



BRITISH AMERICAN TOBACCO KENYA PLC

MINUTES OF THE 71ST ANNUAL GENERAL MEETING OF THE COMPANY HELD ELECTRONICALLY AT BAT KENYA OFFICES, LIKONI ROAD, NAIROBI ON THURSDAY 15TH JUNE 2023 AT 9:00 A.M.

Present: Physically present at the meeting venue

Ms. Rita Kavashe	-	Chairperson
Mr. Crispin Achola	-	Managing Director
Mr. Philemon Kipkemoi	-	Finance Director

Present: Attended virtually

Ms. Carol Musyoka	-	Non-Executive Director
Dr. Martin Oduor-Otieno	-	Non-Executive Director
Mr. Peter Mwangi	-	Non-Executive Director
Dr. Macharia Irungu	-	Non-Executive Director
Mr. Samuel Onyango	-	Non-Executive Director
Ms. Marion Gathöga-Mwangi	-	Non-Executive Director
Mr. Andre Joubert	-	Non-Executive Director

In Attendance: Physically present at the meeting venue

Ms. Kathryn Maundu	-	Company Secretary
Mr. Willis Genga	-	Audit Partner, KPMG Kenya
Mr. Kenneth Kamaita	-	Legal and Compliance Auditor, Kaplan & Stratton Advocates
Mr. Tom Mbugua	-	Image Registrars Limited, the Share Registrar
Mr. Jealous Moyerani	-	PricewaterhouseCoopers, Vote verifier

1) **CHAIRPERSON'S REMARKS TO THE SHAREHOLDERS**

The Chairperson welcomed Shareholders to the 71st Annual General Meeting and proceeded to introduce the Board Directors, key partners, and the Leadership Team. Members were informed that the meeting had been convened in line with Article 62(b) of the Company's Articles of Association, which allowed for a virtual meeting.

2) **KEY HIGHLIGHTS FROM MANAGING DIRECTOR'S PRESENTATION**

Mr. Crispin Achola, the Managing Director, took the shareholders through the Company's performance and future expectations under the following headings: BAT's Strategy, 2022 performance highlights and 2023 focus areas.

a) **BAT's Strategy**

Mr. Crispin Achola reiterated the Company's purpose which was to build 'A Better Tomorrow' for its stakeholders by stimulating the senses of the new adult generations. This would be delivered through inspirational foresights, remarkable innovation, powerful brands, connected organizations and an energized workforce. The purposed would be achieved through people and partnerships with various stakeholders.

On Health, Environment, Social and Governance (HESG), Mr. Achola, informed the shareholders that ESG was front and centre of the Company's strategy. He explained that the HESG strategy sought to reduce the health impact of the business to its consumers by relaunching Velo into the market, ensure excellence in environmental management while delivering a positive social impact to the society through robust corporate governance. These had been achieved through the business support on drought relief initiatives and afforestation exercises where the Company planted 1.3mn trees in 2022.



b) 2022 Review

Mr. Achola informed the meeting that the business was able to deliver a resilient performance despite the challenging operating environment brought about by extreme weather conditions, high illicit trade incidence and the consumer affordability stretch. It was explained that, compared to 2021, in the year under review, gross revenue grew by 5% to KSh. 42.2 bn, revenue paid to the government by way of taxes increased by 3% to KSh. 18.5 bn and profits after tax grew by 6% translating to KSh. 6.9 bn. The dividend pay-out increased by 7% translating to a dividend of KSh. 57/- per share, which reflected the increase in profit after tax.

Mr. Achola highlighted the external recognitions the Company received in 2022 namely Top Employer award in Africa and Kenya, Diversity and Inclusion champion awarded by Accenture Gender Mainstreaming Awards and Financial Reporting (FiRE) award as overall winner in the Governance category among other awards. It was also reported that the Company received an EPRA Certification for the year 2022 -2025.

c) 2023 Priorities

In closing, Mr. Achola informed shareholders of the priority areas for 2023 which included: portfolio innovation and equity building; accelerating new categories; excise stability and regaining volume from illicit trade and investing in talent acquisition.

ORDINARY BUSINESS OF THE MEETING

Min 1/2023 QUORUM

It was confirmed that 1,193 shareholders registered to attend the AGM. This represented a total of 81,541,867 shares which was 82% of the issued share capital of the Company. The meeting was therefore quorate.

Min 2/2023 NOTICE OF THE MEETING

The Notice of the meeting was read by the Secretary.

Min 3/2023 REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Report of the Directors and the Financial Statements for the year ended 31 December 2022 were received and considered by the shareholders. The Chairperson gave a broad overview of the Company's performance as per her Statement.

a) Legal and Compliance Audit Report

Mr. Kenneth Kamaitha of Kaplan & Stratton Advocates was invited to read the 2022 independent Legal and Compliance Auditors' Report to the shareholders. He confirmed that during the year ended 31 December 2022 the Company was generally compliant with the laws, regulations, and standards applicable to it.

b) Independent Auditor's Report

Mr. Willis Genga of KPMG Kenya was invited to read the Independent Auditors' Report to the shareholders. He confirmed that KPMG Kenya audited the financial statements of the Company and its subsidiaries for the year ended 31 December 2022. In KPMG's opinion, the financial statements gave a true and fair view of the consolidated and Company financial position as at 31 December 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Kenyan Companies Act, 2015.



c) **2022 Directors' Report and Financial Statements**

The Chairperson invited questions from shareholders on the Financial Statements to which the Managing Director and the Finance Director responded to. The Chairperson thereafter closed the Q&A session and proceeded to seek Shareholder's proposals to approve and adopt the Financial Statements for the year ended 31st December 2022.

