



NOTICE OF THE 2020 ANNUAL GENERAL MEETING TO THE SHAREHOLDERS OF CROWN PAINTS KENYA PLC

NOTICE IS HEREBY GIVEN in accordance with Article 77 of the Company's Articles of Association, section 280 of the Companies Act, 2015 and pursuant to a court order issued by the High Court of Kenya in Miscellaneous Application No. E680 of 2020 on Wednesday 29th April 2020, that the 63rd Annual General Meeting of the Company will be held via electronic means on 30th October 2020, at 11.00 a.m. to consider and if thought fit, to conduct the business set out below.

ORDINARY BUSINESS

- To read the notice convening the meeting.
- To table the proxies and confirm the presence of a quorum.
- To consider, and if approved, adopt the audited financial statements for the year ended 31st December 2019 together with the Directors' and Auditors' Reports thereon.
- To note that the directors do not recommend payment of a dividend for the year ended 31st December 2019.
- To receive, consider and if thought fit approve the Directors Remuneration Report and the remuneration paid to the Directors' for the year ended 31st December 2019.
- To elect Directors:**
 - Mr Francis Maina retires by rotation in accordance with Article 101 of the Company's Articles of Association and being eligible, offers himself for re-election.
 - In accordance with the provisions of section 769 of the Companies Act 2015, the following Directors, being members of the Board Audit and Risk Committee be elected individually to continue serving as members of the Committee:
 - Mr Stephen Oundo**
 - Mr Francis Maina.**
- To re-appoint Messrs Ernst & Young LLP as the auditors of the Company for the Financial Year ending 31st December 2020 in accordance with Section 719 (2) of the Companies Act, 2015 and to authorise the Directors to fix their remuneration for 2020.

SPECIAL BUSINESS

- Amendment of the Articles of Association
 - To consider and, if thought fit, pass the following special resolution amending the Articles of Association of the Company by introducing a new Article 55A immediately after Article 55.

"55A. The pre-emption rights under Article 55 shall not apply where the shareholders have by way of a special resolution authorised the Directors to allot and issue shares in the Company in a different manner."
- Increase of share capital and authorisation of directors to allot and issue shares
 - To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"THAT the share capital of the Company be and is hereby increased from Kenya Shillings three hundred and fifty five million nine hundred and five thousand (KES 355,905,000) divided into seventy one million one hundred and eighty one thousand (71,181,000) ordinary shares of Kenya Shillings five (KES 5) each by the creation of an additional ninety two million five hundred and twenty six thousand (92,526,000) ordinary shares of a par value of Kenya Shillings five (KES 5) each ranking pari passu in all respects with the existing ordinary shares in the capital of the Company, with the intention that seventy one million one hundred and eighty one thousand (71,181,000) ordinary shares will be allotted and issued pursuant to a rights issue and the remaining twenty one million three hundred and forty five thousand (21,345,000) ordinary shares will be allotted and issued in such a manner as the board of the Company may determine from time to time."
 - To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"THAT the directors be and are hereby granted the power to:

 - pursuant to a rights issue, allot and issue seventy one million one hundred and eighty one thousand (71,181,000) ordinary shares in the Company in accordance with Section 329 of the Companies Act, 2015 within a period not exceeding five (5) years from the date of this resolution;

- to determine the terms and conditions on which rights not taken up in the rights issue will be allotted and issued;
- allot and issue the remaining twenty one million three hundred and forty five thousand (21,345,000) ordinary shares in the Company in accordance with Section 329 of the Companies Act, 2015 within a period not exceeding five (5) years from the date of this resolution in such manner as the board of the Company may determine from time to time including but not limited to an employee share ownership plan (ESOP), pursuant to the issue and conversion of convertible loan notes or any other equity-linked financing."

9.3 To consider and, if thought fit, to pass the following resolution as a special resolution:

"THAT by way of a special resolution, and in accordance with Section 348 of the Companies Act, 2015 and Article 55 of the Company's Articles of Association the shareholders hereby waive their rights of pre-emption under Section 338 of the Companies Act, 2015 and Article 55 of the Company's Articles of Association and the directors be and are hereby granted the power to allot and issue the additional twenty one million three hundred and forty five thousand (21,345,000) ordinary shares as if Section 338 of the Companies Act, 2015 or other pre-emption rights in the Articles of Association of the Company or statute did not apply to the allotment and issuance."

