,282 shares which represented 76.54% of the issued shares had registered to participate in the virtual Annual General Meeting. The meeting was deemed properly convened and constituted.

3. **NOTICE CONVENING THE MEETING**

The Company Secretary read the notice convening the meeting.

4. **DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

The Report of the Directors and the Audited Financial Statements for the year ended 31st December 2020 which were contained in the integrated Annual Report availed on the Company's website were received and taken as read.

Mr. S. Hassani briefly took shareholders through the Company's performance and business activity highlights.

He reported that the Company's group revenue declined by 5% compared to the prior year while operating profit grew significantly by 78% to KES 1,983m (2019: KES 1,117m) driven by costs savings in both variable and fixed costs. Profit before tax was up 144% to KES 1,177m (2019: KES 728m) while the total comprehensive income for the year grew 448% from KES 350m in 2019 to KES 1,919m in 2020 driven by a lower than prior year effective tax rate of 36.4% (2019: 50.6%).

The business registered a strong delivery on net cash generated from operations (96% above prior year) owing to cost cutting and cash preservation measures. The Board had recommended the payment of a first and final dividend of KES 3:00 per share (2019: KES Nil) amounting to a total of KES 1,089m, for the year under review.

Independent Auditors Report

Mr. F Aloo was invited to read the Auditor's report to the shareholders. He confirmed that Deloitte & Touche audited the financial statements for the Company and its subsidiaries. In their opinion, the financial statements gave a true and fair view of the Company's financial position as at 31st December 2020 in accordance with International Financial Reporting Standards and the Kenya Companies Act 2015.

On other legal and regulatory requirements, he confirmed the auditable part of the financial statements was properly prepared in accordance with the Kenyan Companies Act, 2015. In view of the above, the auditors had issued an unqualified audit opinion.

Governance Auditor's Report

Shareholders were informed that the Company had conducted the 2020 Corporate Governance Audit in compliance with the CMA Code of Corporate Governance Practice for Issuers of Securities to the Public 2015. The governance auditor, **Mr. P Nduati** from Dorion Associates read the auditor's opinion to the shareholders.

He informed the meeting that the responsibility of the governance auditor was to express an opinion on the existence and effectiveness of governance instruments, policies, structures, and practices in the organisation in line with the best governance practices in the legal and regulatory framework. In the auditor's opinion, the Company's Board had put in place a satisfactory governance framework and in that regard, an unqualified opinion was issued.

Legal & Compliance Auditor's Report

Shareholders also noted that the Company had conducted the 2020 legal & compliance audit in compliance with the CMA Code of Corporate Governance Practice for Issuers of Securities to the Public 2015. The Company was required to put in place internal procedures, processes and practices to monitor and ensure compliance with applicable laws, regulations and standards. **Mr. F Olalo** of Rachier & Amollo Advocates read their opinion which confirmed that the Company was generally in compliance with applicable legislation.

The Chairman invited questions from Shareholders on the Directors Report and audited Financial Statements to which the Group Managing Director, the Group Finance Director, Company Secretary and he himself responded. The Board would respond to questions received prior to the AGM as well as any live questions.

- a) Shareholder **David Otieno** wanted to know *when the Company would pay the dividend and how much the dividend was?*

The **Chairman** responded that, the proposed first and final dividend was KES 3:00 per ordinary share for the financial year ended 31st December 2020, which if approved, would be paid net of withholding tax on 15th July 2021. The dividend was payable to Shareholders on the Register of Members as at the close of business on 16th May 2021.

He encouraged shareholders to opt in to receive their dividend via Safaricom Mpesa platform, noting that it was the first time the Company would pay dividends via a mobile money platform.

