

Event: Liberty Kenya Holdings Plc 15th AGM

Date: 18 June 2020

Time: 11:00 a.m. EAT

LIBERTY KENYA HOLDINGS PLC – 15TH ANNUAL GENERAL MEETING

QUESTIONS AND ANSWERS

Question	Answer
Where is the AGM venue?	In compliance with the Government directives restricting movement and gatherings, a physical AGM would not have been possible. The AGM was therefore held through electronic means.
Will I attend the meeting?	Shareholders participated in the AGM through an online livestream through links sent to their registered mobile numbers. The process for participation was provided in detail in the AGM Notice published in the local dailies and on the Company's website.
What measures have you taken to control the effects of COVID-19 pandemic in the business?	The Covid-19 pandemic has affected all businesses globally. Locally, there have been several interventions taken by businesses and regulators to mitigate this impact. The Company has incorporated guidelines provided by the Government and adopted a raft of measures to protect our staff, customers and stakeholders from the effects of the pandemic. We have implemented business continuity plans and have undertaken business modelling with the worst case scenario in mind. The organization has prepared itself to operate under these adverse circumstances to the benefit of our customers and shareholders. About 20% of the staff come to the office, the rest being able now to work remotely, mostly from home.
How are we going to get gifts?	In view of the current circumstances, and in accordance with the increasing trend to dispense with this item, there will be no gifts.

What is the dividend rate and how is it determined?	This is in line with the dividend policy and availability of distributable profits.
a) Is there dividend this year? b) How are going to receive the dividends declared? c) Dividend is how much per share? d) When are dividends being paid?	No dividend was recommended by the directors for the year ended 31 st December 2019 and this was approved by the shareholders.
Can I receive dividends by MPESA?	The Company has an option for you to receive your future dividend through MPESA. Kindly reach out to our Registrars: Image Registrars Limited 5 th floor Absa Towers (formerly Barclays Plaza) Loita Street P.O. Box 9287 – 00100 Nairobi Email: libertyshares@image.co.ke Telephone: 0709 170000/ 0724 699667/0735 565666
Why can't the board issue bonus shares to shareholders?	In 2014, the final dividend of Kes 1/- was paid either as a scrip or cash (as opted by the shareholder). At this stage, there does not appear to be a business case for bonus shares.
How do you determine directors' remuneration?	The remuneration of the non-executive directors is reviewed periodically by the Board Directors' Affairs Committee. Liberty participates in an independent remuneration survey and then also benchmarks to the industry to the extent that information is available. Remuneration comprises a retainer and attendance fees.
a) Where do I cash my previous dividend? b) Can I get all my previous dividend via MPESA? c) I received a dividend cheque after 6 months and returned it to Comprite but I haven't been issued with a replacement	Prior year dividends were paid via cheque sent to your registered email address. If you did not receive your cheque or it has not been banked, please reach out to Registrars to guide you on the process of receipt of any unpaid dividends: Image Registrars Limited 5 th floor Absa Towers (formerly Barclays Plaza) Loita Street P.O. Box 9287 – 00100 Nairobi Email: libertyshares@image.co.ke Telephone: 0709 170000/ 0724 699667/0735 565666

