

---

COMPANIES ACT, 2015

---

Memorandum  
and  
Articles of Association  
of  
NIC GROUP PLC  
(Adopted by Special Resolution dated  
the [Date of EGM])

---

ORIGINALLY DRAWN AND PREPARED BY  
[To be confirmed]

AMENDED BY  
COULSON HARNEY  
ADVOCATES  
NAIROBI

**THE COMPANIES ACT**  
**(NO. 17 OF 2015, LAWS OF KENYA)**

-----  
**COMPANY LIMITED BY SHARES**

-----  
**MEMORANDUM OF ASSOCIATION**

**OF**

**NIC GROUP PLC**

(Memorandum of Association adopted by Special Resolution  
duly passed on the [Date to be inserted])

1. The name of the Company is "NIC GROUP PLC"
2. The registered office of the Company will be situate in Kenya.
3. The liability of the Members is limited.
4. The share capital of the Company is Kenya Shillings Four Billion (KShs.4,000,000,000/-) divided into eight hundred million (800,000,000) shares of Kenya Shillings 5/= each. The Company has 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.

The company was originally incorporated with a share capital of shillings 5,000,000/= divided into 250,000 shares of 20/= each. The capital was increased and subdivided by ordinary and special resolutions passed on 1<sup>st</sup> February 1971, 4<sup>th</sup> December 1978, 26<sup>th</sup> May 1980, 15<sup>th</sup> June 1982, 1<sup>st</sup> December 1983, 1<sup>st</sup> December 1987, 21<sup>st</sup> May 1991, 14<sup>th</sup> May 1993, 12<sup>th</sup> May 1994, 15<sup>th</sup> May 1996, 25<sup>th</sup> June 1997, 27<sup>th</sup> May 1999 and 21<sup>st</sup> August 2007.\*\*

WE the several persons whose names, postal addresses and occupations are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association.

NAMES, POSTAL ADDRESSES & OCCUPATION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE OF SUBSCRIBERS
R. RIDLEY P.O. Box 30003, NAIROBI BANK OFFICIAL	ONE	R. Ridley Signed.
F.C. DEWELL P.O. BOX 4599, NAIROBI COMPANY DIRECTOR	ONE	F.C.Dewell Signed.

DATED at Nairobi, this 28<sup>th</sup> day of September, 1959.

WITNESS to the above Signatures:-

Michael W. Harley,  
P.O. Box 30333,  
NAIROBI  
SOLICITOR

**THE COMPANIES ACT**  
**(NO. 17 OF 2015, LAWS OF KENYA)**

-----  
**COMPANY LIMITED BY SHARES**

-----  
**ARTICLES OF ASSOCIATION**

**OF**

**NIC GROUP PLC**

(Articles of Association adopted by Special Resolution  
duly passed on the *[Date to be inserted]*)

**1. INTERPRETATION**

- 1.1. In these Articles, the following words and expressions shall have the following meanings, unless excluded by the subject or context, namely:
- 1.1.1. **Act** means the Companies Act (No. 17 of 2015, laws of Kenya);
- 1.1.2. **Annual Meeting** and **Extraordinary Meeting** mean respectively an Annual General Meeting and Extraordinary General Meeting of the Company duly called and constituted, or any adjournment thereof;
- 1.1.3. **Applicable Laws** mean the Act and every other statute or subordinate legislation for the time being in force concerning companies and affecting the Company (including, without limitation, The Capital Markets Act (Chapter 485A), The Central Depositories Act, 2000 and The Unclaimed Financial Assets Act, No. 4 of 2011) including every amendment or re-enactment (with or without amendment) thereof for the time being in force;
- 1.1.4. **Articles** means these Articles of Association originally framed or as from time to time altered by Special Resolution;
- 1.1.5. **Banking Act** means the Banking Act (Chapter 488, laws of Kenya);
- 1.1.6. **Board** means the Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
- 1.1.7. **Call** or **moneys payable in respect of a call or calls** shall include moneys paid in respect of shares in accordance with the conditions of allotment;
- 1.1.8. **Capital, Shares** and **Debentures** mean respectively the capital, shares and debentures from time to time of the Company;
- 1.1.9. **Company** means "NIC GROUP PLC";