- b) Shareholder **Alois Chami** asked the following question:
- *Explain the future of the Group business?*

The **Group Managing Director** indicated that the Company's objective was to remain the leader in Kenya and Uganda which meant remaining competitive, and growing through capacity expansion and sales excellence. The strategy had 4 pillars: Enforcing the Company's route to market, Ensuring the best service to customers (including digital and logistics), Continuous innovation (new products and services) and Continuous focus on key accounts and big infrastructure projects. The intention was to grow profitably.

c) Shareholder **Richard Kathitu Munyao** asked:

- *What is the Company doing to ensure Chinese construction companies use local cement instead of importing Chinese cement?*

The **Group Managing Director** responded indicating that the Company's Management had no knowledge of any Chinese cement imports to Kenya. This did not mean that it was not a risk. In order to ensure that local cement was used or Bamburi cement was used in Kenya, the Company needed to offer to those contractors the right solutions meaning the right quality of products, the right level of service and the right price which was being done, hence the supply of cement to some Chinese construction companies undertaking infrastructural projects.

d) Shareholder **Irungu Kimani** from Thika asked and commented as follows:

- *Could the Company have a hybrid AGM if the COVID-19 pandemic persists to permit people to meet*
- *The tax charged in the Profit & Loss was high, explain.*
- *Why were trade receivables a key audit matter?*
- *Earnings per share improved and the payment of dividend was good so that shareholders can get something to use.*

The **Company Secretary** responded on the hybrid AGM confirming that the same would be considered as an option in the 2022 AGM.

The **Group Finance Director** responded on the fact that tax was higher in 2020 stating that the Company had an obligation to pay taxes which were higher owing to the generation of higher profits in 2020. The profit before tax growth was 144% which meant that it more than doubled. The tax liability had grown in the same proportion. She confirmed that there was no issue with trade receivables as the company was able to optimise them such that any monies that were tied up in receivables were collected, the business became more efficient and generated record high cash.

e) Shareholder **Geoffrey Bethuel Maoga** made the following comments and raised the following questions:

- *He thanked the acting Chair and sent condolences to Dr. J Simba*
- *He noted that Company performance had improved significantly and thanked the Board for the work done together with the move from Upperhill, Nairobi to save costs*

- *Did the Company retrench staff as staff costs reduced? Reference page 136, Note 11 Wouldn't this let the morale of staff go down so that they don't produce?*
- *The board can deliberate and see how they can increase the share capital because the share capital has remained static for quite some time and we need it increased.*

The **Group Finance Director** responded on the reduction in staff costs and indicated that the company did not reduce employee salaries or declare redundancies. The reduction was attributable to reduction in costs associated to the staff costs e.g. travel costs, which were saved owing to the COVID containment lockdowns.

The **Group Managing Director** recognised shareholder appreciation on the proposed dividends and positive feedback on the Company's performance.

The Chairman then closed the Q&A session and proceeded to seek shareholder proposals to approve and adopt the financial statements for the year ended 31st December 2020. He advised shareholders that the resolutions put to the vote at the meeting would be passed by a poll after being read by the Company Secretary. Shareholders would be given a few minutes at the end of the meeting to complete voting after which the results would be announced. The results would also be published on the Company's website www.lafarge.co.ke within 24 hours of the meeting.

Mary-Anne Karungari Ihiga proposed and Ruugia Kithinji Samuel seconded the resolution and it was **unanimously resolved that** the Report of the Directors and the audited Financial Statements for the year ended 31st December 2020, be and are hereby approved and adopted.

5. **DECLARATION OF A FIRST AND FINAL DIVIDEND**

It was proposed by **Antony Mativo**, seconded by **Gachie David Mwangi** and **resolved by a majority vote that** the first and final dividend of KES 3.00 per ordinary share for the financial year ended 31st December 2020, to be paid net of withholding tax on 15th July 2021 to shareholders on the register of members at the close of business on 16th May 2021, be and is hereby approved.

6. **DIRECTORS SEEKING RE-ELECTION**

- a) It was proposed by **Anyang' Vivian Ojuma**, seconded by **Muhati Cornelius** and **resolved by a majority vote that** that Mbuvi Ngunze who retires by rotation in accordance with Article 111 of the Company's Articles of Association, and being eligible, offers himself for re-election be and is hereby re-elected as a Director of the Company;

- b) It was proposed by **Koigi Kamau**, seconded by **Catherine Ngugi** and resolved by a majority vote that that Vasileios Karalis who retires by rotation in accordance with Article 111 of the Company's Articles of Association, and being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company; and,
- c) It was proposed by **Waithaka Mbogo**, seconded by **Danish Odero Rayola** and resolved by a majority vote that that Austin A.O. Ouko who retires from office in accordance with Article 116 of the Company's Articles of Association, having been appointed by the Board since the last Annual General Meeting and being eligible, offers himself for re-election be and is hereby re-elected as a Director of the Company.

