

# THE COMPANIES ACT (No. 17 of 2015)

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## COMPANY LIMITED BY SHARES

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### Memorandum of Association

- of -

### Stanbic Holdings PLC<sup>1</sup>

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1. The name of the Company is "**STANBIC HOLDINGS PLC**".
2. The registered office of the Company will be situate in Kenya.
3. The objects for which the Company is established are:
  - (1) (a) To establish, carry on, continue, extend and develop the business of banking in all its branches in Kenya and elsewhere and, in particular, but without restricting the generality of the foregoing, to carry on the business of obtaining, receiving and holding of money on any current and deposit account or in any manner whatsoever and whether at interest or otherwise, of paying or collecting cheques drawn or paid in by customers of providing facilities for the withdrawal or transfer on moneys held by the Company and the making of advances to customers and to do all matters and things incidental thereto or which may, at any time hereafter, at any place where the Company shall carry on business, be usual in connection with the business of banking or dealing in money or securities for money.
  - (b) To apply for, obtain and hold a licence to transact banking business in Kenya granted by the authorised licensing authority and to apply for, obtain and hold all such other licences or judicial, government or legal sanctions as the Directors of the Company may think necessary or desirable to enable the Company to carry any of its objects into effect.
  - (c) To advance and lend money without security or on immoveable, moveable and mixed securities, on cash, credit or other accounts, on policies, bonds, debentures, bills of exchange, promissory notes, letters of credit or other obligations or on rates or tolls, duly authorized to be made or levied by any written law, or on the deposit of title deeds, wares and merchandise, bills of sale and lading, delivery orders, warehousemen's and wharfingers' certificates, notes, dock warrants or other mercantile indicia or tokens, bullion, stocks and shares

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<sup>1</sup> The name of the Company was changed from CfC Stanbic Holdings Limited in pursuance of a Special Resolution of the Company passed at an Extraordinary General Meeting of the Company duly convened and held on 5<sup>th</sup> August 2016.

- (2) (a) To carry on business as merchant bankers, financiers, discounters, factors and concessionaires and to undertake and to carry on and to execute all kinds of merchant banking in all its branches and financial and commercial trading and dealing in money or securities for money foreign exchange and bullion.
- (b) To promote, effect, insure, guarantee, underwrite participate in, manage and carry out any issue, public or private, of state, municipal or other loans or of stocks shares debentures or debenture stock of any other person, company, corporation or association and to lend money for the purpose of such issue and to make advances upon, hold in trust, issue on commission, sell or dispose of any security of any description and to act as agent for any of the above or the like purposes
- (c) To negotiate loans of every description and to aid any government, state, municipal or other body, politic or corporate, company, association or individuals with capital credit, means or resources for the prosecution of any works undertakings, projects or enterprises.
- (d) To carry on the business of discounting, dealing in exchanges, in specie and in securities; to negotiate or pay in advance coupons and interest on public loans or securities; to tender for and to collect revenues, taxes, privileges, dues, customs and duties of any state, municipality or person and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, drafts, cheques, bonds and other negotiable or transferable instruments.
- (e) To finance or assist in financing the sale of goods, articles or commodities of all and every kind or description whether by way of hire, hire purchase, deferred payment or similar transactions and to institute, enter into, carry on, subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities and property of all and every description.
- (f) To insure or guarantee the payment of advances, credits, bills of exchange, letters of credit and other commercial obligations or commitments of every description as well as the fulfilment of contracts and other trading and commercial transactions of every description and to indemnify any person against the same and to guarantee the payment of money secured by or payable under or in respect of any debentures, debenture stock, bonds, mortgage, charge, security, contract or obligation of any person, persons or corporations or any authority supreme, local, municipal or otherwise and to act as agents for the collection receipt and payment of money and generally to act as agents for and render services to customers and others and generally to give guarantees and indemnities.
- (g) To promote and establish companies, associations, syndicates or partnerships for the execution or undertaking of works projects or any

enterprises of any description whether of a private or public character.

- (h) To acquire, in any manner, and take over the whole or any part of the business, property, goodwill and liabilities of any other institution licensed under the Banking Act (Cap.488 of the Laws of Kenya).
  - (i) To receive money on deposit or loan and to borrow or raise money in such manner as the Directors of the Company may think fit and to secure repayment of the same or the payment or performance of any debt, liability, contract, guarantee or other engagement incurred or entered into or to be incurred or entered into by the Company, by the issue of debentures or debenture stock or legal or equitable mortgages or charges over all or any of the Company's property (both present and future) including its uncalled capital or in any other way and to purchase, redeem or pay off any such securities.
- (3)
- (a) To acquire, receive and hold on deposit or otherwise, on behalf of any person, partnership, body of persons or corporation, any title deeds, shares, stocks, debentures, debenture-stock, bonds, loans, obligations or securities and to issue certificates to any such person, partnership, body of persons or corporation evidencing the title of any such person, partnership, body of persons or corporation or the bearers of any such certificates to a share or interest in such shares, stocks, debentures, debenture-stock, bonds, loans, obligations or securities.
  - (b) To acquire any such shares, stocks, debentures, debenture stocks, bonds, loans, obligations or securities by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicates or otherwise and whether or not fully paid up and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit and to otherwise invest and deal with the moneys of the Company in any manner.
  - (c) To exercise and enforce all rights and powers conferred by or incident to the ownership of such shares, stock, obligations or other securities, including, without prejudice to the generality of the foregoing, all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special portion of the issued or nominal amount thereof.
- (4)
- (a) To carry on the business of a trust corporation and to undertake and carry on the offices and duties of a corporate trustee, custodian trustee, executor, administrator, trustee, treasurer, liquidator, manager, depository, attorney or nominee of or for any person, company, corporation, association, scheme, trust fund , government, state, municipal or other body politic or corporate, whether gratuitously or otherwise, lawfully exercisable by a trustee and to act therein and to perform the duties and functions incident thereto, either in the name of the Company or otherwise as may be deemed necessary or expedient, and generally to transact all kinds of trust or agency business, whether gratuitously or otherwise, and to receive money on

deposit, with or without allowance of interest thereon.

- (b) To constitute any trust or trusts with a view to the issue of preferred or deferred stocks or shares or any other special stocks, shares or securities based on or representing asset specifically appropriated for the purposes of such trust or trusts.
  - (c) To constitute, undertake and execute any trust or discretion the undertaking whereof may seem desirable and the distribution, amongst the beneficiaries, pensioners or other persons entitled thereto, of any income, capital or annuity, whether periodically or otherwise and whether in money or specie, in furtherance of any trust direction, discretion or other obligation or permission.
  - (d) To renounce probate of any will, disclaim any trust, retire from any trusteeship and to appoint new trustees where so empowered by any trust instrument or will.
  - (e) To hold, administer, carry on as a going concern, turn to account, sell, realise, invest, dispose of and deal with all assets, business and property of which the Company becomes trustee, executor, administrator, receiver, manager, committee or liquidator in such manner and to such extent as by the terms of its appointment it may be expressly or impliedly authorised.
- (5)
- (a) To carry on business as financial and investment advisers, business transfer agents and valuers and to act as intermediaries in the introduction of sellers, purchasers, partners and employees.
  - (b) To carry on the business of consultants and advisers on problems relating to the administration and organisation of industry and business and the training of personnel for industry and business and to carry on all or any of the businesses of industrial, business, personnel, and market research consultants and to advise upon the means and the methods for extending, developing and improving all types of businesses or industries and all systems or processes relating to the production and storage, distribution, marketing and sale of goods and/or relating to the rendering of services and to collect, prepare and distribute, information and statistics relating to any type of business or industry and to promote or propose such methods, procedures and measures as may be considered desirable or beneficial .
  - (c) To act as agents or managers in carrying on any business concerns and undertakings and to employ experts to investigate and examine into the condition, management, prospects, value and circumstances of any business concerns and undertakings and generally of any assets, property or right of any kind.
- (6)
- (a) To undertake or direct the management of property, buildings, immoveable property and estates (of any tenure) on behalf of any persons whether members of the Company or not in the capacity of directors, managers, stewards or otherwise and to purchase and sell for any person, property,