	<p>Please note that dividends paid prior to 2016 were declared to the Unclaimed Financial Assets Authority as required by the law. To claim any such dividends please contact the:</p> <p>Unclaimed Financial Assets Authority Pacis Centre, 2nd Floor Slip Road, Off Waiyaki Way, Westlands P O Box 28235-00200 Nairobi Telephone: 020 4023000/0706866984/0736559152 Email: info@ufaa.go.ke</p>
<p>When do we expect to get dividends because same to last year we did not get dividend yet we have injected equity into the company?</p>	<p>The Company declared a first and final dividend for the year 2018 of Kes 0.50/- per ordinary share and it paid to shareholders registered as at close of business on 7 June 2019. No new capital was raised by the company last year.</p>
<p>When is the last time Liberty paid dividends to shareholders? Other than dividends, can the company consider something like some little special discounts on company products for shareholders?</p>	<p>The Company declared and paid to shareholders a first and final dividend for the year 2018 of Kes 0.50/- per ordinary share in 2019. Please contact our Customer Service for more information on the products you would like and the pricing thereof:</p> <p>Liberty Life Assurance Contact Centre Telephone: 0711 076 222/ 020 2866000/0711 028 000 Email: csc@libertylife.co.ke</p> <p>Heritage Insurance Kenya Contact Centre Telephone: 020 2783000/0711 039 000/0734 101 000 Email: info@heritage.co.ke</p>
<p>There's no dividends despite making profit. Why? you should come to the rescue of shareholders at this time of distress.</p>	<p>Whilst 2019 was a successful year for Liberty Kenya Holdings, the uncertainty and volatility introduced to equity markets as a result of the coronavirus pandemic together with operational disruptions demands that our operating companies retain capital to meet likely future obligations. As such, the Board resolved not to recommend a dividend. Furthermore, the regulators of financial institutions have encouraged companies to retain capital.</p>

<p>Please explain the Company's dividend policy.</p>	<p>In determining the level of dividend payment, which will be subject to the capital adequacy of the Company, the regulatory capital adequacy requirements, Company's projected performance and capital needs, liquidity, current cash flow and financial position and business plan and investment capital requirements are all considered.</p>
<p>Please comment on the company's performance over the last 12 months. What worked and what would you do differently this year?</p>	<p>Please review the Integrated Report which sets out the successes of the company and its subsidiaries, culmination in receiving both life and general insurer of the year industry awards. The Company recorded a 5% growth in earned premium and a 66% increase in total investment income translated into a 35% increase in profit after tax, lifting our earnings per share to Kes 1.31 (2018: Kes 0.92) and our return on equity to 9.5% (2018: 7.5%). The bottom-line growth was driven largely by a 62% growth in earnings from Heritage Kenya. Liberty Life performed satisfactorily in a very competitive environment. The setting of our strategy for the next three years is detailed in our strategy section from page 16 of the Integrated Report.</p>
<p>Don't increase your salaries during this pandemic to ensure the company profit doesn't go down because we understand currently almost all businesses are not performing well due to lack of opportunities.</p>	<p>Remuneration of staff is both fixed and variable. Any adjustments are made taking into account business performance and prevailing market conditions</p>
<p>What is the Board's plan to improve diversity in the Board?</p>	<p>As and when vacancies arise, the Board considers individuals to balance the skill sets required to provide oversight to the Group and also consider any material changes in strategy that may require additional expertise. This process is undertaken through the Directors Affairs Committee.</p>
<p>How can I join the Board?</p>	<p>For one to join the Board, they need to meet the qualifications set out in the Articles of the Company and the Companies Act of 2015. Additionally, you also have to be nominated by the Board and recommended for approval by shareholders in an AGM.</p>
<p>Last year you indicated that you would get more involved in technology but that hasn't been any implementation in the market, yet we would have benefited from this period, why</p>	<p>Please review the details in our strategy section commencing on page 16 of the Integrated Report. In particular, we are specifically focusing our attention on how we</p>

<p>not acquire one of the small efficient online insurance companies coming up.</p>	<p>can best use technology to support the access of products, information and support services for the benefit of our customers.</p> <p>By way of example, Heritage has the most technologically advanced motor insurance product available in the market, Auto Correct. Please contact Heritage Kenya for more details.</p> <p>Following the COVID-19 outbreak, the Liberty Kenya Group quickly embraced its technological capability to enable the majority of our employees to work from home whilst ensuring continued business operation and customer services. There have been various important initiatives, some still in progress to improve the use of technology.</p>
<p>I have attended the previous physical annual meetings of the company and there is a tendency to ignore questions and rush over the meeting without giving shareholders time to forward questions. This is not a behavior to be encouraged, if Warren Buffett, chairperson of Berkshire the most valuable insurance has a whole day to answer shareholder questions why is it hurried in our local scenario.</p>	<p>This year, shareholders were provided an opportunity to forward their questions prior to the meeting and during the AGM livestream session. All questions that were not attended to in the AGM, have been answered and posted on the Company's website.</p>