

TANZANIA BREWERIES LIMITED

45TH ANNUAL GENERAL MEETING

MINUTES OF THE FOURTY FIFTH ANNUAL GENERAL MEETING OF TANZANIA BREWERIES LIMITED HELD AT RUAHA HALL OF THE JULIUS NYERERE CONVENTION CENTRE IN DAR ES SALAAM ON 23RD AUGUST, 2018 COMMENCING FROM 10HRS30

PRESENT

HON. C. D. MSUYA : Chairman
MR. R. JARRIN : Representing ABINBEV AFRICA BV
MR. L. MUSUSA : Board Member
OTHER MEMBERS : Names attached as “Annexure A”.

IN ATTENDANCE

MR. HURUMA NTAHENA : SECRETARY

BY INVITATION

MR. B. ZAMBRANO : Business Development Director TBL
MS. A. WALTER : Executive Assistant to the Managing Director TBL
MS. Z. TENGA : External Communications Manager, TBL

MIN. NUMBER 1/2018 : READING THE NOTICE OF THE MEETING

1.1. The Secretary read the notice convening the 45th Annual General Meeting of Tanzania Breweries Limited (TBL) held in Ruaha Hall - Julius Nyerere Convention Centre in Dar es Salaam commencing from 10hrs30.

MIN. NUMBER 2/2018 : QUORUM

2.1. The Secretary confirmed to have received a proxy from AB InBev Africa B.V appointing Mr. R. Jarrin to represent AB InBev Africa B.V. at the 45th Annual General Meeting.

2.2. The Secretary confirmed the quorum to be present in line with Article 62 of the Memorandum and Articles of Association of Tanzania Breweries Limited which sets the quorum for the Annual General Meeting to be at least two Members holding in total 50% or more shares, one of whom must be a representative of AB InBev Africa B.V (formerly SABMiller Africa B.V.).

2.3. The Secretary declared the quorum to be present.

MIN. NUMBER 3/2018 : AGENDA FOR THE MEETING

3.1. The following were tabled as agenda items;

- (i) Notice of a meeting
- (ii) Approval of the minutes of the previous Annual General Meeting
- (iii) Matters arising from the Minutes of the previous Annual General Meeting
- (iv) Review and approval of the Financial Statements and Directors' Report for the year ended 31st December, 2017.
- (v) Ratification of dividend paid for the year ended 31st December, 2017
- (vi) Appointment of PricewaterhouseCoopers as the Statutory Auditors for year ending 31st December, 2018
- (vii) Any other business

3.2. The agenda was adopted for deliberation.

**MIN. NUMBER 4/2018 : APPROVAL OF THE MINUTES OF THE
PREVIOUS ANNUAL GENERAL MEETING**

4.1. Minutes of the previous Annual General Meeting were read and confirmed as a correct record of the proceedings of the meeting.

**MIN. NUMBER 5/2018 : MATTERS ARISING FROM THE PREVIOUS
ANNUAL GENERAL MEETING**

5.1. Members were informed that the Fair Competition Tribunal (FCT) was yet to determine the appeal lodged to challenge the Fair Competition Commission decision which ordered TBL to divest its stake in Tanzania Distilleries Limited (TDL) (65%).

5.2. It was reported that the increase of TBL share capital was registered. An additional 127,600 shares valued Tsh. 100 each was effected and the TBL DSE register and the main register were consolidated and maintained at the Dar es Salaam Stock Exchange as required.

- 5.3. Members were informed of the appointment of Professor Elisante Ole Gabriel (Permanent Secretary Ministry of Industry and Trade) and Dr. Khatibu M. Kazungu (Deputy Permanent Secretary Ministry of Finance and Planning) as the Government appointees into the Board. Professor Elisante was later transferred to the Ministry of Agriculture. Dr. Khatibu who was the remaining Member was in Dodoma hence it was not possible to have a meeting with the minority shareholders.
- 5.4. The Chairman assured Members that the Board and Management would review the minority representation and inform the Government appointed members to ensure that shareholders have opportunity to meet and interact with members representing them in the board.
- 5.5. Members noted the report.

