

SCANGROUP PLC

Responses to questions raised by shareholders at the Annual General Meeting on 30 September 2021

Question No.	Shareholder Name	Question	Board and Management Response
1	KAMAU ELUNICE WANGARI	No of shares	
2	NDUBI DOROTHY KARWIRWA	Will I qualify to get a loan	
3	THIONGO JOSEPHINE NJUHI	Can I add more shares	
4	KISANYA PATRICK BUSHYA	How can I claim my unclaimed dividends	
5	NJENGA AGNES MBUYA	How do I get all my account details	
6	KAMAU GEOFFREY GITAU	Uncollected dividends	
7	KIMANI ANNE WAIRIRU	Why do I get a message that my CDs account is not active etc like	The Company will not declare a dividend for 2020 due to the lack of available distributable reserves. The special resolution tabled at the AGM and requiring shareholder approval seeks to remedy this situation. Questions relating to individuals' personal circumstances such as unclaimed dividends will be responded to individually.
8	MUNENGE HANNAH MUGANE	Can I be receiving all future dividends through mpesa	We have considered this option. However payment of dividends using Mpesa is problematic due to people changing phones with the risk that not all dividend payments would reach the shareholder, resulting in frustration for shareholders and extra admin for the company.
9	THEURI BETH WANGUI	I would like to know the current rate for our dividends for the financial year 2020/2021	
10	NDUBI DOROTHY KARWIRWA	When is the dividend going to be paid	
11	SAPHINAH KALONDU MBITI	When is the dividend going to be paid	
12	OKELLO TITUS EVANS	What is the dividend for the year ended 2020	
13	MWAIURA ROBERT NGUGI	What is the dividend for the year ended 2020	
14	MOCHABO KENNEDY O MIYORO	What is the dividend for the year ended 2020	
15	THEURI BETH WANGUI	What are the main resolutions of the AGM	Details of all resolutions of the AGM are provided in Notice of the AGM 2021.
16	NYANGAU INNOCENT NYAKWARA	How is the business recovering post covid, what is the future outlook	Directors and Management of the group are working hard to improve performance and we are already seeing an improvement in financial results from continuing operations in 2021 despite client spend continuing to be depressed due to the general economic conditions.
17	NJOROGE JUSTUS MURITHI	In the news this week was a company, whose board sought to address the firm's undervaluation in the market. Has similar thoughts crossed the board's mind, seeing that our company, in my view, is also undervalued?	The Board and management of the Group are confident that executing their strategy will drive growth in revenue and profits, which are key drivers of the company's valuation and share price.
18	KULEI CYRUS K	Can the complete list of all the directors (Executive and Non Executive directors) earnings be presented to the shareholders for open transparency and accountability.	Details of directors' remunerations are provided on page 29 of our Annual Report 2020 (available on the WPP Scangroup website).
19	KULEI CYRUS K	On page 13 of the financial report, the directors fees and salaries for doubled as compared to previous FY. What changed?	The increase in fees to non-executive directors is directly related to the higher number of Directors' meetings held during 2020, partially resulting from the sale of the Kantar businesses. The increase in remuneration paid to Mr Das reflects the fact that his 2019 remuneration relates to the period following his appointment as a director on 10 May 2019 while that in 2020 relates to a full year.
20	KULEI CYRUS K	The Financial report does NOT show the shareholders structure and ownership schedule. Kindly present	Details of shareholders information are provided on page 17 of our Annual Report 2020 which is available on our website.
21	MOMANYI KEGICHA WILLIAM	WPP Scangroup revenues have been declining for many years now. What is the company doing to increase its revenues moving forward? Are we likely to see an increase in revenue for 2021 as compared to 2020? What is the projected revenue growth for the company for the next five years?	Despite Deloitte and Touche having failed to flag down issues raised in the qualified audit report for 2020, the company has gone ahead to retain it as the auditor even if the same issues were still in the 2018 annual report, why can't the company change the current auditor?
22	MOMANYI KEGICHA WILLIAM	Despite Deloitte and Touche having failed to flag down issues raised in the qualified audit report for 2020, the company has gone ahead to retain it as the auditor even if the same issues were still in the 2018 annual report, why can't the company change the current auditor?	Deloitte and Touche remain the auditors of the WPP group and of WPP Scangroup.
23	OBULEMIRE PETER MILIMO	11.1 It is not clear from this who convenes the directors meeting as it states the company and in the definitions 'company' is the WPP group. Kindly clarify.	As per definition provided under 2.1 (h) Company means "WPP Scangroup PLC"
24	JACK KAMAU	How do you intend to use the cash and bank balance you have, any acquisition, and also about the 1.9 billion maturing in 3 months and the accrued interest.	Surplus cash balances, including maturing deposits, are invested in fixed deposit accounts at a number of leading Kenyan banks at the best interest rates available. Should investment opportunities present themselves, the Directors will assess these on their merits as they arise.
