

TPS EASTERN AFRICA PLC

MINUTES OF THE FIFTIETH ANNUAL GENERAL MEETING HELD VIA ELECTRONIC COMMUNICATION ON TUESDAY, 27 JUNE, 2023 AT 11.00 A.M.

PRESENT

F.O. Okello	(Chairman)
M. Jan Mohamed	(Managing Director)
M. Manji	(Director) – Following proceedings via Electronic Communication
G. Ainache	(Director) – Following proceedings via Electronic Communication
N. Hirjani	(Chief Financial Officer)
A Maignan (Ms.)	(Director) – Following proceedings via Electronic Communication
A. Jiwa	(Director) – Following proceedings via Electronic Communication
R. Dumba (Mrs)	(Director) – Following proceedings via Electronic Communication

TPSEAP had duly convened, and was thereby conducting the Annual General Meeting (AGM) following an amendment of its Articles of Association allowing the AGM to be held through Electronic Communication (virtual meeting).

As at close of the electronic registration deadline on Sunday 25th June, 2023, 1,910 members representing 224,716,623 shares (79.50% shareholding) had registered to participate in the electronic AGM proceedings. Overall, 221,775,289 shares (78.50% shareholding) voted electronically for the various resolutions presented at the AGM.

BY INVITATION

B. Kimacia (PricewaterhouseCoopers, Auditors)

OBSERVER

A Sharma

IN ATTENDANCE

D. Ng'ang'a (Company Secretary)

Members of the TPSEAP Management team were following the proceedings via Electronic Communication.

GLOSSARY

AGM	Annual General Meeting
TPS	Tourism Promotion Services
TPSEAP	TPS Eastern Africa PLC

01/23 Prayer session

At the request of the Chairman, Mr. Joe Kirigia and Mr. Daud Ali led all those present in pre-recorded Christians and Islamic opening prayers respectively.

02/23 Notice of the Meeting

The Secretary read out the Notice convening the meeting.

There being a quorum, the Chairman welcomed all the members attending the proceedings via electronic communication and declared the meeting as duly convened and constituted.

The Chairman introduced the Directors and other professionals involved in the provision of vital services to the Company who were present during the electronic live stream, and who included:

The Group Managing Director – Mr. Mahmud Jan Mohamed;
The Chief Financial Officer – Mr. Nooren Hirjani;
The Company Secretary – Mr. Dominic Ng'ang'a;
PricewaterhouseCoopers LLP represented by Mrs. Bernice Kimacia; and
Mr. Ashish Sharma as an Observer.

The Chairman recognized the presence of all the other fellow TPSEAP Directors who were in attendance and following the AGM proceedings through the live electronic transmission, notably: Mr. Mahmood Pyarali Manji, Mr. Guedi Ainache, Mr. Alkarim Jiwa, Ms. Audrey Maignan and Mrs. Rachel Dumba.

Opening Remarks:

The Chairman informed the members that with the various Covid-19 variants now over, there was renewed momentum resulting in encouraging rebound in business levels from both corporates and the traditional source markets. Leisure business had also recorded improved bookings as had events / functions and diplomatic delegations. The Chairman continued to note that various reports from the suppliers of business indicated that Travel and Tourism recovery was expected to continue throughout 2023, and beyond. He added that it was for this reason that the Company continued to proactively pursue effective and targeted sales and marketing initiatives to attract future bookings.

The Chairman further informed the members that the TPS Group had continued to effectively risk manage its business strategy and maintain its focus to mitigate risks and capitalise on its regional brand presence to optimize portfolio performance, particularly now that the market recovery was well underway.

The Chairman also informed the members that the Company recorded a significant 111.20% increase in revenues and consequently a profit after tax of KShs 379 mio notwithstanding the challenges associated with Russia-Ukraine conflict. He added that the Company continued to support communities through its many impactful corporate citizenship and sustainability initiatives, whilst also playing an integral role in continually advancing the economies of countries within the East Africa region.

The Chairman invited the Group Managing Director, Mr. Mahmud Jan Mohamed to share with the members the Management's and Board's views regarding the business outlook for 2023 and beyond.

Mr. Jan Mohamed informed the members that the improved performance of the Company for the year ended 31 December 2022 when compared to the previous year was attributed to the resilient regional presence of the Serena brand not least in: refining the strategy to anticipate, connect and respond to the customers' expectations whilst driving risk management plans under volatile circumstances; to carefully mitigate risk and ensure financial discipline all through the sterling dedication, determination and commitment of Team Serena throughout the year.

Mr. Jan Mohamed further informed the members that from the second half of 2022, recovery from the foreign corporate and leisure segments complemented the Group's growth trajectory in business levels from the domestic and regional markets that patronised the TPS units for leisure, corporate travel, events and functions. The Serena city hotels portfolio continued to secure high profile events and diplomatic delegations, further reinforcing the regional rebound in bookings, a growth momentum expected to continue in 2023, and beyond.