- building or immovable property or any share or interest therein or to transact on commission or otherwise the general business of a property agent.
- (b) To act as pension advisers and consultants, assessors, valuers, surveyors, average adjustors, mortgage brokers and as factors.
  - (c) To act as company registrars to any corporation and to provide secretarial services of every description to any company, firm, individual or undertaking.
- (7)
- (a) To carry on business as suppliers of professional, clerical, manual and other staff, and to engage and hire, professional, clerical, manual and other staff and to enter into agreements with a view to allocating their services to any person, firm or company requiring the same and to establish and maintain an employment agency.
  - (b) To provide or procure the provision by others of every and any service, need, want or requirement of any business nature required by any person, firm or company or in connection with any business carried on by them and, for that purpose, to carry on business of a typing and copy bureau, printers and publishers, computer programmers, computer and data processors and to provide for the storage of information and its retrieval.
  - (c) To acquire by purchase, hire, exchange or otherwise howsoever office furniture and office and business equipment of all kinds for the purpose of hiring the same or otherwise making the same available for use by any person, firm or company.
- (8) To carry on any other trade, business or activity whatsoever and to do anything of any nature which can, in the opinion of the Directors of the Company, be advantageously or conveniently carried on by the Company in connection with, as ancillary to or independently of any of its businesses.
- (9) To purchase, take on lease or in exchange, hire or otherwise acquire any moveable or immovable property of any kind or any interest therein and any rights or privileges which the Directors of the Company may think necessary or convenient for the purposes of or in connection with the Company's businesses or which may enhance the value of any other property of the Company.
- (10) To build, construct, alter, improve, enlarge, repair, maintain, develop, demolish, remove or replace and to work, manage, carry out or control works of all descriptions, including but not limited to offices, factories, mills, warehouses, shops, stores, garages and other buildings, roads, machinery and plant, which may, in the opinion of the Directors of the Company, be likely to advance directly or indirectly the Company's interests; to clear sites for the same; to contribute to, subsidise or otherwise assist in the building, construction, alteration, repair, improvement, enlargement, maintenance, development, demolition, removal, replacement, working, management, carrying out or control.
- (11) To improve, manage, develop, turn to account, grant rights or privileges in respect

of or otherwise deal with any of the property, rights and privileges of the Company.

- (12) To subscribe for, purchase or otherwise acquire and hold shares, stocks, debentures and other securities of any other company and to invest and deal with the moneys of the Company in any manner.
- (13) To vest any moveable or immovable property, right, privilege or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- (14) To apply for, purchase or otherwise acquire and protect and renew, in any part of the world, any patents, patent rights, brevets d'invention, copyrights, trade marks, designs, formulae, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem likely, directly or indirectly, to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired and to expend money in experimenting upon, testing or improving any such inventions or property.
- (15) To acquire and undertake the whole or any part of the business, assets and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in conjunction with any business of the Company or which is capable of being conducted so as, directly, or indirectly, to benefit the Company or which is possessed of property suitable for the purposes of the Company.
- (16) To enter, with any government or authority, supreme, municipal, local or otherwise, or any person or company, into any arrangement that may seem to the Directors of the company to be conducive to the attainment of the objects of the Company or any of them and to obtain from any such government, authority, person or company any rights, privileges, charters, contracts, licences or concessions which the Directors of the Company may think it desirable to obtain and to carry out, exercise and comply therewith.
- (17) To apply for, promote and obtain any statute, decree, order of court, regulation or other enactment or authorisation which may, to the Directors of the Company, seem likely to benefit the Company, directly or indirectly, and to oppose any bills, proceedings or applications which may, in the opinion of the Directors of the Company, be likely, directly or indirectly, to prejudice the interests of the Company.
- (18) To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right or privilege which any government or authority, supreme, municipal, local or otherwise, or any corporation or public body may be empowered to issue, confer or make and to pay for, aid in and

contribute towards carrying the same into effect and to appropriate any of the Company's assets, shares, stock, debentures or other securities to defray the necessary costs and expenses thereof.

- (19) To pay out of the funds of the Company all expenses which the Company may lawfully pay for or in connection with the formation and registration of the Company or the issue of its capital.
- (20) To pay for any rights or property acquired by the Company and to remunerate any person or company, by a cash payment or by the allotment of shares in the capital of the Company, credited as paid up in full or in part, by the issue of debentures or other securities of the Company or in any other lawful manner.
- (21) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension, provident or superannuation funds for the benefit of and to give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to any persons who are, or were at any time, in the employment or service of the Company or of any company which is its holding company or subsidiary or which is allied to or associated with the Company or with any such holding company or subsidiary or who are, or were at any time, Directors or Officers of the Company or of any such other company as aforesaid or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested and to the wives, widows, families and dependants of any such persons; to establish and subsidise or subscribe to any institutions, associations, clubs or funds considered by the Directors of the Company to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid; to make payments for or towards the insurance of any such persons as aforesaid; to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful purpose and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (22) To adopt such means of making known the businesses, activities, products, goods and services of and articles dealt in and sold by the Company as may, in the opinion of the Directors of the Company, seem expedient.
- (23) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, limiting competition or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or which can be carried on in conjunction with any business of the Company or which is capable of being conducted so as to benefit the Company, directly or indirectly.
- (24) To establish or promote or concur in establishing or promoting any company, association, syndicate or partnership of any kind to acquire and take over all or any part of the undertaking, property, assets and liabilities of the Company or for any other purpose which may, in the opinion of the Directors of the Company, be likely, directly or indirectly, to benefit the Company and to place or guarantee the

placing of, underwrite, subscribe for, conditionally or unconditionally, or otherwise acquire all or any of the shares, stock, debentures or other securities of any such other company.

- (25) To sell, exchange, lease, mortgage, charge or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Directors of the Company may think fit and, in particular, for shares, stock, debentures or other securities of any other company, whether or not having objects altogether or in part similar to those of the Company.
- (26) To distribute among the Members, in specie or in kind, any property of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital shall be made except with any sanction for the time being required by law.
- (27) To undertake and execute any trust which may, in the opinion of the Directors of the Company, be conducive to any of the objects of the Company.
- (28) To do all or any of the above things in any part of the world and either as principal, agent, trustee, contractor or otherwise and either alone or jointly with others and either by or through agents, trustees, sub-contractors or otherwise.
- (29) To procure the Company to be registered or recognised in any place outside the Republic of Kenya.
- (30) To do all such other things as are or may be deemed incidental or conducive to the attainment of any of the objects and the exercise of any of the powers of the Company<sup>2</sup>.
- (31) Unless the Articles of Association of the Company Specifically restrict the Objects of the Company, its Objects are unrestricted pursuant to Article 28 of the Act.

4. The liability of the members is limited.
5. The share capital of the Company is Kenya Shillings two billion three hundred and sixty eight million four hundred and twenty one thousand and fifty five (Shs.2,368,421,055.00)<sup>3</sup> <sup>4</sup>divided into four hundred and seventy-three million six hundred and eighty four thousand two hundred and eleven (473,684,211) ordinary shares of Kenya Shillings five (Shs.5) each<sup>5</sup>. The Company shall have the power from time to time to increase or reduce its capital and to divide the shares in the original or increased capital into several classes and to attach thereto respectively any preferential or deferred, qualified or special rights, privileges or conditions.

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<sup>2</sup> The new, additional or varied objects Clause (3) of the Company adopted in pursuance of a Special Resolution of the Company passed at an Extraordinary General Meeting of the Company duly convened and held on 29<sup>th</sup> March 1995.

<sup>3</sup> The Company was incorporated with a Share Capital of Shs. 1,000,000 divided into 200,000 shares of Shs. 5 each but has been increased from time to time, the increase to Kenya Shillings 500,000,000 having been made on 29<sup>th</sup> March 1995.

<sup>5</sup> Approved by Special Resolution passed at an Extraordinary General Meeting of Members of the Company held on 19<sup>th</sup> December 2011



We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Shareholder
H. TRAVIS  HAROLD TRAVIS P.O. BOX 12030 NAIROBI KENYA	ONE
COMPANY DIRECTOR   W. ALAN MAY  WILLIAM ALAN MAY P. O BOX 302 NAIROBI KENYA  COMPANY DIRECTOR	ONE

Dated the 2<sup>nd</sup> day of February 1955.

Witness to the above signatures:

J H WILKINSON  
 ADVOCATE  
 NAIROBI

Company No. C. 12/58

THE COMPANIES ACT (No. 17 of 2015)

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION  
OF  
STANBIC HOLDINGS PLC

(Adopted by a Special Resolution passed at an Extraordinary General Meeting  
of the Company held on 5<sup>th</sup> August 2016)

(Incorporated on the 2<sup>nd</sup> February 1955)

Drawn by:

Daly & Figgis Advocates Nairobi Kenya

Revised in November 2007 by:

KAPLAN & STRATTON Advocates

P.O. Box 40111

00100 - Nairobi Kenya

Revised in October 2017 by:

WALKER KONTOS Advocates

P.O. Box 60680 – 00200

Nairobi Kenya

Revised in April 2021 by:

Company Secretary

STANBIC HOLDINGS PLC

P.O. Box 30550 - 00100

Nairobi Kenya

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THE COMPANIES ACT (No. 17 of 2015)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

STANBIC HOLDINGS PLC

(Adopted by special resolution passed at an Extraordinary General Meeting held on 5<sup>th</sup> August 2016 to take effect on 31<sup>st</sup> August 2016)

**EXCLUSION OF OTHER REGULATIONS**

1. The regulations contained in the Third Schedule to the Act shall not apply to the Company except insofar as they are repeated or contained in these Articles.