25	JACK KAMAU	When releasing the FY 2020 you gave a reason as to why you never gotten any information from the five subsidiaries and also you had a circulation that you plan to sue them.	The investment in the Ocean west Africa associates are not considered by the Company to be of any value and were fully provided for a number of years ago. The Company has no plans to sue them.
26	JACK KAMAU	My question is about the recent business wins and cautiously optimistic view considering many of your trading countries have election, can you explain further on the measures to take.	The Company operates in multiple markets across the region. It is used to dealing with elections in one country or another and will assess appropriate market strategies on a case by case basis.
27	FANUEL LYDIA ESICHUPA	possible to pay my dividends by mpesa?	See response to question 8 above.
28	MAINA WASHINGTON KAMAU	why didn't we get dividends	The Company will not declare a dividend for 2020 due to the lack of available distributable reserves. The special resolution tabled at the AGM and requiring shareholder approval seeks to remedy this situation. Questions relating to individuals' personal circumstances such as unclaimed dividends will be responded to individually.
29	GEOFFREY OKINYI OLALE	Why did the Board not pay final dividend for the financial year ended 2021?	See response to question 28 above.
30	OLUMA NORBERT RAGWARI	how much dividend will the shareholders receive	See response to question 28 above.
31	MBURUGU ROBERT MUGAMBI	How are the shares trading? it's along time since I received my last dividend	The share price can be tracked on line. The last dividend was paid in July 2020. This was an exceptional dividend following the sale of the Kantar businesses.
32	MAINA VICTOR MWANGI	What is the company's current business strategy? How does it seek to take advantage of the Kenya's potential as well as that of the rest of SSA?	The Directors' report, which forms part of the 2020 report and accounts, provides some details of the Company's business strategy.
33	ALUM LYDIA AWINO	ScanGroup was this week listed in the Business Daily as among the top 10 losers by market value. What strategy do you have to improve the share price value?	The Directors and management of the Group are constantly seeking to maximise the profits of the company.
34	KULEI CYRUS K	Our Auditors expressed their qualified opinion regarding five foreign investments. Why was this NOT picked in the previous financial audits yet they have been auditing our company for more than 3 years.	In the past management had evaluated the associates as not material to the financial statements. These were disclosed consistently as such. With the unfolding of events in the current year, the auditors performed a re-assessment of the representation previously received. The limited information that could be available about these Associates, resulted in the qualified audit opinion. Management will be endeavouring to obtain the required information in the current financial year.
35	MOMANYI KEGICHA WILLIAM	The company current market capitalization is less than the value of the cash it owns. The company revenue reserves are depleted meaning that the company cannot utilise dividends to unlock value for shareholders of the company. Is the company considering having a share buyback to correct this undervaluation of the company's shares?	Yes the Company is in the unusual position of having substantial cash reserves but no distributable reserves with the result that it can't declare dividends to shareholders. This situation results principally as a result of the large charge to the P&L in 2020 relating to the impairment of the carrying value of investments in subsidiaries. The special resolution approved at the AGM on 30 Sept 2021 permits the Directors to create a merger reserve which can be used to absorb past and future impairment charges relating to investments in subsidiaries. This will re-instate distributable reserves allowing the Company to pay future dividends. The explanatory notes to the Special Resolutions (included on the WPP Scangroup website provides further details).
36	OGOLA LILY UMAWATTI OGOLA CARL ADAM	Are there any plans for a share buy back scheme in Kenya in the foreseeable future as is currently the case with our UK parent, WPP plc?	No, there are currently no plans for a share buy-back.
37	OGOLA LILY UMAWATTI OGOLA CARL ADAM	Are there any plans to delist from the NSE in the next 18 months given that WPP plc has done the same on the Australian Stock Exchange earlier this year	No, there are currently no plans to de-list from the NSE.
38	OGOLA LILY UMAWATTI OGOLA CARL ADAM	Given that the Kantar and Millward Brown disposals brought in a good amount of cash, are there any plans to pursue this type of strategy in future through acquisitions and disposals in anything, including equities traded on public stock exchanges, other than term deposits in banks?	There are no currently plans to dispose of any subsidiaries or to make acquisitions. The Directors will always however keep an open mind to any opportunities that may arise.
39	OGOLA LILY UMAWATTI OGOLA CARL ADAM	How does the company intend to leverage on its access to its global network of staff and other resources to grow the business?	The Company works closely with its parent company, WPP, who have provided strong support when needed, including providing the services of the current Interim Chief Operating Officer at short notice when new management was needed following the suspension of the CEO and CFO in February of 2021.
40	OGOLA LILY UMAWATTI OGOLA CARL ADAM	When may we expect the directors to consider a firm dividend pay out policy eg a %age of free cash flow etc	Please refer to question 35 above.
41	Bharat Thakrar	We noticed Jason Day who was appointed a director of the company in February this year is not seeking re-election. What is the reason for this? It is strange that he stayed on the board for just 6 months.	Jason Day was appointed as a Director of the Company in February 2021 to allow the Company to benefit from his expertise in driving new business and cross collaboration across multi-national clients within the wider WPP Group. Jason has since decided to explore new opportunities outside of WPP, limiting his involvement with those clients, and hence is not standing for re-election.
