



If you like it... Crown it!

**CROWN PAINTS KENYA PLC
ANNUAL GENERAL MEETING
FRIDAY 30TH OCTOBER 2020 AT 11AM**

AGM QUESTIONS AND RESPONSES TO SHAREHOLDERS

	NAME	QUESTION	RESPONSE
1	Njeri Pauline	Are we going to get our gifts as before?	For 2020 the organization main policy is to conserve cash. Due to this we will not give gifts this year.
2	Macharia Julius Kariuki	Hi, are we getting any gift this year?	
3	Alois Chami	Clarify the decrease in business?	<p>As indicated in the CEO report, the performance of our subsidiaries remained relatively low, while for the parent Crown Paints Kenya was profitable.</p> <p>The harsh economic situation coupled with the reduced availability of credit for business slowed down the uptake of our products.</p> <p>The weather though favorable for Kenya was not conducive for business as construction sector activity slowed down due to the rains.</p>
4	Alois Chami	How do you turn around the company?	<p>With the increased levels of competition in the construction sector - paint sector.</p> <p>Our company will continue to use product innovation as a major component of its products.</p> <p>We will enhance our network of Suppliers and Dealers in order to ensure that we get quality materials at cost effective prices and place our products with our dealers/customers much more quickly.</p>

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5	Alois Chami	Send calendars diaries to me?	Normally Calendars are only available from December. For 2021 the organization is yet to decide if we shall have any calendars and dairies as we try to conserve cash.
6	Alois Chami	Would you declare higher divided?	After consideration by the Board of Directors, it was found prudent that for strategic reason, the company would not be proposing any dividend for the year 2019.
7	Kariuki Lydia Wangari	Where don't we receive dividend nowadays?	<ol style="list-style-type: none"> 1. The economic downturn as a result of measures instituted by the government to contain covid-19. 2. The business is strengthening its balance sheet – as you are aware we are raising Capital through the rights issues to enhance its production capacity and hence would not be prudent to pay dividend at the same time raise capital via a rights issue 3. We would wish to point out that the non-payment of dividend is not as a result of performance but strategy; refer to the Chief Executive Officer statement on performance of the company which improved over 2018.
8	STEPHEN IRUNGU KIMANI	Why have you not giving us dividend despite an EPS 4/- you could consider giving us 2/-?	
9	Chemai Solomon Kimeli	Can I get the link or meeting ID to join via zoom?	As the meeting is over, it may not be of any use now.
10	Chemai Solomon Kimeli	Can you put my devidents in my mpesa account?	<p>For the 2019, we are not paying any dividends.</p> <p>Overall, it is possible to pay dividends through MPesa. This is made possible through your indicating the mode of Dividend payment in the Central depository & Settlement Corporation (CDSC)</p>
11	Ochieng Livingstone Oloo	The price of Crown Paints share at NSE has really dropped, what does the management intend to do about the fallen price?	As you are aware, the price of shares at the Nairobi Securities Exchange (NSE) is determined by market forces. We as management cannot interfere with this.
12	Shah Nishitkumar	Why is the share market price declining and what is being done about it?	Also, the prices decline has affected all the listed companies of the NSE due to the economic situation in the country.

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13	Karuri Naomi Waithira	May I join the meeting now?	Yes you can until the meeting is over.
14	Shah Nishitkumar Ramniklal	What is the procedure to join the board?	In order to join our board, you will require to be nominated by a shareholder in good time before the Annual General Meeting. Your nomination will then be considered by the Board before being presented to the Shareholders at an Annual General Meeting for approval by the Shareholders.
15	Shah Nishitkumar Ramniklal	How is the rights issue going to be valued?	The board considered the prevailing market rates and the needs of the organization to price the rights issue. Ordinarily, rights are issued at a discount to the existing shareholders to make them favorable.
16	Shah Nishitkumar Ramniklal	The company bought back shares recently then why have a rights issue?	During the 2016 Annual general meeting as part of the Special business, the company was authorized to buy back shares up to a maximum of 10,677,150 Shares. The directors did not exercise this option as the company law on right to buy back shares changed removing this right. The rights issue is to enable the company to restructure its balance sheet and have funds available for expansion.
17	Kariuki Lydia Wangari	Where don't we receive dividend nowadays?	The last dividend paid was for the year 2018 and this was paid around 31st July 2019. If you did not receive your dividend please contact our company registrars who are Custody & Registrar Services Ltd IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, P O BOX 8484 – 00100 NAIROBI. Please also check and confirm that all your contact details on your CDSC account are correct.

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18	Stephen Irungu Kimani	The directors remuneration is questionable unlike the previous years?	<p>Our directors are fairly compensated in comparison to the market standards.</p> <p>The slight adjustment in their pay for the year was deemed as adequate.</p>
19	Kaudo Lennox Omondi	On the notice of the AGM. 9.3 kindly clarify on the need for shareholders to waive their pre-emptive rights?	<p>Pre-emptive rights mean that a company cannot allot equity securities/shares to any person unless the company has first made an offer to existing shareholders on the same or more favorable terms.</p> <p>Pre-emptive rights are contained in the Articles of Association of a company. Waiver of the same would necessitate an amendment of the company's Articles of Association.</p> <p>In this case, the waiver of the pre-emptive rights relates to the 21,345,000 Ordinary shares for purposes of ESOP, convertible loan notes and equity linked financing (see 9.2 (c) of the AGM.</p> <p>The waiver is by way of a special resolution to give the directors authority to allot and issue.</p>