7. APPOINTMENT OF MEMBERS OF THE BOARD AUDIT & RISK COMMITTEE

Pursuant to the provisions of Section 769 of the Companies Act 2015, shareholders were requested to elect Alice Owuor, Mbuvi Ngunze, Rita Kavashe and Austin A.O. Ouko as members of the Board Audit & Risk Committee.

It was proposed by **David Njari**, seconded by **Kioko Stephanie Eve Mukii** and resolved by a majority vote that Alice Owuor, Mbuvi Ngunze, Rita Kavashe and Austin A.O. Ouko be and are hereby elected to continue to serve as Members of the Board Audit & Risk Committee.

8. DIRECTORS' REMUNERATION & DIRECTORS' REMUNERATION REPORT

It was proposed by **Kahindi Kevin Ngei** and seconded by **Makau Frank Kasini** and resolved unanimously that that the Directors' Remuneration and Directors' Remuneration Report for the year ended 31st December 2020 be and is hereby approved.

9. RE-APPOINTMENT OF AUDITORS AND FIXING AUDITOR'S REMUNERATION

Shareholders were informed that Deloitte and Touche had expressed a desire to continue in office as the Company's external auditors.

It was proposed by **Karunjigi Wilson Munyua**, seconded by **Anderson Waithaka Maina** and resolved by a majority vote that Deloitte and Touche are approved to continue in office as Auditors by virtue of Section 721(2) of the Companies Act 2015 and further that the Directors be and are hereby authorized to fix their remuneration.

10. SPECIAL RESOLUTION TO CHANGE THE COMPANY'S NAME

Having concluded the ordinary business, the Chairman directed shareholders to the special business of the AGM which included the change the name of the Company from Bamburi Cement Limited to Bamburi Cement plc pursuant to provisions of Section 53 of the Companies Act 2015.

It was proposed by **Kariuki Stephen Wainaina**, seconded by **Nthigah Julius Mutegi** and **resolved by majority vote that** the change of name of the Company from Bamburi Cement Limited to Bamburi Cement plc in line with provisions of Section 53 of the Companies Act 2015, be and is hereby approved. The change would be effective from the date indicated in the Certificate of Change of Name issued by the Registrar of Companies.

11. SPECIAL RESOLUTION TO AMEND THE COMPANY'S ARTICLES OF ASSOCIATION

Shareholders noted the need to amend the Company's Articles of Association to align with provisions of the Unclaimed Financial Assets Act 2011. A breakdown of Articles 45 -51 which would be deleted was shared in advance for shareholder review on the Company's website.

It was therefore proposed by **Peter Ochuodho**, seconded by **Irungu Agnes Nduta** and **unanimously resolved that** Articles 45 to 51 of the Company's Articles of Association be deleted in their entirety, replaced with the following new clause 45 and all subsequent clauses renumbered accordingly:

45. In compliance with the Unclaimed Financial Assets Act 2011 or such other applicable laws, the Company shall report, deliver and/or pay to the Unclaimed Financial Assets Authority or any other regulator prescribed by applicable law, any unclaimed assets including but not limited to shares and dividends in the Company presumed to be abandoned or unclaimed in law and any dividends remaining unclaimed beyond prescribed statutory periods and the Board may perform such acts as may be necessary to effect such delivery or payment. Upon such delivery or payment, the unclaimed assets shall cease to remain owing by the Company and the Company shall no longer be responsible to the shareholder or his or her estate, for the relevant unclaimed assets.

12. ANNOUNCEMENT OF RESULTS

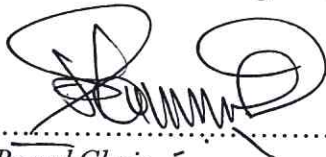
The results of the poll on each resolution were displayed via the live AGM platform for shareholder noting. The Company Secretary announced that all ordinary and special resolutions put to meeting were passed. The breakdown of the votes received would be shared via the Company's website www.lafarge.so.ke within 24 hours of the meeting.

13. **END OF PROCEEDINGS**

There being no other matters on which notice was received, the Chairman declared that the business of the 70th Annual General Meeting was concluded. He ended by thanking shareholders for their participation.

