



STANBIC HOLDINGS PLC PROPOSED AMENDMENTS TO ITS MEMORANDUM & ARTICLES OF ASSOCIATION:

The Memorandum & Articles of Association of Stanbic Holdings Plc (the Company) have been reviewed in line with the Companies Act No. 17 of 2015 and amendments have been made where necessary to align with the Act and to enhance the wording for clarity and for greater practical flexibility. The amendments have been endorsed and recommended by the Board to the Company's shareholders for approval and adoption.

Article	Subject Matter	Amendment
Preamble and Cover Page (Memorandum and Articles of Association)	Reference to the Companies Act	Reference is now made to the current Companies Act (No. 17 of 2015), where previous mention was made to the now defunct Companies Act (Chapter 486). The same has been amended throughout the document where such reference appears.
Memorandum of Association – Clause 31	Objects of the Company	Addition of Clause 31 to indicate that the objects of the Company are unrestricted pursuant to Article 28 (1) of the Act.

Article 1	Introductory – Third Schedule not to apply	Replaced reference to Table A with Third Schedule of the Act.
Article 2 (b)	Interpretation – Amendment to definition of “Articles”	Definition of Articles is amended from “Articles shall mean these Articles of Association as now framed or as from time to time altered by special resolution” to “ <i>Articles shall mean these Articles of Association as now framed or as from time to time altered in accordance with current Statutes.</i> ” This creates flexibility as new statutes may not require alteration of Articles of Association by special resolution.
Article 2 (p)	Interpretation – Addition of new definition	Amended to include definition of “Sign” under Article 2 (p) and adjusting the numbering of the existing definitions accordingly. The new definition reads as follows: <i>Sign includes making one’s mark or writing one’s name or initials physically or by means of an electronic signature on the instrument as an indication that one intends to bind himself to the contents of the instrument.</i>
Article 6	Business – restriction on use of Company funds	The relevant operating section is now Section 442(1) of the Act, replacing Section 56(1) of the previous Act
Article 7	Business – exercise by the Company of powers to pay commissions	The relevant operating section is now Section 331 of the Act, replacing Section 55 of the previous Act
Article 10	Business – terms of issuance and redemption of preference shares	The relevant operating section is now Part XX of the Act, replacing Section 60 of the previous Act

Article 14	Allotment of shares – No issuance of shares at a discount	The relevant operating section is now Section 365 of the Act, replacing Section 59 of the previous Act. The word “except” after “discount” on the last line has been deleted because unlike Section 59 of the previous Act, the current Act does not provide an exception on discounts. Section 356 states that shares are not to be allotted at a discount.
Article 33	Transfer of shares – to be in writing	Reference to Article 173 is replaced with reference to Article 176.
Original Articles 37 - 40	Untraced Members	Deleted as no longer applicable with the enactment of the Unclaimed Financial Assets Act.
Original Articles 53-56	Stock	Deleted as under Section 322 of the current Act, shares are no longer capable of being converted into new stock. The Articles are outdated.
Original Articles 57-59	Share Warrants	Deleted as under Section 504 of the current Act, companies are no longer authorised to issue share warrants.
Original Article 61 (now new Article 50)	Increase of Capital	Amended to add the following sentence pursuant to Section 329 of the new Act: “In addition, the directors of the Company may increase the share capital by allotting new shares in accordance with the Act.”
Original Article 62(b) (now new Article 51(b))	Alteration of Capital	The relevant operating section is now Section 405 of the Act, replacing Section 63(1)(d) of the previous Act.