**INTERPRETATION**

2. In these Articles, if not inconsistent with the subject or context:
  - (a) "**Act**" shall mean the Companies Act (No. 17 of 2015);
  - (b) "**Articles**" shall mean these Articles of Association as now framed or as from time to time altered in accordance with current Statutes;
  - (c) "**Board**" shall mean the Board of Directors for the time being of the Company, or the Directors present at a duly convened meeting of the Directors, or any duly authorised committee of the Board, at which a quorum is present;
  - (d) "**Company**" shall mean Stanbic Holdings PLC;
  - (e) "**debenture**" shall include debenture stock;
  - (f) "**Director**" means a director for the time being of the Company and shall include an alternate director;
  - (g) "**Kenya**" shall mean the Republic of Kenya;
  - (h) "**member**" shall mean a shareholder in the Company;
  - (i) "**month**" shall mean a calendar month;
  - (j) "**paid up**" shall mean paid up or credited as paid up;
  - (k) "**Register**" shall mean the register of members of the Company;
  - (l) "**seal**" shall mean the common seal of the Company;

- (m) "**Secretary**" shall include a temporary or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
  - (n) "**shares**" shall mean any shares (howsoever denominated or classified) in the share capital of the Company from time to time;
  - (o) "**Shillings**" and "**KES**" shall mean Kenya shillings, the lawful currency of the Republic of Kenya;
  - (p) "**Sign**" includes making one's mark or writing one's name or initial 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.
  - (q) "**Statutes**" shall mean the Act and every other statute or subordinate legislation for the time being in force concerning companies and affecting the Company (including The Capital Markets Act (Chapter 485A) and The Central Depositories Act, (2000) including every amendment or re-enactment (with or without amendment) thereof for the time being in force;
  - (r) the expression "**in writing**" Or "**written**" shall include words written, printed, lithographed or represented or reproduced in any other mode in a visible and non-transitory form;
  - (s) words signifying the singular number only shall include the plural number and vice versa;
  - (t) words signifying the masculine gender only shall include the feminine gender;
  - (u) words importing persons shall include corporations;
  - (v) reference to any section or provision of any Statute, unless the context otherwise requires, includes any corresponding or substituted section or provision of any amending, consolidating or replacement Statute;
  - (w) reference to an Article by number is to the particular Article of these Articles.
3. Subject to Article 2, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## **BUSINESS**

- 4. Any branch or kind of business which by the Memorandum of Association of the Company or these Articles is either expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Directors at such time or times as they shall think fit.
- 5. The registered office of the Company shall be at such place in Kenya as the Board shall from time to time appoint.
- 6. Except as otherwise permitted under the Act, no part of the funds of the Company shall be employed in the subscription or purchase of or in loans upon the security of the Company's shares or those of its holding company (if any) and the Company shall not

give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with any purchase or subscription by any person of or for shares in the Company or in its holding company (if any) provided that nothing in this Article shall prohibit transactions mentioned in the proviso to section 442(1) of the Act except and in so far as permitted by the Act.

7. The Company may exercise the powers of paying commissions conferred by section 331 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid and the number of shares for which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by that section and that such commission shall not exceed ten per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

## **SHARE CAPITAL AND VARIATION OF RIGHTS**

8. At the date of adoption of these Articles the share capital of the Company is two billion three hundred and sixty-eight million four hundred and twenty-one thousand and fifty-five Shillings (KES 2,368,421,055.00) divided into four hundred and seventy-three million six hundred and eighty four thousand two hundred and eleven (473,684,211) ordinary shares of Shillings five (KES 5/=) each.
9. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company by ordinary resolution determines, or if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.
10. Subject to the provisions of Part XX of the Act, any preference shares may, with the sanction of a special resolution, be issued upon the terms that they are, or are liable, to be redeemed at the option of the Company on the terms and in the manner as the Company may by special resolution determine before the issue of the shares.
11. If at any time, the share capital is divided into different classes of shares, any of the rights for the time being attached to any share or class of shares may, subject to the provisions of the Act and notwithstanding that the Company may be or is about to be in liquidation, be altered, abrogated or varied in such manner (if any) as may be provided in such 'rights, or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class duly convened and held in accordance with Article 12 (but not otherwise).
12. To every such separate general meeting of the holders of any class of shares, the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, so far as applicable apply, subject to the



following provisions, namely:

- (a) the necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one-third of the issued shares of the class. If at any adjourned meeting of such holders such quorum as aforesaid is not present, those of such holders who are present shall be a quorum;
  - (b) any holder of shares of the class present in person or by proxy, may demand a poll;
  - (c) every holder of the class in question present in person or by proxy shall be entitled on a poll to one vote for every share of that class held by him.
13. The rights or privileges attached to any shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered, abrogated or varied by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of capital paid up on such shares.

#### **ALLOTMENT OF SHARES**

14. Subject to the provisions of the Statutes and of these Articles, the shares in the capital of the Company shall be at the disposal of the Board which may allot, grant options over, offer or otherwise deal with or dispose of them to such persons, for such consideration, on such terms and conditions and at such times as it may determine provided that no shares shall be issued at a discount in accordance with section 356 of the Act.
15. Unless otherwise determined by special resolution of the Company in general meeting pursuant to Article 16, and except in the case of the issue of shares pursuant to any rights previously conferred by or in accordance with these Articles, whenever the Board proposes to issue any shares it shall offer them in the first instance to existing members in a rights issue made in proportion as nearly as may be to the number of existing shares held by them, but subject to such exclusions or other arrangements as the Board considers to be necessary or expedient in relation to fractional entitlements or legal, regulatory or practical problems under laws or regulations of an overseas territory or the requirements of a regulatory body or stock exchange. Such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time (as prescribed by the Statutes but in any event of not less than twenty-one days) within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time (if the offer is not accepted) or on the earlier receipt of an intimation from the member to whom the offer is made that he declines to accept the shares offered, the Board may allot or otherwise dispose of those shares to such persons and upon such terms as may be decided by it. The Board may likewise so dispose of any shares which, by reason of the ratio which the number of shares offered bears to the total number of existing issued shares, cannot in the opinion of the Board be conveniently offered under this Article.
16. The special resolution referred to in Article 15 may generally authorise the Directors to allot shares up to an aggregate nominal amount specified in the resolution on specified

terms and/or for a specified period otherwise than in connection with a rights issue to members. Such authorisation may include the power to allot shares for cash or in exchange for non-cash consideration or other assets to be acquired by the Company or any of its subsidiaries. The Directors may, during any such period prescribed by such special resolution, make offers or agreements which require or might require shares to be allotted after the prescribed period expires and they may allot shares in accordance with the offers or agreements as if the prescribed period had not expired.

### **TRUSTS NOT RECOGNISED**

17. Except as required by law or pursuant to the provisions of these Articles, no person shall be recognised by the Company as holding any share upon any trust and (except only by these Articles or by law otherwise provided or under a court of competent jurisdiction) the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except only as an absolute right to the entirety thereof in the registered holder.

### **CERTIFICATES**

18. Subject to the Statutes, every person whose name is entered as a Member in the Register of the Company shall be entitled, without payment, to one certificate for all his shares of each class and, when part only of the shares comprised in a certificate is sold or transferred, to a new certificate for the remainder of the shares so comprised. If a member shall require additional certificates, he shall pay such sum as the Board may from time to time determine having regard to prevailing market conditions and regulatory requirements for each additional certificate. Every certificate shall be issued within sixty (60) days after allotment or lodgement of the instrument of transfer or within such other period as the conditions of issue shall provide, shall be under the seal and shall specify the share or shares to which it relates, and the amount paid up thereon.

In the case of shares held jointly by up to four (4) persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

19. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, as the Board may from time to time determine, having regard to prevailing market conditions and regulatory requirements and, in the case of loss or destruction, on such terms, if any, as to evidence and indemnity and payment of the reasonable expenses of the Company of investigating such evidence, as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

### **CENTRAL DEPOSITORIES ACT, 2000**

20. The provisions of the Central Depositories Act, 2000 (the "CD Act") as amended or modified from time to time shall apply to the Company to the extent that any securities (as such term is defined in section 2(1) of the CD Act) of the Company are in part or in whole immobilised or dematerialised or are required by the regulations or rules issued under the CD Act to be immobilised or dematerialised in part or in whole, as the case may be. Any provisions of these Articles that are inconsistent with the CD Act or any

rules or regulations issued or made pursuant thereto shall be deemed to be modified to the extent of such inconsistencies in their application to such securities. For the purposes of these Articles, immobilisation and dematerialisation shall be construed in the same way as they are construed in the CD Act.

21. Where any securities of the Company are forfeited pursuant to these Articles after being immobilised or dematerialised, the Company shall be entitled to transfer such securities to a securities account designated by the Board for this purpose.

