



SCANGROUP

May 25, 2011

The Chief Executive
Capital Markets Authority
Reinsurance Plaza, 5th floor
Taifa Road
Nairobi



The Chief Executive
Nairobi Stock Exchange
Nation Centre, 1st floor
Kimathi Street
Nairobi

Dear Madam/ Sir,

RE: RESOLUTIONS PASSED BY SHAREHOLDERS AT THE COMPANY'S ANNUAL GENERAL MEETING

Pursuant to Regulation E.05 (b) Fifth Schedule – Continuing Obligations of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, below are the ordinary resolutions passed by the shareholders at the Company's Annual General Meeting which was held on 24th May 2011.

1. ADOPTION OF ACCOUNTS AND REPORTS

It was proposed by Mr. Alois W. Chami, seconded by Mr. Dominic K. Thuo and unanimously resolved:

“That the Balance Sheet and Accounts for the year ended 31st December 2010 together with the reports of the Directors and the Independent Auditor thereon be and are hereby approved.”

2. APPROVAL OF DIVIDEND

It was proposed by Mr. Fredrick N. Githingi, seconded by Mr. James M. Mwangi and unanimously resolved:

“That the payment of a dividend of Kshs. 0.70 per share to all shareholders as at 24th May 2011 be and is hereby approved. This dividend will be paid on or about 25th June 2011.”

3. APPROVAL OF DIRECTORS' REMUNERATION

It was proposed by Mr. Charles M. Waweru, seconded by Ms. Alice Chepkorir and unanimously resolved:

“That for services rendered to the Company, the Directors remuneration as provided in the accounts for the year ended 31st December 2010 be and is hereby approved.”

4. RE-ELECTION OF DIRECTORS

a. It was proposed by Mr. William D. Symeon, seconded by Ms. Rodha N. Ngalyuka and unanimously resolved:

“That Mr. Richard Omwela, Director of the Company retiring by rotation under the provisions of Article 93 of the Articles of Association, be and is hereby re-elected.”

SCANGROUP LIMITED

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b. It was proposed by Mr. Alois W. Chami, seconded by Mr. Jones K. Nzau and unanimously resolved:

“That Mr. Manish Kumar Shah who retires under the provisions of Article 116 of the Articles of Association be and is hereby re-elected.”

5. APPOINTMENT OF INDEPENDENT AUDITOR

It was proposed by Mr. Elly O. Samba, seconded by Mr. Fredrick N. Githingi and unanimously resolved:

“That Deloitte & Touche, Certified Public Accountants, having agreed to continue in office, be and are hereby appointed as Auditors until the conclusion of the next Annual General Meeting and the Board be authorized to fix their remuneration for the next financial year.”

6. INCREASE IN SHARE CAPITAL

It was proposed by Mr. Joseph N. Gachunga, seconded by Mr. Charles M. Waweru and unanimously resolved:

“That pursuant to Article 57 of the Company’s Articles of Association, the authorized share capital of the Company be increased from Kshs. 254,690,000 divided into 254,690,000 ordinary shares of Kshs. 1/= each by an amount of Kshs. 47,464,855 divided into 47,464,855 new ordinary shares of Kshs. 1/= each to Kshs. 302,154,855 divided into 302,154,855 ordinary shares of Kshs. 1/= each.”

7. BONUS ISSUE

It was proposed by Mr. Stephen M. Wandutu seconded by Mr. Jones K. Nzau and unanimously resolved:

“That in pursuance of Article 149 of the Company’s Articles of Association and subject to receipt by the Company of the necessary regulatory approvals, such sum in the share premium account amounting to Kshs. 47,464,855 be capitalized and that the Directors be and are hereby authorized and directed to appropriate such sum to the holders of ordinary shares registered at the close of business on 24th May 2011 and to apply such sum on behalf of such holders in paying up in full at par 47,464,855 unissued shares in the capital of the Company, such shares to be allotted, distributed and credited as fully paid-up to and amongst such holders in the proportion of **One new ordinary share for every Five fully paid-up ordinary shares** held on 24th May 2011 upon the terms that such new shares when issued shall not rank for dividend in respect of the year ended 31st December 2010 but shall rank for all other purposes pari passu with existing issued ordinary shares of the Company and that the Directors be and are hereby also authorized generally to do all acts and things required to give effect to this resolution and to deal with fractions in such manner as they think fit subject always to the Articles of Association of the Company.”

Yours faithfully,


Margaret M. Kipchumba (Mrs.)
Company Secretary