- 1.1.10. **Directors** means the Directors for the time being of the Company and the alternate Directors appointed by them or, as the case may be, the Directors assembled as a Board;
- 1.1.11. **Dividend** includes a bonus;
- 1.1.12. **fully paid** in relation to a share, means the price at which the share was issued has been fully paid to the Company;
- 1.1.13. **General Meeting** means an Annual General Meeting or Extraordinary General Meeting of the Company;
- 1.1.14. **Member** means any person whose name has been entered in the Register;
- 1.1.15. **Office** means the Registered Office for the time being of the Company;
- 1.1.16. **Ordinary Resolution** has the meaning ascribed to it by the Act;
- 1.1.17. **partly paid**, in relation to a share, means part of the price at which the share was issued remains unpaid;
- 1.1.18. **Register** means the Register of Members of the Company required to be kept by Section 93 of the Act;
- 1.1.19. **Seal** means the Common Seal of the Company;
- 1.1.20. **Secretary** means the Secretary of the Company for the time being, or any other qualified person appointed by the Board acting in place of such Secretary and shall include a temporary or assistant secretary;
- 1.1.21. **Special Notice** has the meaning ascribed to it by the Act;
- 1.1.22. **Special Resolution** has the meaning ascribed to it by the Act;
- 1.2. In the interpretation of these Articles, unless contrary to the context:
- 1.2.1. words signifying the singular number shall include the plural and *vice versa*;
- 1.2.2. words signifying one gender, whether masculine, feminine or neuter, includes the other two;
- 1.2.3. a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
- 1.2.4. **writing** includes printing, lithography, photography, and other modes of representing or reproducing words in a visible form;
- 1.2.5. **year** means a calendar year and **month** means a calendar month;
- 1.2.6. reference to any statute or statutory provision shall be deemed to include references to any statute regulation or statutory instrument which amends extends consolidates or replaces the same (or shall have done so) and any other regulation statutory instrument or other subordinate legislation made thereunder or pursuant thereto save for an amendment, extension, consolidation or replacement of the same which has retrospective effect;

## 2. MODEL ARTICLES

The Model Articles contained in the First Schedule to the Companies (General) Regulations, 2015 shall not apply to the Company.

## 3. BUSINESS

3.1. The business of the Company shall, to the extent permitted by the Banking Act and other Applicable Laws be unrestricted, and shall include, without limitation, the following objects and all incidental matters:

3.1.1. To carry on the business of a non-operating holding company as defined under the Banking Act

3.1.2. To co-ordinate the administration of and to provide advisory, management and other services in connection with the activities of any companies which are for the time being and from time to time subsidiaries of the Company

3.2. Any branch or kind of business which the Company is either expressly or by implication authorized to undertake may be undertaken by the Board at such time or times as it shall deem fit and, further, may be permitted by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same.

## 4. MANAGEMENT

The Board shall have the power to enter into agreements with any person, firm or corporation providing for the management of any or all of the Company's business or affairs, and may similarly enter into agreements providing for the management by the Company of any or all of the business or affairs of any person, firm or corporation.

## 5. CAPITAL AND SHARES

### *Power to issue shares of different classes*

5.1. Without affecting any special rights previously conferred on the holders of any existing shares or class of shares (which special rights shall not be modified or abrogated except with such consent or sanction as is hereinafter provided), the Company may issue shares (whether forming part of the original capital or not) that have:

5.1.1. preferred, deferred or other special rights; or

5.1.2. any restrictions, whether in regard to dividend, voting, return of capital or otherwise, that the Company may from time to time by ordinary resolution determine.

5.2. Subject to Part XX of the Act, the company may issue shares on the terms that they are to be redeemed, or liable to be redeemed, at the option of the Company or the holders of the shares.

5.3. The directors may determine the terms, conditions and manner of redemption of the shares.

5.4. If at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class)

may from time to time (whether or not the Company is being wound up) be altered or abrogated 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 the shares of that class. To every such separate General Meeting, all the provisions of these Articles relating to General Meetings of the Company shall, *mutatis mutandis*, apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than three-fourths of the issued shares of the class and so that any holder of shares of the class present in person or by proxy may demand a poll.

- 5.5. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

#### ***Payment of commissions on subscription for shares***

- 5.6. If the following conditions are satisfied, the Company may pay a commission to a person under section 331 of the Act (*Permitted commissions*):
- 5.6.1. the commission paid or agreed to be paid does not exceed ten per cent (10%) of the price at which the shares in respect of which the commission is paid are issued;
- 5.6.2. if those shares are offered to the public for subscription, the Company, before making the payment, discloses the amount or rate of the commission in the prospectus for the public offer; and
- 5.6.3. if those shares are not offered to the public for subscription, the Company, before making the payment, discloses the amount or rate of the commission in any circular or notice issued by the Company inviting subscriptions for those shares.
- 5.7. The commission may be paid:
- 5.7.1. in cash;
- 5.7.2. fully paid or partly paid shares; or
- 5.7.3. partly in one way and partly in the other.
- 5.8. The Company may also on any issue of shares pay a brokerage that is lawful.

#### ***Interests in shares***

- 5.9. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognize (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 (except only as by these Articles or by law otherwise required or provided) any other right in respect of any share other than an absolute right to the entirety thereof in the registered holder.

#### ***Share Certificates***

- 5.10. Subject to the Applicable Laws, the Company shall issue each Member, free of charge, with one or more certificates in respect of the shares that the Member holds, within two (2) months after

allotment or lodgment of a proper document of transfer or within any other period that the conditions of issue provide. If more than one person holds a share, only one certificate may be issued in respect of it. A certificate may not be issued in respect of shares of more than one class.