Mr. Paul Kioko Wambua, proposed the following Resolution:

THAT the audited Financial Statements for the year ended 31st December 2022 together with Chairman's Statement, the Directors' and Auditor's Reports thereon be and are hereby approved and adopted.

Mr. Ragor Rodgers Kiptoo, seconded the Resolution which was then put to the meeting for voting.

Min 4/2023 DIVIDEND FOR THE YEAR ENDED 31st DECEMBER 2022

Mr. John Wairi Wandugo, proposed the Resolution:

THAT that the interim dividend of KSh 5/- per ordinary share paid on 16th September 2022 be and is hereby confirmed and that the final dividend of KSh 52/- per ordinary share payable net of Withholding Tax on 15th June 2023 to shareholders on the Register of Members as at the close of business on 26th May 2023 be and is hereby approved.

Mr. Joseph Mute Gitumah, seconded the Resolution which was put to the meeting for voting.

Min 5/2023 RE-ELECTION OF DIRECTORS

It was noted that Ms. Carol Musyoka retired by rotation in accordance with Article 102 of the Articles of Association and did not offer herself for re-election as a Director. Ms. Carol Musyoka therefore ceased to be a Director of the Company with effect from 15th June 2023. The Chairperson thanked Ms. Musyoka for her invaluable contribution to the Board.

It was also noted that Ms. Rita Kavashe and Dr. Martin Oduor-Otieno retired by rotation in accordance with the provisions of Article 102 of the Articles of Association and being eligible, offered themselves for re-election as Directors. The Company Secretary informed the shareholders that:

- a) Ms. Elizabeth Gathoni Kahu had proposed and Mr. Jackson Muchiri Waiganjo had seconded the motion to re-elect Ms. Rita Kavashe as a Director of the Company. The motion was put to the meeting for voting.
- b) Mr. Benard Kibet Rotich had proposed and Mr. John Wairi Wandugo had seconded the motion to re-elect Dr. Martin Oduor-Otieno as a Director of the Company. The motion was put to the meeting for voting.

Min 6/2023 ELECTION OF MEMBERS OF THE BOARD AUDIT & RISK COMMITTEE

The Chairperson informed the Shareholders that as per the requirements of the Companies Act, 2015, the members of the Board Audit & Risk Committee were required to be re-elected at each Annual General Meeting.

Ms. Regina Wangui Muruu proposed the resolution and Mr. Albanas Kioko Wambua seconded the resolution:



THAT pursuant to the provisions of Section 769 of the Companies Act 2015, Dr. Martin Oduor-Otieno, Mr. Samuel Onyango, and Ms. Marion Gathoga-Mwangi be and are hereby elected to continue to serve as members of the Board Audit & Risk Committee.

The motion was put to the meeting to vote.

Min 7/2023 DIRECTORS REMUNERATION AND DIRECTORS' REMUNERATION REPORT

Ms. Grace Njeri Gichure and Mr. John Gichure Kiiru proposed and Ms. Eunice Waitira Kihara, seconded the following resolution: -

THAT the remuneration of the Director's and the Directors' Remuneration Report for the year ended 31 December 2022 be and are hereby approved.

The resolution was put to the meeting for voting.

Min 8/2023 RE-APPOINTMENT AND REMUNERATION OF AUDITORS

Mr. Eric Muchiri Gachanja, proposed and Mr. Mutavi Kimeu, seconded the following resolution:

THAT in accordance with Section 721(2) of the Companies Act 2015, KPMG Kenya be re-appointed as External Auditor of the Company for the year ending 31 December 2023 and that the Directors be and are hereby authorized to fix their remuneration.

The resolution was put to the meeting for voting.

Min 9/2023 STRIKING OFF OF EAST AFRICAN TOBACCO COMPANY (KENYA) LIMITED

The Shareholder were given a background on the proposal to strike off EATC.

Mr. Anthony Muchiri Kariuki proposed and Ms. Sabina Nangira Ingwe and Ms. Anne Anyiru Ingwe, seconded the following resolution: -

That the striking off from the Register of Companies, of East African Tobacco Company (Kenya) Limited, which is a wholly owned subsidiary of the Company, be and is hereby approved.

The resolution was put to the meeting for voting.

VOTING RESULTS

The Chairperson requested Shareholders for a 5-minute recess to facilitate the tallying of the votes on each resolution following which the results were tabled to the meeting and displayed. The Company Secretary confirmed that all the resolutions had been passed by majority vote. The results of the Voting are attached to these minutes and form part of the Minutes. Shareholders were informed that the detailed results would be published on the Company's website within 24 hours from the close of the meeting.

There being no other business, the Chairperson declared the business of the 71st Annual General Meeting as concluded. She thanked all the shareholders who attended the meeting from different parts of the world.

Confirmed:

Chairperson

Date:

18/07/2023