

**BRITISH AMERICA TOBACCO KENYA PLC  
("BAT Kenya/the Company")**

**Summary of Amendments to the Articles of Association**

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**Background**

In light of the changing regulatory environment, prevailing situation arising from the COVID-19 pandemic or other unforeseen special circumstances with the potential to restrict/prevent normal Company operations, there is a need to review and update the Company's Articles of Association ('AoA') to provide for continued business operations during such times and modernize the Articles of Association.

**The following is a summary of the key recommended amendments:**

1. **Article 9** - Uncapping of the share capital of the Company to permit flexibility in any future increases of the Company's share capital;
2. **Article 62 & 63** – Amended to provide for holding of a full virtual annual general meeting and the issuance of relevant notices;
3. **Article 75** – Amended to give the Chair powers to postpone/adjourn a general meeting where shareholders attending electronically cannot reasonably participate;
4. **Article 76** – Amended to incorporate security arrangements for virtual meetings;
5. **Article 79** – Amended to capture attendance of hybrid or fully electronic general meetings;
6. **Article 81** – Amended to provide for voting by shareholders via secret ballot and electronically. It also reflects the need to inform shareholders how the result of the vote will be measured;
7. **Article 93** – Amended to incorporate receipt of proxies received by electronic means;
8. **Article 110(h)** – Amended to incorporate provisions of section 139 of the Companies Act 2015 on removal of a director from office;
9. **Article 129 & 150** – Amended to reflect provisions of section 37 of the Companies Act 2015 which defines how documents can be validly executed by a Company e.g. through two authorized representatives.
10. **Article 132** – Amended to reflect a change of quorum for Board meetings from the current minimum of 2 directors to 3 directors (1 executive director and 2 non-executive directors) while providing for quorum in special circumstances which make it impractical/impossible to hold Board meetings;

11. **Article 144** – Amended to provide that a resolution signed by 75% of the directors entitled to receive the notice shall be valid and effectual as a resolution passed at a meeting of the Board.
12. **Article 153** – Amended to provide for the advance payment of final dividend in special circumstances when an AGM cannot be held; and
13. **Article 171** – Amended to provide for advance appointment of the external auditor where it is not reasonably possible to wait until the AGM.

**Request to Shareholders:**

- a) That in compliance with provisions of the Companies Articles of Association and the Companies Act, 2015, shareholders are requested to review and if agreeable, approve the deletion of the existing Articles of Association in their entirety and replacement of the same with the new amended Articles of Association of the Company.