New Article 64	Acquisition by the Company of its Own Shares	<p>Amended to include this new Article given that the current Act provides the right to a company to buy back its own shares.</p> <p>The new Article 64 reads as follows <i>“Subject to and in accordance with the provisions of the Act and the Statutes and without prejudice to any relevant special rights attached to any class of shares of the Company, the Company may purchase any of its own shares of any class at any price (whether at par or above par). Any shares so purchased may be cancelled or held by the Company as treasury shares in accordance with the Act.”</i></p>
Original Article 64 (now new Article 54)	General Meetings – Holding of Annual General Meetings	<p>The Article has been amended in line with the current Act requiring that annual general meetings for each year to be held within six months from and including the day following the Accounting Reference Date. The previous requirement was that not more than fifteen months should elapse between the date of one annual general meeting of the Company and that of the next.</p>
Original Article 65 (now new Article 55)	Extraordinary General Meetings	<p>Reference to Section 132 of the previous Act is now replaced by Section 277 of the Act.</p>
Original Article 66 (now new Article 56)	Notice of General meetings	<p>Reference to Section 133(3) of the previous Act is now replaced by Section 281(5) of the Act.</p>
Original Article 69 (now new Article 59)	General Meetings – postponing of general meetings due to unforeseen event	<p>Reference to Article 64 is replaced with reference to Article 54.</p>

Original Article 71 (now new Article 61)	General Meetings – quorum	Reference to Article 98 is replaced with reference to Article 88.
Original Article 78(b) (now new Article 68(b))	Polls at general meetings	Reference to Article 98 is replaced with reference to Article 88.
Original Article 80 (now new Article 70)	Polls at general meetings	Reference to Article 75 is replaced with reference to Article 65
Original Article 83 (now new Article 73)	Polls – votes by person, proxy, attorney or representative.	Reference to Article 98 is replaced with reference to Article 88.
Original Article 86 (now new Article 76)	Votes of members – voting by show of hands	Reference to Article 98 is replaced with reference to Article 88.
Original Article 87 (now new Article 77)	Votes of members – no entitlement to vote while sum outstanding for payment for any share	Reference to Article 98 is replaced with reference to Article 88.
Original Article 89 (now new Article 79)	Votes of Members – Votes of Member of Unsound Mind	It is proposed that the Article be amended to provide more general reference to statutes on mental health, to allow for an all-encompassing approach where statutes are repealed and/or others introduced and saves the need to amend the wording in the Article.
Original Article 93 (now new Article 83)	Proxies & Representatives – Delivery of Instrument Appointing a Proxy	Amended to allow a proxy instrument to be sent to the specified Office by email.
Original Article 94 (now new Article 84)	Proxies & Representatives – Delivery of Instrument Appointing a Proxy	Reference to Article 95 is replaced with reference to Article 85.
Original Article 106(a) (now new Article 97(a))	Removal & Appointment of Directors – Vacation of Office	Reference to Article 107 is replaced with reference to Article 98.

Original Article 106(b) (now new Article 97(b))	Removal & Appointment of Directors – Vacation of Office	Reference to Section 186 of the previous Act has been deleted as maximum age to serve as a director is no longer applicable under the current Act.
Original Article 106(d) (now new Article 97(d))	Removal & Appointment of Directors – Vacation of Office	Reference to Section 189 of the previous Act is now replaced by Section 216 of the current Companies Act.
New Article 100	Appointment of the Board Audit Committee	This has been added pursuant to Sections 769(1) and 770 of the current Act.
Original Article 109 (now new Article 101)	Appointment of Director by the Board	Deletion of the word “following” between the words “next” and “annual general meeting”. In addition, amendment of the word “re-election” to read “election”.
New Articles 102 and 103	Maximum Age of Directors	Requirement of Board Directors to retire at the age of 70 as per the requirements of Standard Bank Group.
Original Article 110 (now new Article 104)	Rotation of Directors	Reference to Article 144 is replaced with reference to Article 146.
Original Article 118 (now new Article 112)	Borrowing powers of the Board	Reference to Article 117 is replaced with reference to Article 111.
Original Article 119 (now new Article 113)	Borrowing powers of the Board	Reference to Article 117 is replaced with reference to Article 111.
Original Article 126 (now new Article 120)	Official Seal for use outside of Kenya	Reference to Sections 121 and 122 of the previous Act are deleted and reference is only made to “the Act”.