MIN. NUMBER 6/2018 : APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND DIRECTORS' REPORT

- 6.1. The Chairman welcomed Members to the 45th Annual General Meeting. He said the reporting period was for nine months (April to December) ended 31st December, 2017 following the approval of change of year end in 2017. During the period the company grew sales volume to 3.3 million hectoliters resulting in a 24% volume growth, 9% growth in revenue and 16% growth in operating profit versus prior nine months period. As a result a total dividend of Tsh. 770 per share was paid to shareholders which translates to 120% increase to the previous year (PY).
- 6.2. He said the company faced disruption of operations and processes during the transition to ABInBev but despite of the challenges the company grew by 30% and posted 8% volume growth on clear beer. However the wine and spirits business suffered the consequences of the plastic packaging of alcohol (sachets). Nevertheless the company managed to grow the volume back to pre-sachet ban using its strong brand portfolio and equity.

- 6.3. The company managed to reverse the declining trend in PY by using affordable brand and packs and sourcing from informal alcohol which dictates about 50% of alcohol volume. The affordable brands offer consumers affordable and accessible alternative to illicit alcohol. The performance demonstrate management competence and commitment to drive shareholder's equity.
- 6.4. During the period, the company invested in capital expenditure amounting to Tsh. 71,486 million to support the potential further volume growth. On behalf of the Board and shareholders, the Chairman congratulated employees who were behind the success of the company in the year. He also thanked customers, consumers, suppliers and partners for their trust and support. Without them it would not be possible to achieve the dream of creating an ideal company in Africa, one which grows a lot, is supper efficient, which everyone loves to work for, and very importantly, makes a real difference in the society.
- 6.5. The Chairman appreciated the government effort in stabilizing the economy, supporting industrialization and working tirelessly to enable a conducive environment for business to flourish. He appreciated the members' loyalty and support in the company as the business focus forward in anticipation to sustain the growth momentum. He invited to discussion and deliberation as set out in the agenda before.
- 6.6. In addressing the Shareholders comments, the Managing Director said that the sachet ban affected the business which had significant impact on TDL business. Had it not been for the ban of sachets which accounted for almost 70% of the TDL volume, the results would have been better. The business quickly addressed the challenge of the sachet ban by sourcing for a bottling line and that Konyagi brand has since recovered its lost volume and there was a potential to export the Konyagi brand. However, the Valuer brand which was preliminarily in 50ml and 100ml lost volume has not been recovered. Management was in discussion with the Government on how to resolve the Valuer excise rate issue which affected the grape farmers in Dodoma.

- 6.7. Members were advised to ignore the rumor that the price of beer would go further down to Tsh. 1000. The price of beer had gone down 10% on average due to change in strategy which translated to growth in prior year. The affordable brand and packs offered at Tsh. 1500 per 375ml bottle were used to source new consumers from the informal market. Management would continue engaging with the government to align and focus on growth of volume which would lead to more collection than regular tax increase.
- 6.8. Members wanted to know what should be expected post the change of control. In response, members were assured that the best advantages of ABInBev was in combining the best of SABMiller and the best practices and policies of ABInBev. There has been a lot of advantages to the business including the procurement through an online auction, Voyage Plant Optimization (VPO) and Distribution Process Optimization (DPO) which improved the efficiencies and safety in plants. There was a very tight cost management which led to reduction in the number of expatriates. Focus was now in having a more agile organization and winning in the market.
- 6.9. In market dynamics, it was reported that there was price competition in the market and the business would continue to compete in every aspect by offering the best brands and packs which meets the consumer's satisfaction. The bigger opportunity was in increasing the per capital consumption as the informal market is huge.
- 6.10. Clarifying on the wine potential, Members were informed that the wine potential was a big opportunity in Tanzania and that the business would focus on the product made from locally grown grapes which enjoy a lower excise rate and can be used to source from the informal sector.
- 6.11. Members reviewed and approved the Annual Financial Statements and Directors' Report.

MIN. NUMBER 7/2018 : APPROVAL OF DIVIDEND PAID FOR THE YEAR ENDED 31st DECEMBER, 2017

- 7.1. A resolution for ratification of payment of Tsh. 770.00 as a total dividend per share paid to Shareholders for the year ended 31st December, 2017 was presented.
- 7.2. Members noted and ratified the payment of Tshs.770.00 as total dividend per share paid for the year ended 31st December, 2017.