Mr. Jan Mohamed also informed the members that while making critical investments towards product improvement aimed at ensuring that Serena's highest standards of safety, comfort, product and service excellence across all its establishments were maintained, the Group will also continue to pursue Management Contracts in strategic locations.

Mr. Jan Mohamed informed the Board that whilst there were concerns about the macroeconomic environment encompassing economic, health, climate change and geopolitical challenges that could weigh on the recovery of global tourism in the months ahead, the TPS Group was optimistic of retuning to pre-pandemic performance levels during the year 2023.

The Chairman informed the members that the 2022 Annual Report and Financial Statements were made available to all shareholders through publication of an abridged summary version in the local dailies as well as the Company's website as indicated in the notes to the Notice convening the AGM. The Chairman added that the Chairman's Report and the Managing Director's Report had also been included in the already circulated Annual Report and so would therefore be taken as read.

The Chairman invited Mrs. Bernice Kimacia, the representative of the Company's Auditors Messrs. PricewaterhouseCoopers LLP to read the Auditors' report.

The Chairman reminded the members that an opportunity to ask questions and seek any clarifications with regards to the Financial Statements and Resolutions being presented had already been provided by the Company and relevant responses duly provided to those members in response. He added that additionally, the questions received had since been collated and the responses to the same would be published on the Company's website after the meeting.

The Chairman requested Mr. Jan Mohamed to read a sample of the questions which had been received from the members and the Company's responses thereto.

Mr. Jan Mohamed informed the Members that Mr. Leonard Mwai Githui, Mr. Odiyo Onyango Awuor, Mrs. Bernadette Ochola and three (3) other members had sought to know: (i) Whether the Company had declared a dividend for the year ended 2022? and (ii) When the Company will resume dividend payment. In response, Mr. Jan Mohamed informed the members that in 2022 the Company had not declared a dividend and that based on the profitability of the Company, the Board of Directors will determine future dividend payments.

Mr. Jan Mohamed further informed the members that Mr. Eliud Kuria Kimani had sought to know whether the Company will provide gifts to compliment the nil dividend?. Mr. Jan Mohamed indicated that Management had responded that, due to accumulated losses incurred during the last few years as occasioned by the Covid-19 pandemic, the Company was unable to provide gifts to shareholders.

Mr. Jan Mohamed also informed the members that Mr. Hezekiah Wangombe Gichohi had sought to know: (i) whether payment of a dividend is related to directors remuneration and if not what arrangements are there to ensure that they are related?, (ii) whether if a Company makes losses or do not pay dividends, should directors earn their remuneration? and (iii) how does the Board Audit Committee help the Company to improve on its results and also dividend payment?. Mr. Jan Mohamed indicated that Management had responded that: dividends were not related to director's remuneration, the suggestion to peg the director's remuneration to the payment of a dividend has been noted, TPSEAP Board was very considerate during the Covid-19 period when the Company was making losses and it waived the payment of all Non-Executive Directors' remuneration for three consecutive years. He added that the Board Audit Committee as mandated by its Terms of Reference does review the Audited Financial Reports to ensure that the Financial Statements are prepared according to the set regulations and that the Auditor's recommendations are implemented.

Mr. Jan Mohamed informed the members that Mr. Samuel Ndururu Mwangi and Mr. Charles Otieno Ooro had sought to know whether there was an opportunity chance to physically attend the AGM and if a refund of the data bundles used during virtual AGM proceedings would be undertaken. Mr. Jan Mohamed indicated that Management had responded that; at the moment the AGM was being held virtually and that the Company will not be able to refund the data bundles used with such costs being regarded as costs incurred by members in the course of managing their investments in the Company.

Mr. Jan Mohamed further informed the members that Mrs. Regina Wangui Muruu sought to know what happened to the Company as it used to be an organization to reckon with. Mr. Jan Mohamed indicated that Management had responded that; the Covid-19 pandemic severely affected the profitability of the Company during the last few years as did for many other listed Companies and that with the Pandemic now over, there was renewed optimism that the Company's performance will improve.

The Chairman commented that it was encouraging to note that the members were actively participating in the virtual AGM through the questions that had been received and that equally impressive was the keen interest shown by the members towards the affairs of the Company.

The Chairman informed the members that voting for the various resolutions presented was set to begin and a video clip would be displayed detailing how the members should cast their votes for the respective resolutions, through either an USSD (Unstructured Supplementary Service Data) option, or a web link as duly registered by the individual members.

After the short video clip was displayed, the Chairman informed the members that voting was open and requested the members to cast their votes for the various resolutions which were to be approved via a poll. He added that the results of the poll would be published on the Company's website within twenty-four hours (24hrs) following the conclusion of the AGM.

The Chairman called upon the Company Secretary to read out the proposed resolutions as the members voted accordingly as detailed below.

ORDINARY BUSINESS

04/23 Confirmation of the Minutes of the previous Annual General Meeting

To confirm the minutes of the Fiftieth Annual General Meeting held on 30th June 2022.

