

# Explanatory notes to resolutions to be passed

## Agenda Item 1: Report and Financial Statements 2022

### Resolution 1:

THAT the Report of the Directors and the Financial Statements for the year ended 31 December 2022, as audited and reported by the Company's Auditors and 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 KShs. 5/- per ordinary share paid on 16 September 2022 be and is hereby confirmed, and that a final dividend of KShs. 52/- per ordinary share, to be paid net of Withholding Tax on 15 June 2023 to Shareholders on the Register at the close of business on 26 May 2023, be and is hereby approved.

The Company paid an interim dividend of KShs. 5/- per Ordinary Share on 16 September 2022. The Board recommends a final dividend of KShs. 52/- per Ordinary Share, bringing the total dividend for the year to KShs. 57/- per Ordinary Share. Subject to approval by Shareholders, the final dividend will be paid on 15 June 2023, to Shareholders on the register on 26 May 2023.

## Agenda Item 3: Directors seeking re-election pursuant to Article 102

### Resolution 3:

THAT Carol Musyoka does not offer herself for re-election as a Director of the Company.

Carol Musyoka, who is a Non-Executive Director, having served on the Board for over 11 years, hereby steps down as a Director.

THAT Rita Kavashe and Dr. Martin Oduor-Otieno be and are hereby re-elected as Directors of the Company.

In relation to the re-election of the aforementioned 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 respectable individuals in their respective fields and backgrounds. Their balance 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 pages 62 to 65 of this Annual Report.

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

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

### Resolution 4:

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

In accordance with the provisions of Section 769 of the Companies Act 2015, the Directors aforementioned, offer themselves for election to continue to serve as members of the Board Audit & Risk Committee.

## Agenda Item 5: Directors Remuneration

### Resolution 5:

Resolution 5 is an advisory note 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. Following a benchmarking exercise and in line with market adjustment, the Directors remuneration has been increased by 6.2% with effect from 1 April 2023.

The Remuneration Report is set out on page 88 of this 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 year ending 31 December 2023.

## Agenda Item 7: Striking off of East African Tobacco Company (Kenya) Limited

### Resolution 7:

East African Tobacco Company (Kenya) Limited (the Entity) was formed as a subsidiary of British American Tobacco Kenya Plc (the Company) to acquire and carry on the business of manufacturers of and dealers in tobacco, cigars, cigarettes, snuff, and growers of tobacco and to undertake any business arising out of or in connection with any of such commodities.

The Entity has been dormant since 2011 and has no employees, assets or liabilities. Having ceased all business and operations and having no disposable assets, the parent Company is requested to approve the resolution to strike off the Entity from the Registrar of Companies.