## **LIEN**

22. The Company shall have a first and paramount lien on every share (other than a fully paid share) registered in the name of a member, whether solely or jointly with others, for all monies, whether presently payable or not, due by such member or his estate, either alone or jointly with any other person, to the Company. The Board may at any time waive any lien which has arisen and may declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.
23. The Company may sell, in such manner as the Board may determine, any share on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor before the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default, has been given to the holder of the share or to the person entitled by reason of his death or bankruptcy to the share.
24. To give effect to any such sale, the Board may authorise any person to execute an instrument of transfer of the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
25. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of such part of the amount in respect of which the lien exists as is presently payable and any residue shall (subject to a like lien for sums not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale.

## **CALLS ON SHARES**

26. Subject to the terms of allotment of shares, the Board may, from time to time, make calls upon the members as it thinks fit in respect of any monies unpaid on their shares (whether in respect of the nominal value of the shares or by way of premium) and each member shall, subject to the Company giving to him at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company at the time or times and place so specified, the amount called on his shares. A person on whom a call is made will remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. A call may be revoked or postponed as the Board may determine.
27. A call shall be deemed to have been made at the time when the resolution of the Board

authorising the call was passed and may be required to be paid by instalments.

28. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
29. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay all costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at a rate determined by the Board from time to time having regard to prevailing market conditions and regulatory requirements. The Board may in its discretion waive payment of such costs, charges, expenses or interest wholly or in part.
30. Any sum which, by the terms of issue of a share, becomes payable on allotment or on any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, it becomes payable. In the case of non-cash payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified.
31. The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
32. The Board may, if it thinks fit, receive from any member willing to advance it, all or any part of the monies uncalled and unpaid on any shares (whether in respect of the nominal value of the shares or the premium) held by him and may pay on all or any of the monies so advanced (until the same would, but for such advance, become presently payable) interest at a rate determined by the Board from time to time having regard to prevailing market conditions and the Statutes, and as may be agreed upon between the Board and the member paying such sum in advance.

## **TRANSFER OF SHARES**

33. Subject to the Statutes, the transfer of any share in the Company shall be in writing in any usual or common form and shall be signed by or on behalf of the transferor and the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer which are registered, shall be retained by the Company, subject to Article 176.
34. Subject to the Statutes, the registration of transfers may be suspended at such time and for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.
35. The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of a share:
  - (a) which in the opinion of the Board, might result in any breach of the provisions of any of the Statutes;
  - (b) unless it is in respect of a share which is fully paid up;

- (c) unless it is in favour of a single transferee or not more than four transferees;
  - (d) on which the Company has a lien;
  - (e) subject as required by the Statutes, unless it is accompanied by the certificate for the shares to which it relates (if any certificate has been issued) and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and the due execution of the transfer by him or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and
  - (f) unless it is in respect of only one class of share.
36. If the Board refuses to register a transfer it shall, within sixty (60) days after the date on which the instrument of transfer was lodged with the Company, send to the transferee notice of the refusal.

### **TRANSMISSION OF SHARES**

37. If a member dies, his survivors or survivor, where he was a joint holder, and his personal representatives where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares provided that nothing herein contained shall release the estate of a deceased member from any liability in respect of any share solely or jointly held by him.
38. Any person who is entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence as to his title being produced as may from time to time be required by the Board, elect either to be registered as the holder of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made. The Board shall, in either case, have the same right to refuse or suspend registration as it would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
39. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as the holder of the share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within three months, the Board may withhold payment of all dividends and other monies payable in respect of the share until compliance with the notice has been effected.
40. The Company shall be entitled to charge a fee of such amount, not exceeding such sum as the Board may from time to time prescribe having regard to prevailing market conditions and regulatory requirements, on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instrument relating to or affecting the title to any share.

## FORFEITURE OF SHARES

41. If a member fails to pay any call or installment of a call on the day appointed for payment thereof the Board may, at any time thereafter while any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and expenses that may have been incurred by the Company by reason of such non-payment.
42. The notice shall specify a date, not less than fourteen days from the date of service of the notice, on or before which and the place where the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any shares liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.
43. If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Forfeiture shall be deemed to occur at the time of the passing of such resolution by the Board. Unless the Board decides otherwise, no holder of forfeited shares is entitled to receive any dividend or be present or vote (whether in person or by representative or proxy) at any meeting, on a show of hands or on a poll, or to demand a poll or exercise any other privilege as a member. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
44. When any shares have been forfeited, notice of the forfeiture shall forthwith be given to the person who was before forfeiture the holder of the shares or, as the case may be, to the person entitled to the shares by reason of the death or bankruptcy of the holder but no forfeiture shall be invalidated by any omission or neglect to give such notice as aforesaid. An entry of the forfeiture or surrender shall be made in the Register.
45. Forfeited shares shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of as the Board may think fit but, at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board may determine.
46. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited. The holder shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were then payable by him to the Company in respect of the shares together with interest thereon, from and including the date of forfeiture to and including the date of payment, at a rate determined by the Board from time to time having regard to prevailing market conditions and the Statutes. The Company may enforce payment without being under any obligation to make allowance for the value of the shares forfeited or for any consideration received on their disposal.
47. At the time of forfeiture all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company shall be extinguished,

except in respect of those rights and liabilities which are expressly saved by these Articles, or which are given or imposed by the Act on past members.

48. A statutory declaration that the declarant is a Director or the Secretary of the Company and that shares have been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the shares. Such declaration and the receipt of the Company of the consideration, if any, given on the sale, re-allotment or disposition of the shares and the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the shares and the person to whom the shares are sold, re-allotted or otherwise disposed of shall be registered as the holder thereof and shall not be bound to see to the application of the consideration (if any) nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or other disposition of the shares. Where a forfeited share is to be transferred to any person for its disposal the Board may appoint some person to execute an instrument of transfer thereof.

#### **ADJUSTMENTS ON CONSOLIDATION**

49. Whenever, as a result of a consolidation of shares, any members would become entitled to fractions of a shares, the Board may, in its absolute discretion, settle any difficulty relating thereto. In particular, the Board may determine which shares are consolidated into each consolidated share and may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable (or at any other price approved by the Company) to any person. The Board may distribute the net proceeds of sale (subject to the retention by the Company of small amounts the cost of distribution of which would be disproportionate to the amounts involved) in due proportion among those members, and may authorise some person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser of the shares. The purchaser is not bound to see to the application of the purchase money nor is his title to the shares affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

#### **INCREASE OF CAPITAL**

50. The Company may from time to time, by ordinary resolution, increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. In addition, the directors of the Company may increase the share capital by allotting new shares, in accordance with the Act.

#### **ALTERATION OF CAPITAL**

51. The Company may, from time to time, by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of section 405 of the Act);
- (c) cancel any shares which, at the date of the passing of the resolution, have not been issued or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

## **REDUCTION OF CAPITAL**

- 52. The Company may from time to time, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner, and with and subject to, any incident authorised, and consent required, by law.

## **ACQUISITION BY COMPANY OF ITS OWN SHARES**

- 53. 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.

## **GENERAL MEETINGS**

- 54. The Company shall, in each year, hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. The annual general meeting for each year shall be held within six months from and including the day following the Accounting Reference Date. Annual and other general meetings shall be held at such times and places as the Board shall appoint. All general meetings, other than annual general meetings, shall be called extraordinary general meetings.
- 55. The Board may convene an extraordinary general meeting whenever it thinks fit.

Extraordinary general meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by section 277 of the Act. At any meeting convened on such requisition or by such requisitionists, no business shall be transacted except that stated by the requisition or proposed by the Board.

## **NOTICE OF GENERAL MEETINGS**

- 56. Every general meeting shall be called by at least twenty-one days' notice in writing (exclusive of the day on which it is served or deemed to be served and of the day for which it is given). The notice shall specify the place, the date and the time of such general meeting and, in case of special business, the nature of that business and shall be given, in the manner hereinafter mentioned or any such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company; provided that a meeting may be called by shorter notice than that specified in this Article if so agreed by the members referred to in and otherwise in accordance with the provisions of section 281(5) of the Act.



57. In every notice calling a meeting there shall appear, with reasonable prominence, a statement that a member entitled to attend and vote thereat is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member.
58. The accidental omission to give notice of a meeting, or (where forms of proxy or other documents are sent out with notices) to send a form of proxy or other document relating to a meeting with a notice, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy or other document by such person shall not invalidate the proceedings at that meeting.
59. Subject to Article 54 if the Board, in its discretion, considers that it is impractical or unreasonable to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting due to an unforeseen event outside the control of the Board or the Company, it may postpone the general meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in one national newspaper in Kenya and in one national newspaper in any other country where, for the time being, the shares of the Company are listed on a stock exchange. Notice of the business to be transacted at the postponed meeting shall not be required unless it is postponed for thirty days or more.