10. Rights Issue

10.1 To consider and, if thought fit, pass the following resolution as a special resolution:

"THAT by way of special resolution, the directors be and are hereby authorised to carry out a rights issue for the allotment and issuance of the additional seventy one million one hundred and eighty one thousand (71,181,000) ordinary shares in the Company, subject to any required regulatory approvals including but not limited to the Capital Markets Authority, by way of rights to the holders of the issued ordinary shares in the Company registered at the close of business on such date and at such price as shall be determined by the directors and on such terms and conditions as the directors may determine."

For purposes of regulation 4(4) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, this is the announcement of the recommendation of the Rights Issue by the Board of the Company. Further details on the recommendation are available at the Company's website www.crownpaints.co.ke.

BY ORDER OF THE BOARD

Conrad Nyukuri

Company Secretary

Date: 6th October 2020

Notes

- Due to the COVID-19 pandemic and related public health directives issued by the Government of Kenya specifically on restrictions on public gatherings, the shareholders will not be able to attend the Annual General Meeting (AGM) in person but will be able to register for, access information pertaining to the proposed resolutions, follow the meeting in the manner detailed below and vote electronically or by proxy.
- On 29th April 2020, the High Court of Kenya in Miscellaneous Application No. E680 of 2020, made under the Section 280 of the Companies Act, 2015 (the Companies Act) issued an order granting leave to any company listed on the Nairobi Securities Exchange to convene and conduct a virtual general meeting subject to receipt of a "No Objection" in writing from the Capital Markets Authority (CMA).
- The Company is convening and conducting this virtual annual general meeting following receipt of a "No Objection" from the CMA.
- Registration for the AGM shall open on 22nd October at 8.00 am and will close on 29th October 2020 at 12.00 noon. Shareholders will not be able to register after Thursday 29th October 2020 at 12.00 noon.

- Shareholders wishing to raise any questions for the AGM may do so prior to the AGM during the registration open period or during the AGM by:

During AGM

- Shareholders accessing Virtual AGM via <https://digital.candrgroup.co.ke> platform; Select Attend Event; Log in to the system; Select View Event for the CROWN PAINTS AGM in the profile account; Select Q&A option tab on the live stream display section and submit questions in text box provided; or
- Shareholder accessing Virtual AGM via USSD platform via *384*043# for Crown Paints AGM; Select the menu option for Q&A and submit their questions (within 160 character limit for sms text)

Prior to AGM

- As above in i) or ii); or
- Sending their written questions by email to digital@candrgroup.co.ke; or
- To the extent possible, physically delivering their written questions with a return physical address or email address to the offices of Custody and Registrars Services Ltd, Company's Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue.
 - Shareholders sending questions by email or delivering to C&R Group must provide their full details (full names, Shares Account Number//CDSC Account Number) when submitting their questions and clarifications. Also attach a copy of your ID/Passport.
 - All questions must reach C&R Group on or before 27th October 2020 at 12:00 Noon.

- Shareholders wishing to vote may do so prior to the AGM during the registration open period or during the AGM by:

- Shareholders accessing Virtual AGM via <https://digital.candrgroup.co.ke> platform; Select Attend Event; Log in to the system; Select View Event for the CROWN PAINTS AGM in the profile account; Select Voting Matters option tab on the live stream display section and submit questions in text box provided; or
- Shareholder accessing Virtual AGM via USSD platform via *384*043# for Crown Paints AGM; Select the menu option for Voting and follow the various prompts regarding the voting process.

- In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to attend and vote on their behalf. A proxy must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to proxy@candrgroup.co.ke or delivered to Custody and Registrars Services Ltd, the Company's Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, so as to be received not later than Wednesday, 28th October 2020 at 11.00 a.m. When nominating a proxy the ID/Passport No, details for email and/or mobile number of the proxy must be submitted to facilitate registration. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Thursday, 29th October 2020 to allow time to address any issues.

- The Virtual AGM will be accessible to shareholders and proxies who have duly registered and received their log-in credentials. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers two hours before the AGM, reminding duly registered shareholders and proxies that the AGM will begin in two hours' time.

- A copy of this notice, the proxy form, the Integrated Annual Report may be viewed from the company's website at www.crownpaints.co.ke.