MIN. NUMBER 8/2018 : APPOINTMENT OF STATUTORY AUDITORS

- 8.1. The Directors recommended the appointment of PricewaterhouseCoopers Dar es Salaam, as Statutory Auditors of the Company for the fiscal year ending 31st December, 2018.
- 8.2. Members noted and approved the appointment of PricewaterhouseCoopers as the Company's Statutory Auditors for the year ending 31st December, 2018.

MIN. NUMBER 9/2018 : ANY OTHER BUSINESS

- 9.1. In addressing the Shareholders proposal for launch of draught beer in niche market in Dar es Salaam and introduction of Stella Artois beer it was reported that draught beer is already in urban areas of Tanzania and it would continue to grow. The challenges in expansion of the offering is that it is expensive because of the cost of maintaining the equipment (draft tapes) which needs sanitization.
- 9.2. Stella Artois is one of the ABI premiums brands which is positioned to customers who are conserved and know beer and is doing well in developed beer markets. Other international brands are Corona and Budweiser. Budweiser is already launched in Tanzania and doing very well in key outlets in Dar es Salaam.

MIN. NUMBER 10/2018 : CLOSING THE MEETING

- 10.1. The Chairman thanked Members for attending the meeting and for the good questions and comments which prompted detailed response on the company plans and growth strategy. He said that the focus on the affordable brands and packs as well as local sourcing should be appreciated.

10.2. The Chairman congratulated Management for managing costs by reducing number of expatriates and replacing them with Tanzanians. He was also impressed with the ABI spirit of young managers which is aligned with the focus of the nation.

10.3. Chairman closed the meeting at 12hrs20.

APPROVED :-----
CHAIRMAN

DATE :-----

ATTENDANCES

1	ADELAIDE A. MUSHI	MEMBER
2	ADRIAN S. MAKELELE	MEMBER
3	ALDON MASHOBOZI	MEMBER
4	AUGUSTINE A. MOSHI	MEMBER
5	CHIEF MOSES CHALE	MEMBER
6	CHILDREN CAREER PLAN	MEMBER
7	CORE SECURITIES LTD	MEMBER
8	DANIEL J. TIMOTHEO	MEMBER
9	DAUNI E. IMIBONI	MEMBER
10	DEOGRATIAS POLYCARP	MEMBER
11	EDGER LUKANDA	MEMBER
12	EDNA J. MBWANA	MEMBER
13	EDWARD D. MIKINA	MEMBER
14	EMANUEL S. KIBEYA	MEMBER
15	EUPHRASIA GASPAR FUNDI	MEMBER
16	FERDINAND S. SWAI	MEMBER
17	FLORIDA R. KAZURA	MEMBER
18	FRED ODATT	MEMBER
19	GASPAR MICHAEL FUNDI	MEMBER
20	GEORGE MUSSA	MEMBER
21	GLOBAL MUSTER FUND	MEMBER
22	H.E HON BARACK GHREE	MEMBER
23	HARRISON SHIRIMA	MEMBER
24	HUSSEIN M. KAPERA	MEMBER
25	KENETH B. NGAILLAH	MEMBER
26	MAGANGA M. SENGELEMA	MEMBER

27	MATILDA RICHARD TEMBA	MEMBER
28	MESHACK CHACHA	MEMBER
29	MUHARAM MCHAME	MEMBER
30	NAFTAL L. KISINGA	MEMBER
31	NGAILLAH ELECTRICAL	MEMBER
32	NSSF UGANDA	MEMBER
33	ORBIT SECURITIES CO	MEMBER
34	REGULAR INCOME TRUST	MEMBER
35	ROBERT E MSANGI	MEMBER
36	RUBAMBWA ABDON	MEMBER
37	SIMON BABIA KATARAMA	MEMBER
38	TANZANIA TOOTH HEALING	MEMBER
39	UMOJA TRUST SCHEME	MEMBER
40	UTT AMIS	MEMBER
41	WILLIAM SHILA ELIAS	MEMBER