#### **PROCEEDINGS AT GENERAL MEETINGS**

60. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of the declaration of dividends, the consideration of the accounts and balance sheets, and any other documents accompanying or annexed thereto, the reports of the Directors and auditors, the election of Directors, the appointment of auditors and the fixing of the remuneration of the Directors and auditors.
61. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided by these Articles, twenty-five (25) members present in person or by proxy or, in the case of a corporation, represented in accordance with Article 88, and entitled to vote at the meeting shall be a quorum, provided that one member holding the proxy of one or more other members or one person holding the proxies of two or more members shall not constitute a quorum.
62. If within thirty minutes after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place and if, at such adjourned meeting, a quorum is not present within thirty minutes after the time appointed for the meeting, any three members who are personally present shall be a quorum and may transact the business for which the meeting was called.
63. The chairman, if any, or in his absence, the deputy-chairman, if any, of the Board shall preside at every general meeting. If there is no such chairman or deputy-chairman or if, at any meeting, neither is present within fifteen minutes after the time appointed for the same or if neither is willing to act as chairman, the members present shall choose some Director or, if no Director is present or if none of the Directors present is willing to act as chairman, they shall choose some member present to be chairman of the meeting. No poll may be demanded on the election of the chairman of the meeting.

64. The chairman of any meeting at which a quorum is present may with the consent of the meeting and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting determines but no business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
65. In addition, the chairman of any meeting may at any time without the consent of the meeting postpone or adjourn any meeting (whether or not it has commenced, or whether or not a quorum is present) either to such time and place as he thinks fit, or for an indefinite period, where it appears to him that for reasons of security, or on account of a threat to security:
- (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;
  - (b) the conduct of persons present at the meeting prevents or is likely to prevent the orderly continuation of business; or
  - (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
66. The Board may direct that any person wishing to attend a meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion (or to authorise other persons on its behalf) to refuse entry to, or eject from, any meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.
67. The chairman of the meeting shall take such action as he reasonably thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such nature.

## **POLLS**

68. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands or on withdrawal of any other demand for a poll) a poll is demanded:
- (a) by the chairman of the meeting; or
  - (b) by at least five (5) members present in person or by proxy and entitled to vote or, in the case of a corporation, represented in accordance with Article 88; or
  - (c) by a member or members entitled to vote and holding or representing by proxy not less than one-tenth of the total voting rights of all the members conferring a right to vote at the meeting; or

- (d) by a member or members present in person or by proxy holding shares conferring a right to vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
69. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
70. A poll on a question of adjournment of any meeting shall be taken immediately. A poll demanded on any other question shall be taken in such manner (including by the use of ballot or voting papers or tickets) and either forthwith or at such day, time and place as may be directed by the chairman of the meeting but in any case, not more than twenty-eight (28) days after the meeting or adjourned meeting at which the poll was demanded. No poll shall be capable of being demanded under the provisions of Article 65.
71. The chairman may appoint scrutineers (who need not be members) and fix a day, time for and the manner of declaration of the result of the poll. The result of a duly demanded poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
- 71 (A) In the case of any general meeting, the Board may make arrangements for simultaneous attendance and participation by electronic means allowing persons not present together at the same place to attend, participate and vote at the meeting.
- 71 (B) The arrangements for simultaneous attendance and participation at any place at which persons are participating, using electronic means may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all members and proxies wishing to attend the meeting are able to attend at one or other of the venues.
- 71 (C) The members or proxies at the place or places at which persons are participating via electronic means shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the Chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the members or proxies attending at the place or places at which persons are participating by electronic means are able to:
- a. participate in the business for which the meeting has been convened; and
  - b. to participate reasonably effectively in the meeting.
- 71 (D) Where for any reason general meetings cannot be conducted practically as prescribe in these Articles of Association, the Board shall have power to employ alternative innovative means to hold general meetings and to enable members or their proxies to participate and to vote on resolutions which are required to

be passed by members at general meetings.

- 72 The demand for a poll (other than on a question of adjournment) shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded and such demand may be withdrawn at any time.
- 73 On a poll votes may be given personally or by proxy or by attorney or by a representative of a corporation appointed in accordance with Article 88.
- 74 In the case of art equality of votes, either on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
- 75 If any vote shall be counted which ought not to have been counted or which might have been rejected, the error shall not affect the result of the voting unless it is pointed out at the same meeting or at any adjournment thereof, and the chairman of the meeting shall in his sole determination decide whether the error is of sufficient magnitude to warrant further action.

#### **VOTES OF MEMBERS**

- 76 Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every member who is present in person or (being a corporation) is present by a representative appointed in accordance with Article 88 shall have one vote. A proxy shall not be entitled to vote except on a poll. On a poll every member present in person or by proxy, or present by a representative appointed in accordance with Article 88, shall have one vote for each share of which he is the holder.
- 77 No member shall be entitled to be present at any general meeting or to vote on any question, either personally or by proxy or by a representative appointed in accordance with Article 88, at any general meeting or on a poll or to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares held by him, whether alone or jointly with any other person.
- 78 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names of the holders stand in the Register.
- 79 A member of unsound mind in respect of whose estate a manager has been appointed under the current statute on mental health, may vote, whether on a show of hands or on a poll, by such manager who may, on a poll, vote by proxy.
- 80 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

## PROXIES AND REPRESENTATIVES

- 81 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or duly authorised attorney of such corporation. A proxy need not be a member of the Company.
- 82 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place in Kenya as may be specified for that purpose in the notice convening the meeting not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, the time appointed for the taking of the poll and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
- 83 Any instrument appointing a proxy may be delivered by email to the email address or by facsimile transmitted to the registered office or such other place as is specified in the notice convening the meeting or in any notice of adjournment or in any instrument of proxy sent out by the Company in relation to the meeting provided that:
- a. the email or facsimile is actually received (whether or not it appears to the sender to have been received) at the aforementioned place not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, or the taking of the poll; and
  - b. the chairman of the meeting or the Secretary or any other person authorised by the Board for the purpose determines in his sole discretion (such determination to be conclusive) that such email or facsimile has been transmitted in an acceptable manner including a determination that such email or facsimile is complete and is in a clear and legible form; and
  - c. the original instrument appointing the proxy and (if required by the Board) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the Board, is delivered to the registered office or such other place as aforesaid not less than one hour before the time appointed for holding the meeting or adjourned meeting.
- 84 Subject to Article 85 an instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

"Stanbic Holdings PLC

I/We - \_\_\_\_\_, (insert name(s) appearing on the share certificate) of \_\_\_\_\_, being a member/members of the above-named Company, hereby appoint of \_\_\_\_\_, or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the annual/extraordinary general meeting of the Company to be held on the \_\_\_\_ day

of \_\_\_\_\_ 20 \_\_, and at any adjournment thereof.

Number of shares held \_\_\_\_\_

Account number: \_\_\_\_\_ (if known)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

Note: *If you wish you may appoint the chairman of the meeting as your proxy.*

To be valid the proxy form must be returned to the registered office of the Company/to \_\_\_\_\_ not less than forty-eight (48) hours before the time fixed for the meeting."

85 Where the Board considers in its discretion that it is desirable to afford the members an opportunity of voting for or against a resolution or a number of resolutions, the instrument appointing a proxy shall follow the form set out in the preceding Article or a form as near thereto as circumstances admit, but with the addition of the following phrases, either:

a. "This form is to be used "in favour of/against the resolution. Unless otherwise instructed, the proxy will vote or abstain as he thinks fit.

or

b. Please indicate with an X in the spaces below how you wish your votes to be cast.

Either place your X in the "For" column if you wish to vote in favour of the specified resolution, or place your X in the "Against" column if you wish to vote against the specified resolution. If you place an X in both columns in respect of the same resolution your vote will be spoilt and will not count. If you do not place an X against the resolution(s) the proxy will vote or abstain as he thinks fit.

	For	Against
Resolution 1		
Resolution 2		
etc."		

86 The instrument appointing a proxy shall be deemed to confer authority to demand a poll.

87 A vote given or poll demanded by a person as proxy for a member shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll, unless notice of the termination was received by the Company at its registered office before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

- 88 Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by notification in writing under the hand of some officer of such corporation duly authorised in that behalf, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of the holders of any class of shares of the Company. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. A Director, the Secretary or some person authorised for the purpose by the Secretary, may require the representative to produce a certified copy of the resolution or notification so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.

### **FORCE MAJEURE**

- 89 In the event of force majeure where general meetings cannot be held physically or virtually as prescribed in the above Articles, the Board shall have power to employ alternative innovative means to enable members or proxies to vote on resolutions which are required to be passed by members at general meetings.

### **DIRECTORS**

- 90 The number of Directors shall be not less than seven (7) and, unless and until otherwise determined by ordinary resolution of the Company in general meeting, shall not exceed fifteen (15).
- 91 The Directors, other than those whose remuneration is determined by agreement between them and the Company, shall be entitled to such remuneration for their services as the Company may, from time to time, in general meeting determine, Such remuneration shall be divided among the Directors in such proportion and manner as they may determine or, failing such determination, equally, except that in such event any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year. The Directors shall also be entitled to be reimbursed by the Company in respect of their travelling, hotel and incidental expenses reasonably incurred while engaged on the business of the Company.
- 92 Any Director who, by request of the Board, performs special or extraordinary services or goes or resides abroad on behalf of the Company, may be paid such extra remuneration, whether by way of lump sum, salary, commission, percentage of profits or otherwise, as the Board may determine.
- 93 A Director need not be a shareholder but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company or at any separate meeting of the holders of any class of shares of the Company.

