

CENTUM INVESTMENT COMPANY PLC.

MINUTES OF THE 52nd ANNUAL GENERAL MEETING HELD AT TWO RIVERS, LIMURU ROAD, NAIROBI ON FRIDAY 13TH

SEPTEMBER 2019 AT 11:20 AM.

PRESENT

Dr. L. Macharia	Chairperson
Dr. J. Mworia	Chief Executive Officer
Dr. M. Ikiara	Director
Mrs. M. Ngige	Director
Mr. W. Haggai (Alternate to ICDC)	Director

ABSENT WITH APOLOGIES

Dr. D. Kaberuka	Chairman
Dr. C. Kirubi	Director
Mrs. C. Igathe	Director
Hon. W. Byaruhanga	Director
Mrs. S. Wakhungu Githuku	Director

MEMBERS PRESENT

In person	1910
By proxy	250
Total	2160

IN ATTENDANCE

Mr. Mwangi Mbogo	Company Secretary
Mr. M. Nandi	Legal Auditor, Managing Partner, KN LLP
Mr. M. Mugasa	Partner, PricewaterhouseCoopers LLP
Mrs. C. Musakali	Governance Auditor, Dorion LLP

MIN.1/AGM/2019 - CONSTITUTION OF THE MEETING

a. Welcoming Remarks

In the absence of the Board Chairman, Dr. Laila Macharia was appointed as the Chair by the members of the Board. Following her appointment, Dr. Laila Macharia (the Chair) called the meeting to order at 11:20 A.M, welcomed the members and appreciated their continued commitment to Centum by attending the Annual General Meeting.

The Chair conveyed the apologies from the following Directors, Dr. Donald Kaberuka, Dr. Chris Kirubi, Mrs. Catherine Igathe, Hon. William Byaruhanga and Mrs. Susan Wakhungu Githuku. The Chair informed members that Dr. Christopher Kirubi, in his absence he had recorded a message for the shareholders, which was played during the meeting.

b. Opening Prayer

The Chair invited Mr. Fred Murimi to make the opening prayer.

c. Quorum

The Company Secretary confirmed that the members present, both in person and by proxy, constituted a quorum for the Annual General Meeting.

d. Introductions

The Chair introduced the directors of the Company, Mr. M. Mugasa, Mr. Mugambi Nandi and Mrs. Catherine Musakali the representative of the Company's external auditor, the Company's lawyers, and the Company's governance auditor respectively.

The Chair informed the members that the Company's assets had grown over the years and the Net Asset Value for shareholders had grown for the past five years since 2014 on a compounded average of 18% despite the tough economic market. As a result, the Chair informed the members that despite a tough operating environment, the Board of Directors had recommended the payment of a dividend equivalent to KES 1.20 per share for the financial year ended 31 March 2019, similar to the 2018 payout. The Chair concluded her statement by highlighting the Company's focus areas over the Centum 4.0, 5 years strategic period, which she noted to be as follows:

- i. Return and dividend payout by generating a minimum return on equity of 20% through value-creating activities and optimise dividend pay-out to the higher of 30% of the cash annuity income (excluding capital gains) and the previous year's dividend pay-out;
- ii. Capital Structure & Liquidity through balance sheet strengthening through repayment of all long-term debt obligations;
- iii. Maintain a maximum operating cost-to-cash annuity income ratio of 30% for the Holding Co.;
- iv. Organizational effectiveness by ensuring optimization of Centum's operating model to support effective and efficient execution of its strategy including governance, structure, people, processes, technology and culture; and
- v. Portfolio focus through restructuring the portfolio to focus on three key business units, namely:
 - Real Estate by targeting asset allocation of 45-55%;
 - Private Equity by targeting asset allocation of between 30-40%; and
 - Marketable Securities by targeting asset allocation of between 10-20%.

The Chair concluded her statement and invite the Group CEO to speak.

The CEO informed the members that the Company had gained Kes. 31.9 in net worth since the strategy period began on April 1, 2014 which translated to 139 cumulative return on book value adjusted for KES 2.26 Billion dividend compared to 42% decline by Nairobi Securities Exchange Share Index. The CEO noted that the company had picked up lessons from Centum 3.0 and applied those lessons in the Centum 4.0 strategy.