Original Article 127 (now new Article 121)	Keeping of a Branch register	Reference to Section 189 of the previous Act is now replaced by Section 216 of the current Companies Act.
New Article 126	Directors' Report	Requirement for the Board to prepare a Directors' report in each financial year pursuant to Section 653 of the Act.
New Article 127	Directors' Remuneration Report	Requirement for the Board to prepare a Directors' remuneration report in each financial year pursuant to Section 659(1) of the Act.
New Article 128	Directors' to Act in good faith for the benefit of all its stakeholders	This Article is included pursuant to Section 143 of the Act
New Articles 129 - 133	Conflict of Interest	New Articles added to further address conflict of interest for Board Directors in compliance to the Act.
Original Article 133 (now new Article 135)	Proceedings of the Board - quorum	Reference to Article 132 is replaced with reference to Article 134.
Original Article 133 (a) (now new Article 135 (a))	Proceedings of the Board – quorum for resolution agreed by telephone communication	Reference to Article 138 is replaced with reference to Article 140. In addition, reference to “telephone communication” is amended to “telecommunication”.
Original Article 135 (now new Article 137)	Notice of a Board Meeting	Addition of “electronic address” for proper delivery of notices for board meetings.
Original Article 138 (now new Article 140)	Holding of Board or Committee meetings	Amended by replacing “telephone” as a means of holding Board or Committee meetings, with “telecommunication or any other means of

		communication” and by adding “technology” after “communication equipment”.
Original Article 147 (now new Article 149)	Secretary	The relevant operating sections are now Sections 244 and 250 of the Act, replacing Sections 178 and 180 of the previous Act.
Original Article 148 (now new Article 150)	The Seal	Additions of the following at the end of the Article: “Sections 39 and 42 of the Act shall
Original Article 149 (now new Article 151)	Dividends and Reserves – Dividend to be Payable Only Out of Profits	Article amended to make specification of payment of dividends out of funds available for that purpose. Further amendments have been made on the issue of distributions in observance of Sections 486 to 489 of the Companies Act.
Original Article 156 (now new Article 158)	Dividends and Reserves – Method of payment	Amended to include other methods of payment of dividends other than by cheque,
Original Article 160 (now new Article 163)	Capitalisation of profits	Reference to Articles 158 and 159 is replaced with reference to Articles 161 and 162.
New Article 160	Unclaimed Dividends	Addition of new Article to address unclaimed dividends pursuant to the Unclaimed Financial Assets Act (No.40 of 2011).
Original Article 164 (now new Article 167)	Accounts – Balance Sheet and Profit and Loss Accounts	The relevant operating sections are now Sections 642, 663, 655, 656, 679 and 681 of the Act, replacing Sections 148, 152, 154, 155 and 157 of the previous Act.
Original Article 166 (now new Article 169)	Audit – Provisions of the Act Regarding Auditors	Amended to include operating sections of the Companies Act to the Article, replacing reference to sections of the previous Act.

Original Article 167 (now new Article 170)	Notices – service of notice	Allows for electronic and other technological means and inclusion registered mail and publication in two national newspapers.
Original Article 168 (now new Article 171)	Notices – proof service of notice	Adds proof for sending notices by electronic and other technological means and includes registered mail.
Original Articles 173(a) to 173(d) (now new Articles 176(a) to 176(d))	Disposal of Documents – Disposal of Documents by the Company	Amendment on period to allow disposal of documents from seven years to ten years in compliance with the current Act.
Original Article 174 (now new Article 177)	Disposal of Documents – Disposal of Documents by the Company	Reference to Article 173 is replaced with reference to Article 176)
Original Article 176 (now new Article 179)	Indemnity – Indemnities of Directors and Officers	The operating sections regarding indemnification of every Director, agent, auditor, Secretary and other officer of the Company have been amended to Sections 194(2) and 1005 of the current Act. Indemnification has further been extended to include cases where such person has acted in good faith, honestly and reasonably.
New Article 180	Insurance	Addition of new Article on Insurance of Directors

The above is to indicate the proposed amendments for approval by shareholders of the Company through special resolution. The full amended Memorandum and Articles of Association accompany this schedule.

Company Secretary

STANBIC HOLDINGS PLC