### **ALTERNATE DIRECTORS**

- 94 Any Director may appoint another Director or any other person who is approved by the Directors to be his alternate to act in his place at any meetings of the Board at which he is unable to be present. An alternate shall be entitled, in the absence of his appointor, to exercise all the rights and powers of a Director and to attend and vote at meetings of

the Board at which his appointor is not personally present and, where he is a Director, to have a separate vote on behalf of his appointor in addition to his own vote, but he shall count as only one for the purpose of determining whether a quorum is present. a Director may, at any time, revoke the appointment of an alternate appointed by him. The appointment of an alternate shall be revoked, ipso facto, if his appointor ceases for any reason to be a Director or on the happening of any event which, if he were a Director, would cause him to vacate such office. Every appointment and revocation under this Article shall (subject to any approval required) be effected by notice in writing under the hand of the appointor served on the Company and on such alternate.

- 95 The remuneration of an alternate shall be payable out of the remuneration of his appointor and shall be such proportion thereof as shall be agreed between them. An alternate shall during his appointment be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be an agent of his appointor.
- 96 An alternate whose appointor is a member of the Company shall, in the absence of a direction to the contrary in the instrument appointing him, be entitled to receive notice of and to vote at general meetings of the Company as if he had been appointed a proxy of his appointor under the provisions of these Articles.

## **REMOVAL AND APPOINTMENT OF DIRECTORS**

- 97 A Director shall vacate office as such if:
- a. he is removed from office pursuant to the provisions of Article 98;
  - b. he ceases to be a Director by virtue of any provision of the Statutes;
  - c. he becomes bankrupt or makes an arrangement or composition with his creditors generally;
  - d. he becomes prohibited from being a Director by reason of any order made under section 216 of the Act;
  - e. he becomes of unsound mind;
  - f. he fails, without reasonable cause and without the consent of the Board, to attend three consecutive meetings of the Board of which he has been given notice and the Board resolves that, by reason of such failure, he shall cease to be a Director;
  - g. he is an executive director and his appointment to the relevant office or employment is terminated or expires and the Board resolves that his office be vacated; or
  - h. he resigns his office by notice in writing to the Board.
- 98 The Company may, by ordinary resolution, of which special notice has been given, or by special resolution, remove any Director from office, notwithstanding any provision of these Articles or of any agreement between the Company and such Director. The removal shall be without prejudice to any claim the Director may have for damages for



breach of any such agreement. The Company may, by ordinary resolution, appoint another person in place of a Director so removed from office. In default of such appointment the vacancy so arising may be filled by the Board as a casual vacancy.

- 99 No person, other than a Director retiring at the annual general meeting, shall, unless recommended by the Board for election, be eligible for appointment as a Director at any annual general meeting unless, not less than seven or more than twenty-one days before the day appointed for the meeting, there shall have been handed to the Secretary notice in writing signed by some member, duly qualified 'to attend and vote at the meeting for which notice is given, of his intention to propose such person for election, a notice in writing, signed by the person to be proposed, of his willingness to be elected, and also such confirmation (if any) as may from time to time be prescribed pursuant to the Statutes that the person to be proposed, is a fit and proper person for appointment to the Board.'
- 100 The Board shall ensure that the Company has a Board Audit Committee (the Committee), whose members shall be appointed by the shareholders. The size of the Committee shall be of a size and capability appropriate for the business conducted by the Company and as required by Statute. The Committee shall carry out its duties as per the Act and Statute.
- 101 The Board shall have power to appoint a person to be a Director either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the dissolution of the next annual general meeting, unless he is elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- 102 A director shall retire on reaching the age of seventy (70) and shall cease to be a director at the close of the annual general meeting of the Company next held after his 70th birthday (unless the directors shall have decided by resolution, prior to the convening of the annual general meeting in question, that the director shall not retire at that meeting and shall have caused a statement to that effect to be contained in the notice convening that meeting).
- 103 Notwithstanding the provisions of Article 102 a director who has less than five (5) years' service from the date of appointment as a director when he reaches the age of seventy (70), may if the directors determine, continue to serve as a director to complete a period of five (5) years' service, and upon completion of the 5 (five) years of service the director shall cease to be a director at the close of the annual general meeting after the anniversary of his fifth year of service.

## **ROTATION OF DIRECTORS**

- 104 At every annual general meeting of the Company, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not. The provisions of these Articles regarding retirement by rotation shall not apply to any person appointed as an Executive Director under the provisions of Article 146.

- 105 The Directors to retire at an annual general meeting shall be those who have been longest in office since their last appointment or re-election. As regards persons who became Directors on the same day those to retire shall, unless otherwise agreed between and among themselves, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting, notwithstanding any change in the number or identity of the Directors after that time but before the close of the meeting.
- 106 A Director retiring by rotation shall be eligible for re-election.

#### **DIRECTORS' CONTRACTS**

- 107 A Director may contract with and be interested in any way, whether directly or indirectly, in any actual or proposed contract or arrangement with the Company, either as vendor, purchaser or otherwise, and shall not be liable to account for any profit made by him by reason of any such contract or arrangement, The nature of the interest of the Director in such contract or arrangement shall be declared at the meeting of the Board at which the question is first taken into consideration if his interest then exists or, in any other case, at the next meeting of the Board held after he became interested and it shall be the duty of the Director so to declare his interest. No Director shall vote as a Director in respect of any contract or arrangement in which he is interested and, if he does vote, his vote shall not be counted but he shall, nevertheless, be counted in the quorum present at the meeting. These prohibitions may, at any time, be suspended or relaxed, to any extent, by the Company in general meeting and they shall not apply:
- a. to any arrangement for giving a Director any security for advances or by way of indemnity or to any allotment to or any contract or arrangement for the underwriting or Subscription by a Director of shares or securities of the Company or any of its subsidiaries; or
  - b. to any contract or dealing in which the Director is interested by reason only of his being a director or other officer, employee or nominee of any government or corporation or company which, being a member of the Company or holding shares in a corporation or company which is a member of the Company, is interested in such contract or dealing whether directly or indirectly and this exception shall not cease to have effect merely by reason of the fact that the Director is also a shareholder or creditor of any such government, corporation or company or of any corporation or company in which it is interested.

For the purpose of this Article, a general notice given to the Board by a Director at any meeting of the Board to the effect that he is a member of a specified corporation, company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that corporation, company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

- 108 A Director may hold office as a director or manager of or be otherwise interested in any other company or any corporation in which the Company is in any way interested and shall not, unless otherwise agreed, be liable to account to the Company for any remuneration or other benefits receivable by him from such other company or such

corporation.

- 109 A Director may hold any other office or place of profit under the Company, except that of auditor, in conjunction with his office of Director and on such terms as to remuneration and otherwise as the Board shall arrange. Such Director shall not vote at a meeting of the Board determining any such appointment and remuneration.
- 110 A Director may act by himself or through his firm in a professional capacity for the Company, except as auditor of the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

## **BORROWING POWERS**

111 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and to issue debentures, debenture stock and other securities provided that the amount for the time being remaining undischarged of monies borrowed by the Company together with any monies borrowed by any of its subsidiaries and for the time being outstanding (excluding any amounts outstanding on inter-company accounts) after deducting an amount equal to:

- (a) all cash deposits and the balance on each account of the Company and its subsidiaries with banks; and
- (b) any assets which would be included in short term investments in the consolidated balance sheet of the Company and its subsidiaries prepared on the date of the relevant calculation in accordance with which the then latest published audited consolidated balance sheet of the Company and its subsidiaries was prepared; shall not, without the previous authority of an ordinary resolution of the Company, exceed twice the aggregate of:
  - (i) the amount paid up or credited as paid up on the issued share capital of the Company; and
  - (ii) the amounts standing to the credit of the reserves of the Company and its subsidiaries; and
  - (iii) in so far as not otherwise taken into account, the amount standing to the credit (or as the case may be by deducting the amount standing to the debit) of the profit and loss account,

all as shown in the latest audited consolidated balance sheet of the Company and its subsidiaries after making any necessary adjustment to take account of any variation since the date of such balance sheet in the amount paid up or credited as paid up on the issued share capital of the Company and in the reserves (other than retained earnings) of the Company and its subsidiaries.

112 The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) to secure that the aggregate amount undischarged of monies borrowed by all subsidiaries of the Company (excluding amounts outstanding on inter-company accounts) when added to the amount (if any) for the time being remaining undischarged of monies borrowed by the Company will not

exceed the limit imposed by Article 111 without the previous authority provided for in that Article.