The CEO further highlighted the performance of the Company's three main business lines namely, Real Estate, Private Equity and Marketable Securities. He highlighted that the real estate business had sold a total of 749 units in presales worth Kes. 5.4 Billion in sales value and collected a total of Kes. 1.1 Billion in deposits, sold 68,150 sq. meters of bulk and 33 acres of land. He further stated that under the Private Equity arm of the business, 75% of the assets under management had a positive profit after tax while 63% of the assets had paid a dividend.

The Group CEO informed members that the Company had entered into a transaction for the disposal the Company's stake in Almasi Beverages and Nairobi Bottlers to Coca-Cola Beverages Africa Limited ("CCBA") at a transaction valuation of Kes. 19.5 billion. He stated that the two investments were carried at Kes 16.8 billion and their combined historical cost of the two assets was KES 3.4 billion. The CEO informed the members that part of the exit proceeds would be deployed in higher cash return generative assets that surpass the dividend yield.

The CEO further informed the members that the Company had also entered into a transaction to dispose its 100% stake in King Beverage Limited to Danish Brewing Company EA Limited. He stated that the sale of the alcoholic beverages distributing company was informed by industry challenges and as a result the business was unable to scale up volumes to warrant additional investment into local production.

The CEO noted that the marketable securities portfolio had generated a strong performance over the years and as a result generated Kes. 2.5 Billion in liquidity for the group while largely preserving the corpus.

In conclusion, the Group CEO presented the Company's financial performance for the year ended 31st March 2018. He noted that the total return as a percentage of opening shareholder funds was 9.7%, down from 10.4% the previous year, which was a reasonable return considering that the listed markets had declined by 25.7%. He stated that the biggest costs was finance costs in the total sum of Kes. 1.7 Bn, and management was committed to fully retiring the debt.

e. Notice

The Company Secretary read the Notice and the Agenda, which was adopted as circulated.

MIN.2/AGM/2019- CONFIRMATION OF MINUTES

The Chairperson requested members to confirm the minutes of the previous meetings. Members RESOLVED by a show of hands that the minutes of the 51st Annual General Meeting held on 14th September 2018, be confirmed as being a record of the proceedings in that meeting.

MIN. 3/AGM/2019 - REPORT OF THE AUDITORS, DIRECTORS AND PRESENTATION OF THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

The Chair appreciated the shareholders for their continued faith and support in the Company. In addition, the chair commended the Company and its management for their commendable work over the last financial year and invited the CEO to make his presentation to the members.

The Company's CEO, Dr. James Mworja highlighted the company's performance and noted the Company's commitment to reduce the debt on the balance sheet and progressively increase the dividends pay-out in line with the growth of the recurrent income.

The Chair invited Mr. M. Mugasa, the representative of the Company's external auditors, PricewaterhouseCoopers who read their report and opinion with respect to the audited financial results for the year ended 31st March 2019.

The adoption and approval for the Audited Accounts for the Financial year that ended on 31st March 2019, together with the Directors' and the Auditors' Reports, was proposed and seconded after which the motion was put to poll.

On conclusion of the poll, the votes were tallied by PricewaterhouseCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
To adopt and approve the accounts for the year ended 31 st March 2019 together with the Directors and Auditors report thereon	357,968,458	Nil	18,923	3,593	357,990,974	Yes.
% of votes	99.99%	0.00%	0.01%	0.00%	100%	

The poll results confirmed that the Audited Accounts for the financial year that ended on 31st March 2019, together with the Directors' and Auditors' Reports were adopted and approved by the members.

MIN. 4/AGM/2019: DECLARATION OF DIVIDENDS

The Chair tabled the motion of a first and final dividend of Kshs. 1.20 per ordinary share for the year ended 31st March 2019. The approval of the declaration for a first and final dividend for the financial year ended 31st March 2019 was proposed and seconded after which the motion was put to a poll.

