

# Explanatory notes to resolutions to be passed

## **Agenda Item 1: Report and Financial Statements 2020 Resolution 1:**

THAT the Report of the Directors and the Financial Statements for the year ended 31 December 2020, as audited and reported by the Company's auditor now submitted to this meeting, be and are hereby approved and adopted.

## **Agenda Item 2: Declaration of Final Dividend Resolution 2:**

THAT the interim dividend of KSh. 3.50 per ordinary share paid on 18 September 2020 be and is hereby confirmed, and that a final dividend of KSh. 41.50 per ordinary share net of Withholding Tax, to be paid on 12 May 2021 to Shareholders on the Register at the close of business on 16 April 2021, be and is hereby approved.

The Company paid an interim dividend of KSh. 3.50 per Ordinary Share on 18 September 2020. The Board recommends a final dividend of KSh. 41.50 per Ordinary Share, bringing the total dividend for the year to KSh. 45.00 per Ordinary Share. Subject to approval by Shareholders, the final dividend will be paid on 12 May 2021 to Shareholders on the register on 16 April 2021.

## **Agenda Item 3 (a) and (b): Directors seeking re-election pursuant to Article 101 Resolutions 3 (a) and (b):**

THAT Rita Kavashe and Crispin Achola having been appointed by the Board after the last Annual General Meeting, each retires in accordance with Article 101 of the Articles of Association and being eligible, offer themselves for re-election as Directors.

THAT Rita Kavashe be and is hereby re-elected as a Director of the Company.

THAT Crispin Achola be and is hereby re-elected as a Director of the Company.

## **Agenda Item 3 (c-e): Directors seeking re-election pursuant to Article 102**

### **Resolutions 3 (c) (d) and (e):**

THAT Peter Mwangi, Dr. Martin Oduor-Otieno and André Joubert retires by rotation in accordance with Article 102 of the Articles of Association and being eligible, offers themselves for re-election as Directors.

THAT Peter Mwangi be and is hereby re-elected as a Director of the Company.

THAT Dr. Martin Oduor-Otieno be and is hereby re-elected as a Director of the Company.

THAT André Joubert be and is hereby re-elected as a Director of the Company.

In relation to the re-election of all the above-named Directors, the Nominations & Governance Committee and the Board have determined that they continue to perform effectively and demonstrate commitment to their role, and that they are all respectable individuals in their respective fields and backgrounds. Their breadth of knowledge and skills, combined with their diversity and business experience, makes a major contribution to the proper functioning of the Board and its Committees. Biographical details of the Directors seeking re-election are set out on page 62 to 65 of this Annual Report.

Copies of the Directors' letters of appointment are available for inspection during normal business hours at the Company's registered office on any business day.

## **Agenda Item 4: Re-election of Audit & Risk Committee Members Resolution 4:**

THAT Dr. Martin Oduor-Otieno, Samuel Onyango, Carol Musyoka and Marion Gathoga-Mwangi be and are hereby elected to continue to serve as Members of the Board Audit and Risk Committee.

In accordance with the provisions of Section 769 of the Companies Act 2015, the Directors listed in Agenda Item 4 offer themselves for re-election to continue to serve as members of the Board Audit and Risk Committee.

## **Agenda Item 5: Directors Remuneration Resolution 5:**

Resolution 5 is an advisory vote to approve the Directors' remuneration as prescribed by the Capital Markets Authority, Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015.

The Remuneration Report is set out on page 92 to 95 of the Annual Report.

## **Agenda Item 6: Re-appointment of Auditors and Auditor's Remuneration Resolution 6:**

THAT in accordance with Section 721 (2) of the Companies Act, KPMG Kenya be re-appointed to continue in office as the External Auditor of the Company and that the Directors be and are hereby authorised to fix their remuneration.

With KPMG having expressed their willingness to continue in office as the Company's External Auditor in accordance with the provisions of Section 721 (2), it is proposed that Messrs KPMG Kenya be re-appointed as the External Auditor of the Company and that the Directors be authorised to fix their remuneration for the ensuing financial year.

## **Agenda Item 7: Special Business: Amendment to the Company's Articles of Association Resolution 7:**

THAT Articles 101 and 102 be amended so as to cushion the Executive Directors in the Company, noting that they have employment contracts with the Company, from seeking re-election from shareholders at the Annual General Meeting, following appointment to fill a casual vacancy or as an addition to the existing Directors, and thereafter from the annual rotation process.

The amended document will be available for review on the Company's website: [www.batkenya.com](http://www.batkenya.com). A copy of the draft Articles of Association can also be inspected at the Company's head office at the following address: 8 Likoni Road, Industrial Area, Nairobi, Kenya.