- 113 The nominal amount of any share capital issued by any company and the principal amount of any monies borrowed otherwise than by the Company and any subsidiary (together in each case with any premium) the repayment whereof is guaranteed by the Company or any subsidiary company shall be taken in account as monies borrowed by the guarantor company for the purposes of Article 111.
- 114 Monies borrowed for the purpose of repaying (with or without premium) the whole or any part of any outstanding indebtedness and applied to that purpose during the same financial year of the Company or any subsidiary as the borrowing shall, pending such application, be deemed not to be borrowed monies.
- 115 Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and, subject to the Statutes and to any requirement for a resolution of the Company in general meeting, with any special privileges as to redemption, surrender, drawings, allotment of or exchange into shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise and may be so framed that the monies so raised or secured shall be assignable free from any equities between the Company and the person to whom the same may be issued.

#### **POWERS AND DUTIES OF THE BOARD**

- 116 Subject to the provisions of the Statutes, the Memorandum of Association of the Company and these Articles, the business of the Company shall be managed by the Board, which may exercise all such powers of the Company, whether relating to the management of the business or not, as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting and to such regulations, as may be prescribed by special resolution of the Company in general meeting. No such regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 117 The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in Kenya or elsewhere, and may appoint any persons to be members of such local boards or managers or agents and may fix their remuneration and may delegate to them any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 118 The Board may exercise or cause to be exercised the voting power conferred by the shares in any subsidiary or other company held or owned by the Company, or any power of appointment to be exercised by the Company, in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any director as a director or other officer or employee of such

company or in favour of the payment of remuneration to the directors, officers or employees of such company).

- 119 The Board may, by power of attorney, appoint any company, firm, person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney of the Company for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these Articles, and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers authorities and discretions vested in him.
- 120 The Company may exercise the powers conferred by section 42 of the Act with regard to having an official seal for use outside Kenya and such powers shall be vested in the Board.
- 121 The Company may exercise the power conferred by the Act with regard to the keeping of a branch Register and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit regarding the keeping of any such branch Register.
- 122 All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Board shall from time to time determine.
- 123 The Board shall cause minutes to be made in books provided for the purpose of recording, in respect of every meeting of the Company, of the Board and of committees formed by the Board, the names of all persons present and all resolutions and proceedings at such meetings. The minutes of every such meeting, if purported to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, shall be *prima facie* evidence of the matters stated therein.
- 124 The Board may grant pensions, annuities, gratuities or other allowances on death, sickness, disability or retirement to:
- (a) any person who is or has been employed by or in the service of the Company or of its holding company or any subsidiary of the Company; or
  - (b) to any person who is or has been a Director or other officer of the Company or of its holding company or any subsidiary of the Company; or
  - (c) to the widow, family or dependents of any such person.
- 125 The Board may establish and maintain or concur with such holding or subsidiary company (if any) as aforesaid in establishing and maintaining any schemes or funds for providing such benefits as aforesaid and may payout of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme or fund.

- 126 The Board shall prepare a directors' report for each financial year pursuant to section 653 of the Act.
- 127 The Board shall prepare a directors' remuneration report is prepared for each financial year in compliance with section 659(1) of the Act.
- 128 The Board shall act in the way in which the Board considers in good faith would promote the success of the Company for the benefit of all its shareholders as a whole and with regard for all its stakeholders in compliance with section 143 of the Act.

### **CONFLICT OF INTEREST**

- 129 A Director of the Company shall avoid a situation in which the director has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company. This applies in particular to the exploitation of any property, information or opportunity, and it does not matter whether the Company could take advantage of the property, information or opportunity.
- 130 A Director of the Company shall not accept a benefit from a third party if the benefit is attributable to the fact that the person is a director of the Company; or to any act or omission of the Director. "Third party" in this context means a person other than the Company, an associated body corporate or a person acting on behalf of the Company or an associated body corporate.
- 131A person, who ceases to be a director of the Company, continues to be subject to the duties with respect to any property, information or opportunity of which the person became aware of while a director; and with respect to the duty under paragraph 9.7 above with regard to acceptance of third-party benefits connected to any act or omission of the person before ceasing to be a director. To that extent, those duties apply to the former director as they do to a Director.
- 132 If a Director of the Company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, or in a transaction or arrangement that the Company has already entered into, the Director shall declare the nature, and extent of that interest to the other Directors; and to the members of the Company.
- 133 A Director may not vote on any matter in which they have an interest. Additionally, they shall be recused from any meeting when such matters are discussed.

### **PROCEEDINGS OF THE BOARD**

- 134 The Directors may meet together for the despatch of business, adjourn and otherwise regulate meetings of the Board as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined by the Board, the quorum necessary for the transaction of the business of the Board shall be five (5) Directors present either personally or by alternate, provided that one person whether a Director or not, although a duly appointed alternate for any number of Directors, shall not constitute a quorum.
- 135 In determining whether a quorum fixed by Article 134 exists the following shall be counted in the quorum:

- (a) in the case of a resolution agreed by the Board in telecommunication pursuant to Article 140, all such Directors; and
  - (b) in the case of a meeting of the Board, in addition to the Directors present at the meeting, any Director in telephone communication with the meeting.
- 136 Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
- 137 A Director may at any time, and the Secretary, upon the request of a Director shall, convene a Board meeting. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or sent in writing to him at his last known address, including electronic address, or to any other address given by him to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively.
- 138 The Board may elect a chairman and deputy-chairman of its meetings and determine the periods for which they, respectively, are to hold office. If no such chairman or deputy-chairman is elected or if at any meeting neither the chairman nor the deputy-chairman is present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- 139 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- 140 The Board, or a committee of the Board, may hold meetings by telecommunication or any other means of communication, either by conference telephone connection(s) or by a series of telephone conversations, or by any communication equipment technology which allows all persons participating in the meeting to speak and hear each other. The views of the Board, or a committee of the Board, as ascertained by such telephone conversations or other means and communicated to the chairman shall be treated as votes in favour of or against a particular resolution. A resolution passed at any meeting held in this manner, and signed by the chairman, shall be as valid and effectual as if it had been passed at a meeting of the Board (or, as the case may be, of that committee) duly convened and held.
- 141 The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the minimum number fixed by or in accordance with these Articles as the necessary quorum for Board meetings, the continuing Directors may act for the purposes of increasing the number of Directors to that number or of summoning a general meeting of the Company but not for any other purpose.
- 142 The Board may form committees of its members or consisting of one or more of its members and others and may delegate any of its powers to any such committee. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 143 The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by

any regulations imposed by the Board under the last preceding Article.

- 144 A resolution in writing signed by all Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee of the Board shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned. Such a resolution need not be signed by an alternate director if it is signed by the Director who appointed him, and a resolution signed by an alternate need not also be signed by his appointor.
- 145 All acts done by the Board, or any committee, or by any person acting as a Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid or that he or any Director or member of such committee had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and had continued to be a Director or member of such committee and had been entitled to vote.

### **EXECUTIVE DIRECTORS**

- 146 The Board may from time to time appoint one or more of its body to any executive office in the management of the Company as the Board shall determine, for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment.
- 147 A Director holding such office as aforesaid shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and either in addition to or in lieu of his remuneration as a Director.
- 148 The Board may entrust to and confer upon a Director holding such office as aforesaid any of the powers exercisable by it, other than the powers to borrow money, charge the property and assets of the Company and pay dividends, upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time, subject to the terms of any agreement entered into in any particular case, revoke, withdraw, alter or vary all or any of such powers.

### **SECRETARY**

- 149 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and the appointment of any Secretary may be terminated by the Board. The provisions of sections 244 to 250 inclusive of the Act shall be observed.

### **THE SEAL**

- 150 The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or a committee authorised by the Board in that behalf and every instrument to which the seal shall be affixed shall be signed by a Director and by the Secretary or by a second Director or by some other person appointed by the Board for that purpose. Notwithstanding the foregoing provisions of this Article any certificate



for shares or debenture or loan stock or representing any other form of security of the Company to which the Seal is required to be affixed may if the Board so resolves have the signature of any Director or of the Secretary stamped, printed or otherwise made thereon by mechanical means. Sections 39 and 42 of the Act shall apply.

## **DIVIDENDS AND RESERVES**

- 151 The Company may, in general meeting, declare dividends but without prejudice to the powers of the Company to pay interest on share capital. No dividend shall be payable except out of the profits of the Company available for that purpose, or in excess of the amount recommended by the Board. The Company may only make a distribution if the amount of its net assets is not less than the aggregate of its called-up share capital and undistributable reserves and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate. Sections 486 to 489, inclusive, of the Act shall be observed.
- 152 The Board may, from time to time, declare or pay to the members interim dividends as appear to the Board to be justified by the profits of the Company.
- 153 Subject to the rights of any persons entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends are declared but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. A dividend shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but, if any share is issued on terms providing that it shall rank for dividend or be entitled to dividends declared as from a particular date, such share shall rank for or be entitled to dividend accordingly.
- 154 The Board may deduct from any dividend payable on a share any sums of money presently payable by the person to whom the dividend is payable, to the Company on account of calls or otherwise.
- 155 The Board may retain any dividend or other money payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 156 No dividend or other monies payable in respect of a share shall bear interest against the Company.
- 157 With the sanction of a general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares or debentures of any other company or in anyone or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle the same as it deems expedient and, in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part of them and may determine that cash payments shall be made to any member upon the footing of the value fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Board.
- 158 Any dividend, interest or other sum payable in cash to the holder of shares may be paid

by a transfer to a bank account or mobile phone account specified by the holder in writing OR by cheque or warrant sent through the post addressed to such holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the Register in respect of the shares. Every such cheque or warrant shall, unless the holder otherwise directs, be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares and shall be sent at his or their risk. Anyone of two or more joint holders may give effectual receipts for any dividends or other monies payable in respect of the shares held by such joint holders.