[Proposed Resolution]:

"That the minutes of the 50th AGM held on 30th June, 2022 be and are hereby confirmed and approved".

(The resolution was approved by 99.99% of the members who voted).

05/23 Annual Report and Audited Accounts for the Year ended 31 December, 2022

To receive, consider and, if thought fit, adopt the Audited Accounts for the year ended 31st December 2022, together with the Directors' and Auditors' Reports thereon.

[Proposed Resolution]:

“That the Audited Accounts of the Company for the year ended 31st December, 2022, together with the Directors’ and Auditors’ Reports thereon, be and are hereby received and adopted”.

(The resolution was approved by 100% of the members who voted)

06/23 Dividend

To approve and note that Directors had not recommended payment of a dividend for the year 2022.

[Proposed Resolution]:

“That the recommendation by the Directors for the non-payment of dividend for the year 2022 be and is hereby noted and approved”.

(The resolution was approved by 99.99% of the members who voted)

07/23 Re-election of Directors

(a) Mrs. Audrey Maignan was appointed on 02nd December, 2022 to fill a casual vacancy. She retires by rotation in accordance with Article No. 111 of the Company’s Articles of Association and being eligible, offers herself for re-election.

[Proposed Resolution]:

“That Mrs. Audrey Maignan, a director who retires by rotation in accordance with Article No. 111 of the Company’s Articles of Association and being eligible has offered herself for re-election be and is hereby re-elected”.

(The resolution was approved by 99.99% of the members who voted)

(b) Mrs. Rachel Dumba was appointed on 22nd May, 2023 to fill a casual vacancy. She retires by rotation in accordance with Article No. 111 of the Company’s Articles of Association and being eligible, offers herself for re-election.

[Proposed Resolution]:

“That Mrs. Rachel Dumba, a director who retires by rotation in accordance with Article No. 111 of the Company’s Articles of Association and being eligible has offered herself for re-election be and is hereby re-elected”.

(The resolution was approved by 99.99% of the members who voted)

(c) Mr. Francis Okomo-Okello, retire by rotation in accordance with Articles No. 112,113 & 114 of the Company's Articles of Association. Special Notices have been received by the Company pursuant to section 287 of the Companies Act 2015 and subject to section 131 of the said Act that if thought fit, the following resolutions be passed:

[Proposed Resolution]:

"That Mr. Francis Okomo-Okello, a director retiring by rotation who is over seventy (70) years of age, be and is hereby re-elected as a director of the Company".

(The resolution was approved by 99.99% of the members who voted)

08/23 Non-Executive Directors' Fees

To note that there was no Non-Executive Director's remuneration paid in 2022.

[Proposed Resolution]:

"To note that there was no Non-Executive Director's remuneration paid in 2022".

(The resolution was duly noted by the shareholders)

09/23 Appointment of Auditors

To appoint PricewaterhouseCoopers LLP, the Company's Auditors, in accordance with Section 721 (2) of the Companies Act 2015. PricewaterhouseCoopers LLP had indicated their willingness to continue in office.

[Proposed Resolution]:

"That in accordance with Section 721 (2) of the Companies Act 2015, PricewaterhouseCoopers LLP, be and are hereby appointed as the Company's Auditors".

(The resolution was approved by 100% of the members who voted)

10/23 Auditors' Remuneration

To approve the Auditors' remuneration for 2022 and to authorize the Directors to fix the Auditors' remuneration for 2023.

[Proposed Resolution]:

"That the Auditors' remuneration of KShs 3,236,632/= (2021: KShs 2,620,131/=) for the Company and KShs 17,870,000/=, (2020: KShs 16,160,000/=) for the Group be and is hereby approved and that the Directors are hereby authorized to fix the Auditors' remuneration for 2023".

(The resolution was approved by 99.99% of the members who voted)

11/23 Appointment of Audit Committee Members

To appoint the Audit Committee members which comprises Mr. Mahmood Manji, Mr. Guedi Ainache and Mr. Alkarim Jiwa in accordance with section 769 (1) of the Companies Act 2015.

[Proposed Resolution]:

“That in accordance with Section 769 (1) of the Companies Act 2015, the following Directors being members of the Board Audit Committee be and are hereby appointed to continue to serve as members of the said Committee”.

Mr. Mahmood Manji

Mr. Guedi Ainache

Mr. Alkarim Jiwa

(The resolution was approved by 99.99% of the members who voted)

12/23 It was noted that the Company had not received notice of any other ordinary business to be transacted at the AGM and therefore the Chairman declared the meeting officially closed at 12.30 p.m. While closing the meeting, the Chairman thanked all the members present for attending the fourth virtual AGM and their participation during the proceedings of the AGM. At the request of the Chairman, Mr. Joe Kirigia and Mr. Daud Ali led all those present in pre-recorded Christian and Islamic closing prayers respectively.

CONFIRMED

CHAIRMAN

DATE