

KAKUZI PLC – 93RD ANNUAL GENERAL MEETING

FURTHER SHAREHOLDER QUESTIONS RECEIVED AND RESPONSES

QUESTION	RESPONSE
1. After paying fine what next?	If this is relating to the UK court case against the parent company, then and as stated earlier, Kakuzi did not incur any fines relating to this case.
2. thanks for the appointment of Kibunga.	Thank you
3. why virtual?	Unfortunately, the Covid 19 pandemic is still very much ongoing and we feel a virtual AGM is the best course of action to keeping safe
4. Please share more information on the Kitale trials - Leased land?	This is not a Kakuzi project.
5. Please shed more light on the Goat rearing project and how it will differ from your current livestock one.	The trial began two months ago and we purchased a small herd of goats in Kid. It is too soon to have any tangible results as yet.
6. Please shed more light on what joint projects represents.	We partner with other companies more experienced in certain ventures to be able to make more efficient use of our assets, where necessary
7. Why has so much money been spent on Court cases?	When certain claims are levied/charged against the Company, we have no alternative but to defend ourselves and thus incur legal costs.
8. The company has spent recently a lot of money court casesthe Shareholders would like clarity on these issues. Profit affects our dividends greatlymy family been Shareholders for over 50 years!!	Kindly refer to note 9 (a) of the Annual report and financial statements which gives more clarity on the legal costs incurred
9. about the gift hamper...humble request if we can get vouchers	We will consider this again once physical AGMs are able to be held.
10. Why was the dividend payout ratio much higher than previous years? What guides management in deciding the payout ratio?	Your Board balances the requirements of the Company for future expansions & development and the shareholder returns.
11. I shall appreciate clarifications on the relationships between Kakuzi and other companies in the group in the various issues: A. Eastern Produce Kenya Ltd (EPK) i. What is the relationship between the company and Kakuzi, i.e., which company owns shares in the other and what percentage?	Neither Company owns shares in the other. Both Companies are majority owned by the same Parent Company, Camellia Plc of UK. EPK is a managing agent for the tea estate owned by Kakuzi

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ii. What business does the EPK do?	It is in Tea Business – growing and manufacture as well as a managing agent. It is also provider of finance and administration services.
iii. Who are the shareholders of EPK?	It is majority owned by Camellia Plc
iv. What constitutes the sh.34,104,000 due from EPK to Kakuzi?	This is mainly the payment due for the green leaf produced and sold by Kakuzi's tea estate.
B. RBDA Kenya Branch	
i. What business does RBDA do?	RBDA provides management support services as well as Sales & Marketing services
ii. Who are the shareholders of RBDA Kenya Branch?	It is wholly owned by Camellia Plc
iii. Where else does RBDA have branches and what is the relationship of Kakuzi and other RBDA branches?	RBDA has a head office in UK and a branch office in Kenya
iv. What constitutes the sh.15,710,000 due from RBDA to Kakuzi?	This relates to the normal current account transactions between the parties.
v. What is the reason for the relationship?	The management support and Sales & marketing services are shared amongst all the parent company's subsidiaries in Africa thus making it beneficial to access markets as well as cost efficiencies in the support services
C. Estate Services Limited (ESL)	
i. What is the relationship between the company and Kakuzi, ie., which company owns shares in the other and what percentage.	ESL is a wholly owned subsidiary of Kakuzi
ii. What business does ESL do?	None and the company is currently dormant
iii. Who are the shareholders of ESL?	Kakuzi Plc
iv. What constitutes the sh.2,570,000 due to ESL from Kakuzi?	This is historical balance for the shareholding and retained earnings
v. What is the reason for the relationship?	100% owned
D. Kaguru EPZ Limited (KEL)	
i. What business does KEL do?	None and the company is currently dormant
ii. Who are the shareholders of KEL?	Kakuzi Plc

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iii. What constitutes the sh.5,813 to KEL from Kakuzi?	This is historical balance for the shareholding and retained earnings
iv. What is the reason for the relationship?	100% owned
E. Eastern Produce Estates South Africa (Pty) Ltd (EPESA)	
i. What is the relationship between the company and Kakuzi, I,e, which company owns shares in the other and what percentage?	Neither Company owns shares in the other. Both Companies are majority owned by the same Parent Company,
ii. What business does EPESA do?	Macadamia production
iii. Who are the shareholders of EPESA?	It is majority owned by Camellia Plc
iv. What is the reason for the relationship?	There is sometimes transfer of expertise relating to Macadamia between Kakuzi and EPESA
F. I have seen the names of some of these companies hanging at the offices in Westlands and I wonder if the companies are managed by Kakuzi?	No, Kakuzi does not manage any operating company
12. I shall appreciate an explanation of the term “Independent Non-Executive Director” and the difference between Non-Executive Independent Director and Non Executive Director.	‘Non-executive director’ means a member of the board of a company who does not form part of the management team and who is not an employee of the company or affiliated with it in any other way but can own shares in the company. ‘Independent director’ means a member of a board of directors who does not have a material or pecuniary relationship with the company or related persons, is compensated through sitting fees or allowances, does not own shares in the company and after nine years of service, a continuing independent director ceases to be one and assumes the position of a non-executive director
13. I note that, other than Mr. Nicholas Nganga, the Independent Directors are the only Members of the Audit and Risk Committee and I am wondering what is the rationale?	Please note that Mr Nicholas Nganga is no longer member of the Audit & Risk committee since his appointment as the Chairman of the company. Best practice recommends that members of the Audit & risk committee are independent directors

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14. Is it really prudent that the Chairman is a member of this Committee?	The Chairman is not a member of the committee
15. The statement that directors are “elected by the shareholders” is untrue because the appointment of a director is advised to shareholders when the initial appointment is made by a notice to shareholder (the recent appointment of Dr. Kimani is a good example) – the involvement of shareholders comes only at the re-election at the AGM	All directors have to be elected by the shareholders. However, the articles allow that directors can be appointed by a decision of the directors only under specific circumstances and this appointed director retires at the next annual general meeting following the appointment.
16. In my view, the presentations of the of the elections of Mr. Nganga and Dr. Kimani are wrong because appointment of a person who is over seventy year old requires a special resolution which is presented in exactly the way it was drafted like this: “ That Mr. Nicholas Nganga having achieved the age of seventy year be and hereby elected a Director of the Company” he case of Dr. Kimani should be similar approach but with difference in the narration	A special notice had been received for Dr Kimani under section 287 of the Companies Act 2015
17. Mr. Ndonye was a longtime Partner, ending up as the Managing Partner, of Deloitte & Touche; can his position as a director and a member of the Audit and Risk Committee be free of conflict while Deloitte are the Auditors of the Company?	Mr. Ndonye retired from the Deloitte partnership in May 2010, over 11 years ago, thus after such a long time there is no conflict in him chairing the Audit & Risk committee of Kakuzi

BY ORDER OF THE BOARD

19th MAY 2021