159 In addition to any reserves provided for in compliance with the requirements of the Statutes, the Board may, before recommending any dividend, set aside out of the profits of the Company such sum as it thinks proper as a reserve which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied. Pending such application such sums may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company or its holding company, if any) as the Board may from time to time think fit. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special fund into which the reserve may have been divided. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to divide.

160 Unclaimed dividends shall be dealt with as per the provisions of the Unclaimed Financial Assets Act (No.40 of 2011).

#### **CAPITALISATION OF PROFITS**

161 The Company in general meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or of any share premium account or of the profit and loss account or otherwise available for distribution and, accordingly, that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The Board shall give effect to such resolution and such sum shall not be paid in cash but shall be applied on behalf of the members entitled thereto either:

- (a) in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively; or
- (b) in paying up in full unissued shares, income notes or debentures of the Company of a nominal amount equal to those profits to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
- (c) partly in the one way and partly in the other; provided that amounts standing to the credit of a share premium account or a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members as fully paid bonus shares.

162 The Board may with the sanction of an ordinary resolution of the Company, and upon such terms and conditions as it thinks fit, resolve to offer to all members the right to

receive an allotment of additional fully paid shares in lieu of a cash dividend and, upon the election of a member to receive such scrip dividend, may appropriate the net cash dividend to which such member would otherwise be entitled and apply such sum in paying up in full unissued ordinary shares of the Company at such price as shall have been determined in accordance with the ordinary resolution sanctioning the scrip dividend and allot such shares credited as fully paid to those members who shall have elected to receive the dividend in scrip.

- 163 Whenever a resolution in the terms of Articles 161 or 162 shall have been passed, the Board shall make all such appropriations and applications of the undivided profits, allotments and issues of fully paid shares, income notes or debentures as may be required thereby and shall do all acts and things required to give effect thereto, with full power to the Board to acquire fractions or to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares, income notes or debentures to which they may be entitled upon such capitalisation or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

## ACCOUNTS

- 164 The Board shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Company; and
  - (c) the assets and liabilities of the Company.
- 165 The books of account shall be kept at the registered office of the Company or at such other place or places in Kenya as the Board deems fit and shall always be open to the inspection of the Directors.
- 166 The Board may, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member, not being a Director, shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or authorised by the Directors or by the Company in general meeting.
- 167 The Directors shall from time to time, in accordance with sections 642 to 663 inclusive, and 655, 656, 679 and 681 of the Act, ensure that such profit and loss accounts, balance sheets and reports as are referred to in those sections are prepared and laid before the Company in general meeting.

168 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Auditor's report, (together the "Accounts") shall not less than twenty-one (21) days before the date of the meeting be sent, or to the extent permissible by law otherwise made available by electronic means, to every member of, and every holder of income notes, or debentures of the Company. To the extent permissible by law, the Accounts may be sent or otherwise made available by electronic means and not by post. This Article shall not require a copy of the Accounts to be sent or to the extent permissible by law, otherwise made available by electronic means to any person whose electronic or postal address the Company is not aware, nor to more than the first named of any joint holders of any shares or debentures. To the extent permissible by law the Company may send the Accounts to all persons entitled thereto by publishing the Accounts on the Company's official website and, if available, on the official website of the Nairobi Securities Exchange, provided that the Company shall contemporaneously print an abridged set of the balance sheet and income statement in two daily newspapers with nationwide circulation, drawing attention to the website(s) on which the Accounts in full may be read, and the address to which a request for a printed copy of the Accounts may be submitted and upon any such publication, the Accounts shall be deemed to have been sent to every Member or other persons entitled to receive a copy of the Accounts. The provisions of this Article shall apply, *mutatis mutandis*, to any other document or information required to be sent or otherwise made available to members. For purposes of this Article, a method of electronic communication includes, but is not limited to, facsimile, electronic data message (including, but not limited to, e-mail), bulletin board, internet website, CD ROM and computer network.

(Approved by Special Resolution passed at an Annual General Meeting of Members of the Company held on 21<sup>st</sup> May 2010).

## **AUDIT**

169 Auditors shall be appointed, and their duties shall be regulated in accordance with the provisions of sections 721 to 724 and 727 to 730, inclusive, of the Act.

## **NOTICES**

170 Any notice or other document may be served by the Company on any member either personally or electronically or through other technology or by sending it through the post (by airmail or registered mail where such service is available) in a prepaid letter addressed to such member at his registered address as appearing in the Register or the Company's other records, whether such address shall be within or outside Kenya. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders. Notice may also be served by publication in two national newspapers.

171 Any notice or other document addressed to a member at his registered address or address for service shall, if sent by post, be deemed to have been served or delivered on the third day after the day on which it was posted, if addressed within Kenya, and on the seventh day after the day on which it was posted if addressed outside Kenya. In proving such service or sending, it shall be sufficient to prove that the cover containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter or registered letter. Any notice or document not sent by

post but left at a registered address or address for service in Kenya shall be deemed to have been served or delivered on the day it was so left. Notice sent electronically or through other technology, such as via email or short messaging service (SMS), shall be deemed to have been served or delivered on the same day it was sent. In proving such service or sending, it shall be sufficient to prove that the correct email address or telephone number was used.

- 172 In the case of the death or bankruptcy of a member or of any other event giving rise to a transmission of entitlement to a share by operation of law, the Company may serve or deliver a notice or document to the person entitled in consequence of such event as if he was the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by any similar designation) at an address supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice or document may be served or delivered in any manner in which this might have been done if the death or bankruptcy had not occurred. Service or delivery in accordance with this Article shall be deemed to be sufficient notice to all other persons interested in such share.
- 173 Notice of every general meeting shall be given in some manner authorised above to every member, to the Directors of the Company, to the auditors for the time being of the Company and also to any stock exchange or other person or body required under the Statutes to be given notice. Any member present in person or by proxy at any general meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received due notice of the meeting and, where requisite, of the purpose for which it was called.
- 174 Every person who, by operation of law, transfer or by any other means, becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly served on or delivered to a person from whom he derives his title.
- 175 The Company may, if required by any authority under the Statutes or if there is a suspension or curtailment of postal services in Kenya or elsewhere, convene a general meeting by notice published on the same date in at least two leading national daily newspapers published in Kenya and one leading daily newspaper in any other country on whose stock exchange the Company's shares are for the time being listed. Such notice shall be deemed to have been duly served on all members entitled to notice at noon on the day when the last such advertisement appears in such newspapers.

## **DISPOSAL OF DOCUMENTS**

- 176 The Company shall be entitled to destroy in such manner as the Board approves:
- (a) all instruments of transfer of shares and all other documents on the faith of which entries are made in the Register at any time after the expiry of ten (10) years from the date of registration;
  - (b) all dividend mandates and notifications of change of name or address at any time after the expiry of ten (10) years from the date of recording;
  - (c) all share certificates which have been cancelled at any time after the expiry of

ten (10) years from the date of cancellation; and

- (d) any other document on the basis of which an entry in the Register is made at any time after the expiry of ten (10) years from the date an entry in the Register was first made in respect of it.

177 If the Company destroys a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant, it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document mentioned above so destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company. The provisions of Article 176 shall only apply to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim and nothing in these Articles shall be construed as imposing on the Company any liability in respect of the destruction of any such document at an earlier date other than that provided above or if the condition as to good faith and absence of notice is not met. References in this Article and Article 176 to the destruction of any document include references to its disposal in any manner.

## **WINDING UP**

178 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, *in specie* or in kind, the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereupon there is any liability.

## **INDEMNITY**

179 Every Director, agent, auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, relating to anything done or not done by him on behalf of the Company in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 1005 of the Act in which relief is granted to him by the Court or in any other case where he has acted in good faith, honestly and reasonably and he shall not be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. This Article shall however only have effect in so far as its provisions are not avoided by section 194 (2) of the Act.

## **INSURANCE**

180 The Directors may decide to purchase and maintain insurance at the expense of the

Company, for a Director of the Company or for a director on an associated company of the Company, against:

- a) any liability to any person attaching to the Director in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the Company or associated company; or
- b) any liability incurred by the Director in defending any proceedings (whether civil or criminal) taken against the director for any negligence, default, breach of duty or breach of trust (including fraud) in relation to the Company or associated company.

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CHAIRMAN

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DATE