The meeting closed at 3:31p.m.

Confirmed as a true record and signed below:

Signed by:  Date: 26TH August 2021
Board Chair

DISTRIBUTION:

Shareholders
Directors

ANNEXURE 1: BAMBURI CEMENT AGM - MEMBER ATTENDANCE

Shareholders Present in Person:

1. Alice Owuor
2. Alum Lydia Awino
3. Apiyo Violet Anyango
4. Aseka Habil
5. Busolo Josephine Shidogo
6. Caroline K Kiriinya
7. Catherine Ngugi
8. Cherono Maria Kipkenei
9. Communications Nditronics
10. Co-op Bank Custody A/C 23000
11. Danish Odero Rayola
12. Edith Bhoyyo
13. Enoch Mureithi
14. Ethan Hiram Irungu
15. Fincem Holding limited
16. Frank Stephens
17. Gachie David Mwangi
18. Gakuru Susan Wanjira
19. Gataka Ivy Wanjiru
20. Geoffrey Maoga
21. Gertrude Munguti
22. Gicheha Lynette Muthoni
23. Gitonga Oscar
24. Gitonga Stephen Kanyi
25. Haron Biyogo
26. Jacqueline Mumbi Hinga
27. James Ngarariga
28. James Thuo
29. James Mithanga Mburu
30. John Kamweti
31. Juliet Kimondo
32. Justus Mucheke Ileri
33. Kamau Chris Kinyanjui
34. Kanga Two Thousand Investment Ltd
35. Karani Stella Gakii
36. Kariuki Tabithah Wambui
37. Kariuki Timothy Githae
38. Kencem Holding Limited
39. Kenya Commercial Bank Nominees Ltd A/C 769G
40. Kenya Commercial Bank Nominees Ltd A/C 744A
41. Kenya Commercial Bank Nominees Ltd A/C 744D
42. Kenya Commercial Bank Nominees Ltd A/C 770B
43. Kenya Commercial Bank Nominees Ltd A/C 771B
44. Kenya Commercial Bank Nominees Ltd A/C 800

45. Kenya Commercial Bank Nominees Ltd A/C 915G
46. Kenya Commercial Bank Nominees Ltd A/C 923B
47. Kiarie Francis Ndicu
48. Kimathi Lisa Gakii
49. King'ori Zacharia Waithaka
50. Kiprono Kelvin
51. Kirienye Emmanuel Maina
52. Kitonyi Samson Wambua
53. Kitsima Bessie Kotse
54. Koigi Kamau
55. Korir Vincent Cheruiyot
56. Langat Aurelia Chepkoech Nyole
57. Luvembe Ferdinand Atila
58. Makau Frank Kasini
59. Mary-Anne Karungari Ihiga
60. Maureen Wangome
61. Mbua Stephen Matu
62. Mbui Dickson Muchugu Ndungu Caroline Wangechi
63. Mburu Maryanna Muthoni
64. Mithamo Francis Mugo
65. Mubea James Kibuthu
66. Mugira Betty Gakii
67. Mugira Nangi Muleti
68. Muhati Cornelius
69. Muiruri Esther Wanjiru
70. Mullu Victoria Ndinda
71. Mulonzya Mutua
72. Mutisya Boniface Muema
73. Muyambo Judith Nzisa
74. Mwangi Moses Ng'ang'a
75. Mwongi David Kamau
76. Nadeem Shamshudin
77. Nancy Warshow
78. Ndege Chris Gachamba
79. Ndolo Ruth Wanza
80. Ngunze Mbuvi
81. NIC Custodial Services A/C 010
82. NIC Custodial Services A/C 016
83. NIC Custodial Services A/C 006
84. NIC Custodial Services A/C 042
85. NIC Custodial Services A/C 179
86. NIC Custodial Services A/C 216
87. Njeru Alice Wanjiku
88. Njuguna Victor Kanina
89. Nthigah Julius Mutegi
90. Numi Ann Njeri
91. Nyamolo Kennedy Mboya