On conclusion of the poll, the votes were tallied and verified by PricewaterCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
To declare the first and final dividend of Kshs. 1.20 per ordinary share for the year ended 31 st March 2019	357,971,543	805	15,293	3,333	357,990,974	Yes.
% of votes	99.99%	0.00%	0.00%	0.00%	100%	

The poll results confirmed that the declaration of first and final dividend for the financial year that ended on 31st March 2019 was approved.

MIN.5/AGM/2019: REMUNERATION OF DIRECTORS

The Chairman tabled the motion on the remuneration of directors. The approval of the remuneration of directors for the financial year ended 31st March 2019 was proposed and seconded after which the motion to put to poll.

On conclusion of the poll, the votes were tallied and verified by PricewaterhouseCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
To approve the directors' remuneration report for the year ended 31/03/19 contained in the Consolidated FS	357,826,335	130,795	30,306	3,538	357,990,974	Yes.
% of votes	99.95%	0.04%	0.01%	0.00%	100%	

The poll results confirmed that the directors' remuneration for the financial year that ended 31st March 2019 was approved.

MIN.6/AGM/2019: Directors Retiring by Rotation

The Chairman tabled the motion for approval for re-election of Dr. Laila Macharia, Mrs. Catherine Igate and Ms. Mary Wangui Githiaka, Directors retiring by rotation.

The approval of the appointment of Dr. Laila Macharia, Mrs. Catherine Igathe and Ms. Mary Wangui Githiaka, as a Directors due to retire by rotation was proposed and seconded after which the motion to put to poll.

On conclusion of the poll, the votes were tallied and verified by PricewaterhouseCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
To approve the re-election of Dr. Laila Macharia as a Director due for retire by rotation, but eligible for re-election	357,960,452	8,445	14,788	7,289	357,990,974	Yes.
% of votes	99.99%	0.00%	0.00%	0.00%	100%	
To approve the re-election of Mrs. Catherine Njeri Igathe as a Director due for retire by rotation, but eligible for re-election	357,921,000	10,806	52,793	6,375	357,990,974	Yes.
% of votes	99.98%	0.00%	0.01%	0.00%	100%	
To approve the re-election of Ms. Mary Wangui Githiaka as a Director due for retire by rotation, but eligible for re-election	357,965,920	3,905	17,611	3,538	357,990,974	Yes
% of votes	99.99%	0.00%	0.00%	0.00%	0.00%	100%

The poll results confirmed the re-election of Dr. Laila Macharia, Mrs. Catherine Igathe and Ms. Mary Wangui Githiaka as Directors retiring by rotation was approved.

MIN.7/AGM/2019: APPOINTMENT AND REMUNERATION OF EXTERNAL AUDITORS

The Chair informed the meeting that the Board recommended the appointment of PricewaterhouseCoopers as the Company's auditors. The appointment of PricewaterhouseCoopers as external auditors for the Company for the financial year beginning 1st April 2019 was proposed, seconded after which the motion was put to poll.

On conclusion of the poll, the votes were tallied and verified by the Company's independent auditors, PricewaterhouseCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
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To appoint PricewaterhouseCoopers (PwC) as Auditors for the Company	357,828,960	823	147,188	14,003	357,990,974	Yes.
% of votes	99.95%	0.00%	0.04%	0.00%	100%	
To authorize the directors to fix the Auditors' remuneration	357,832,990	4,841	145,773	7,370	357,990,974	Yes.
% of votes	99.96%	0.00%	0.04%	0.00%	100%	Yes.

The poll results confirmed that members authorized directors to appoint PricewaterhouseCoopers as the Company's external auditors for the financial year beginning 1st April 2019 and fix their remuneration.

MIN.8/AGM/2019: TO RATIFY THE SALE OF THE COMPANY'S 53.9% SHAREHOLDING IN ALMASI BEVERAGES LIMITED TO COCA-COLA SABCO EAST AFRICA LIMITED

The Chair informed the meeting that the Company had sold 53.9% shareholding in Almasi Beverages Limited to Coca-Cola Sabco East Africa Limited, resulting in Almasi Beverages Limited ceasing to be a subsidiary of the Company

The ratification of the sale of 53.9% of the Company's shareholding in Almasi Beverages Limited to Coca-Cola Sabco East Africa Limited, resulting in Almasi Beverages Limited was proposed, seconded after which the motion was put to poll.