42	Bharat Thakrar	Who will be replacing Jason Day from WPP?	The Board is currently exploring candidates to identify individuals who can add value and ideas to the Company. An announcement will be made in due course.
43	KAMAU ISAAC MUTURI	The company has Kes 2.7 Billion in cash (30% of assets), this is a significant amount. Does the board have any plans to productively use the cash (through acquisitions or business diversification etc)? If not, why not consider returning part of the funds to shareholders through a special dividend?	Surplus cash balances, including maturing deposits, are invested in fixed deposit accounts at a number of leading Kenyan banks at the best interest rates available. Should investment opportunities present themselves, the Directors will assess these on their merits as they arise. As explained in the response to question 35, the Company does not currently have distributable reserves out of which it could pay a dividend.
44	KATUMU JONATHAN MWAWAKA	What changes and innovation prototypes are being developed and implemented in redress to the Group's value holding and Covid 19 effects in the Group's business industry	Please refer to the responses to questions 32 and 33 above.
45	KATUMU JONATHAN MWAWAKA	What is the current status with the probing and investigations on the alleged misappropriation and mismanagement of the Group by its former employees and administrators that saw the Group's stock and commercial value drop?	The investigation which prompted the suspension of the former CEO and CFO has been concluded and the findings disclosed to the CMA who are currently reviewing them - the Board is satisfied that the conduct of the CEO in a number of significant areas would have led to his termination had he not already resigned. The CFO also failed to maintain the correct control environment and enforce the group policies which led to his termination and resignation as a Board Director. Although the issues identified did not require any adjustments to the 2020 accounts, they were of a serious nature. The Board has ensured a full remediation programme focused on internal controls and all of the Group's employees are required to comply with them.
46	DUNCAN JONATHAN WESONGA NANDWA	How has covid-19 affected operations this year?	Directors and Management of the group are working hard to improve performance and we are already seeing an improvement in financial results from continuing operations in 2021 although client spend continues to be depressed due to general economic conditions.
47	PETER AYIMBA	How does the company intend to weather the covid pandemic and turn the company back to profitability?	The Directors' report, which forms part of the 2020 report and accounts, provides some details of the Company's business strategy.
48	DUNCAN JONATHAN WESONGA NANDWA	What is the future of the company in view of leadership changes?	WPP Scangroup has unique position of strength in sub-Saharan Africa. The management changes in 2021 have not significantly altered the company's business strategy.
49	KIMANI EVANS SILA	What happens to CEO Bharat Thakrar and CFO Satyvirata Das since the auditors report indicated that "The investigation did not identify items of a material nature that required adjustment to the results of the Company or the Group for the year ended 31 December 2020 or to the balance sheets at that date.	Mr Thakrar and Mr Das both resigned during the course of an investigation carried out into allegations of gross misconduct. The accounts of the Company state that no accounting adjustments were made as a result of the investigation but does not state that they were cleared of allegations made. Neither of them have been involved in the management of the Group since their suspension.
50	MURITHI EDWIN NGUGI	What is the extent of involvement of the former CEO Bharat Thakrar in the operations of the company, and has the board cleaned him to resume work?	Mr Thakrar was not cleared of allegations of gross misconduct and he has had no involvement with the company since his suspension in February 2021.
51	OPUNDO PEREZ ACHOLA	What are the strategies can one use to up his or her businesses	There is no one single strategy for delivering success and the Directors of the Group as constantly working to maximise results.
52	MAINA VICTOR MWANGI	The financial results have been delayed for a considerably long time. What steps are being taken to overcome this challenge and its triggers for the foreseeable future?	The publication of the 2020 results was delayed to allow the investigation into the allegations of gross misconduct to be completed and to allow the auditors to complete their extended audit work. Due to the allegations of gross misconduct involving senior management of the Group, the auditors were not able to place reliance on normal internal controls managed by these executives resulting in a far more extensive audit. Every effort was made by the company to assist the auditors in completing their work as quickly as possible. The CMA were kept informed as to the progress of the audit work and the 2020 results were released by end of August as committed to the CMA and to shareholders.
53	WANGUI KARIUKI ANDLYDIA AND NANCY	What caused the share price to fall almost to below par value?	Uncertainty regarding the results of the Group following the suspension and resignation of the CEO and CFO and the possible outcome of the investigation was a large contributor to the depressed share price earlier this year. The current challenging economic environment has also not helped.
54	FRANCIS WAMERU WANGARI	How are you doing to ensure the shares value doesn't continue to drop?	The Directors and management of the Group are constantly seeking to maximise the profits of the company.
55	GEOFFREY OKINYI OLALE	Why would we allow the Directors to fix their own salaries in the ensuing year?	The Directors do not set their own salaries. The remuneration of directors is recommended by the Remuneration Committee of the Board of Directors which comprises non-executive directors of the Company and finally approved by the shareholders as part of the approval of Directors' Remuneration Report.