92. Nyariaro Edward
93. Denis Kennedy Asewe
94. Ochieng Linet Laktar
95. Okaka Jeremiah Ambwaya
96. Oloo Allan Otieno
97. Omar Badi Maulidi
98. Ondara Magara Amon
99. Onyango Lourine Auma
100. Otieno Daniel Ouma
101. Owino Evalyne Akoth
102. Oyatsi Henry Thaddeus Nang'ayo
103. Peter Tony Okeyo
104. Rachel Wanjiku Thamu
105. Reuben Soi
106. Richard Kathitu Munyao
107. Robert Gitumbo Gateru
108. Rucuiya Kimani
109. Ruugia Kithinji Samuel
110. Sarah Ruigu
111. Shah Priyadarshana
112. Shikuku Susan Omumala
113. Simon James Fisher
114. Sosthene Oroni
115. Stanbic Nominees Ltd A/C R12201
116. Stanbic Nominees Ltd A/C R48701
117. Stanbic Nominees Ltd A/C R2095755
118. Stanbic Nominees Ltd A/C R2691099
119. Stanbic Nominees Ltd A/C R32006
120. Stanbic Nominees Ltd A/C R35501
121. Stanbic Nominees Ltd A/C R92401
122. Standard Chartered Kenya Nominees Ltd A/C Ke000954
123. Standard Chartered Nominees Resd A/C Ke11396
124. Standard Chartered Nominees Resd A/C Ke11443
125. Stephen Irungu Kimani
126. Sylvia Omulo
127. Tabitha Njuguna
128. Too Andronicus
129. Valley Rock Management Limited
130. Venance Wachenje
131. Wagaturi Lucy Waithira
132. Waithaka Mbogo
133. Waithaka Michael Mwangi
134. Wanjiku Ann Mercy Wangechi
135. Waweru Charles Mukabi
136. Wekesa Moses Baraza
137. William Mwathi

Shareholders Present via Proxy:

Name of Shareholder	Shares	Proxy Appointed
1. Fincem Holding Limited	106,360,798	Seddiq Hassani
2. Kencem Holding Limited	106,360,797	Seddiq Hassani
3. Standard Chartered Nominees Resd A/C KE11396	56,906,640	Lenah Rotich
4. NIC Custodial Services A/C 016	1,200,895	Nick Muhuni
5. Standard Chartered Nominees Resd A/C KE11443	1,009,900	Lenah Rotich
6. Co-Op Bank Custody A/C 23000	792,400	Lenah Rotich
7. Standard Chartered Kenya Nominees Ltd A/C KE000954	450,300	Kevin Ochieng Sewe
8. Stanbic Nominees Ltd A/C R32006	312,970	Susan Muchira
9. Stanbic Nominees Limited A/C R48701	276,328	Susan Muchira
10. Kenya Commercial Bank Nominees Limited A/C 771B	238,994	Mbuvi Ngunze
11. Stanbic Nominees Ltd A/C R35501	214,025	Susan Muchira
12. Kenya Commercial Bank Nominees Limited A/C 915G	184,000	Lenah Rotich
13. NIC Custodial Services A/C 042	141,700	Nick Muhuni
14. Kenya Commercial Bank Nominees Ltd A/C 769G	103,500	Mbuvi Ngunze
15. NIC Custodial Services A/C 216	43,447	Nick Muhuni
16. Stanbic Nominees Ltd A/C R92401	33,080	Susan Muchira
17. Kenya Commercial Bank Nominees Limited A/C 923B	29,700	Mbuvi Ngunze
18. Stanbic Nominees Limited A/C R12201	29,200	Susan Muchira
19. Kenya Commercial Bank Nominees Limited A/C 800	28,350	Mbuvi Ngunze
20. NIC Custodial Services A/C 010	21,600	Nick Muhuni
21. Stanbic Nominees Ltd A/C R2691099	11,300	Susan Muchira
22. Stanbic Nominees Ltd A/C R2095755	10,800	Susan Muchira
23. NIC Custodial Services A/C 179	7,400	Nick Muhuni
24. Kenya Commercial Bank Nominees Limited A/C 770B	7,062	Mbuvi Ngunze
25. NIC Custodial Services A/C 006	3,600	Nick Muhuni
26. Kenya Commercial Bank Nominees Limited A/C 744A	41	Mbuvi Ngunze
27. Kenya Commercial Bank Nominees Limited A/C 744D	7	Mbuvi Ngunze
28. Communications Nditronics	5	Stephen Chege
Total	274,778,839	