On conclusion of the poll, the votes were tallied and verified by the Company's independent auditors, PricewaterhouseCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
To ratify the sale of the Company's 53.9% shareholding in Almasi Beverages Limited to Coca-Cola Sabco East Africa Limited.	357,944,738	19,153	20,606	6,477	357,990,974	Yes.
% of votes	99.98%	0.01%	0.01%	0.00%	100%	

The poll results confirmed that members ratified the sale of 53.9% shareholding in Almasi Beverages Limited to Coca-Cola Sabco East Africa Limited.

MIN.9/AGM/2019: TO RATIFY THE SALE OF THE COMPANY'S 100% SHAREHOLDING IN KING BEVERAGE LIMITED TO DANISH BREWERY COMPANY EA LIMITED

The Chair informed the meeting that the Company had sold 100 % shareholding in King Beverage Limited to Danish Brewery Company EA Limited, resulting in King Beverage Limited ceasing to be a subsidiary of the Company

The ratification of the sale of 100% shareholding of the Company's shareholding in King Beverage Limited to Danish Brewery Company EA Limited was proposed, seconded after which the motion was put to poll.

On conclusion of the poll, the votes were tallied and verified by the Company's independent auditors, PricewaterhouseCoopers. The results of the poll were as follows:

Motion	Votes For	Votes Against	Votes Withheld	Number of spoilt votes	Total Number of votes cast	Resolution passed (Yes/No)
To ratify the sale of the Company's 100% shareholding in King Beverage Limited to Danish Brewery Company EA Limited.	357,931,658	19,354	30,584	9,378	357,990,974	Yes.
% of votes	99.98%	0.01%	0.01%	0.00%	100%	

The poll results confirmed that members ratified the sale of 100% shareholding in King Beverage Limited to Danish Brewery Company EA Limited.

MIN 10/AGM/2019: ANY OTHER BUSINESS

The Chair invited questions from the members.

Mr. Geoffrey Mwaura commended the Board and management for steering the Company forward during in a diligent manner during the financial year.

Mr. Mwangi from Laikipia asked if the Company would be issuing bonus shares and why Industrial and Commercial Development Corporation was still a shareholder of the Company yet it had been transformed to Centum. In response, the Group CEO informed the members that the Board of Directors would look into the issue of bonus shares. In addition, the CEO clarified to members that Centum resulted from an affiliate of ICDC called Industrial Commercial Development Investment (ICDCI).

Ms. Sally Chepkorir asked if the Company had put in place measures to maintain the growth. In response, the CEO noted that the Centum 4.0 strategy was about sustainability of the Company and the strategy had considered the Company's long-term growth prospects.

Mr. Wycliffe Musau noted that the local dailies that Longhorn publishers has secured at interest rates above the market of 16 % and why the information in the local dailies was different from the information in the Company's financial statement. The Chief Finance Officer, Mr. Samuel Kariuki informed the members that the correct communication was the information in the Company's audited financial statement for the year ended 31st March 2018.

Mr. Mwangi from Laikipia sought clarification on the Company's investment in Amu Power of Kes. 900 Billion. noted. The Group CEO noted that the Amu Power project was a government project and Centum had together with other companies partnered with the Government in the project to accomplish the Government's vision in providing power. The CEO further clarified that the Company had invested Kes. 2 billion not 900 Billion in the Amu Power project.

Mr. Kimani enquired if Sidian Bank had been impacted by the interest rate capping and if there is an opportunity for growth of the Bank. The CEO informed members that the Bank was affected by the interest rate capping, but the Bank changed its strategy in line with the changes in law and it was now making profit. In addition, the CEO noted that he was working with the Company's Chief Operating Officer to transform the Bank.

Ms. Mary Mugwe asked to what extent had IFRS9 affected the Centum group. The Company's CFO, Mr. Samuel Kariuki informed members that IFRS9 had come into force in the year 2019 and it mostly affects the banking sector on provisioning of bank loans and hence it would not affect the Centum Group significantly.

There being no other business to transact, the meeting ended at 1:23 PM.

CONFIRMED BY: _____
CHAIRPERSON

DATED: _____