- 5.11. A certificate is invalid unless it:
- 5.11.1. specifies (a) in respect of how many shares and of what class the certificate is issued; (b) the amount paid up on them; and (c) any distinguishing numbers assigned to them; and
  - 5.11.2. has affixed to it the company's common seal or the company's official seal in accordance with Part IV of the Act or is otherwise executed in accordance with the Act.
- 5.12. A Member may request the company to replace the Member's separate certificates with a consolidated certificate or to replace the Member's consolidated certificate with two (2) or more separate certificates representing the proportion of the shares that the Member specifies. A consolidated certificate may be issued only if any certificates that it is to replace have first been returned to the company for cancellation. Separate certificates may be issued only if the consolidated certificate that they are to replace has first been returned to the company for cancellation.
- 5.13. 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 and, in the case of loss or destruction, on such terms, if any, as to evidence and indemnity and payment of the out-of-pocket 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.

#### ***Allotment of shares***

- 5.14. The Directors shall not exercise any power conferred on them to allot shares in the Company without the prior authorisation of the Company by resolution if the authorisation is required by section 329 of the Act (*Power of directors to allot shares: authorisation by company*).

#### ***Alteration of share capital***

- 5.15. The Company may by ordinary resolution alter its share capital in any one or more of the ways set out in Division I of Part XV of the Act (*Alteration and consolidation of share capital*).

#### ***Reduction of share capital***

- 5.16. The Company may by special resolution reduce its share capital in accordance with Division 2 of Part XV of the Act (*Reduction of share capital*).

#### ***Acquisition by company of its own shares***

- 5.17. The Company may acquire its own shares in accordance with Part XVI of the Act (*Acquisition by limited company of its own shares*).

#### ***Immobilization of Shares***

- 5.18. Pursuant to and subject to the Central Depositories Act 2000, title to immobilized and dematerialised shares will be evidenced otherwise than by a certificate and title to such shares



shall be transferred by means of a book-entry transfer in accordance with the provisions of the Central Depositories Act 2000.

- 5.19. No provision of these Articles shall apply or have effect in relation to any shares which have been immobilised or dematerialised under the Central Depositories Act 2000 to the extent that it is inconsistent in any respect with:
  - 5.19.1. the holding of such shares in uncertified form;
  - 5.19.2. the transfer of title to such shares by means of a book-entry transfer; and
  - 5.19.3. any provision of the Central Depositories Act 2000.
- 5.20. Transfers of Securities which have been immobilised or dematerialised under the Central Depositories Act 2000 shall be affected in the manner prescribed thereunder.
- 5.21. Where the Company refuses to register transfers of Securities required to be registered under Section 14 and 15 of the Central Depositories Act 2000, it shall serve the transferor and transferee with written notice of the reasons for such refusal in accordance with Section 14(5) of the Central Depositories Act 2000.
- 5.22. An instrument of transfer lodged with the Company pursuant to Section 14(1) of the Central Depositories Act 2000 shall be capable of registration in the name of a central depository or its nominee company if such instrument has been certified by a central depository agent instead of being executed by the central depository or its nominee Company.
- 5.23. With effect from the date of dematerialisation of the shares, any reference to a transfer of share or debentures shall be a reference to a book entry transfer performed by the central depository in accordance with Section 27(1) (b) of the Central Depositories Act 2000.
- 5.24. Any provisions in the Articles inconsistent with the requirements of the Central Depositories Act 2000 or as prescribed by the Authority under Regulations in respect of registration, transfer, immobilization or dematerialization of securities shall be deemed to be modified to the extent of such inconsistency in their application to securities which are in part or in whole immobilized or dematerialized or are required by the Central Depository Act 2000 or Regulations and Rules issued thereunder to be immobilized or dematerialized in part or whole as the case may be.
- 5.25. If the Board declines to register a transfer, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- 5.26. The registration of transfers may be suspended and the Register closed at such time and for such periods as the Board may from time to time determine provided that such suspension and closure shall not be for more than thirty (30) days in any year.
- 5.27. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney, notice of attachment, deed poll or other document relating to or affecting the title to any share, such fee (if any) as the Board may from time to time require or prescribe.

- 5.28. 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.

*Calls on Shares*

- 5.29. The Board may from time to time, make calls upon the Members in respect of any moneys unpaid on their shares 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 places so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
- 5.30. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
- 5.31. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 5.32. 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 interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Board may from time to time determine but the Board may waive payment of such interest wholly or in part.
- 5.33. 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 all 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, the same becomes payable and, in case of non-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 payable by virtue of a call duly made and notified.
- 5.34. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 5.35. The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the Member paying such sum in advance.
- 5.36. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the Minute Book of the Company or of the proceedings of the Board, and that notice of such call was duly given to the Member sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Board which made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

*Forfeiture and Lien on Shares not fully paid*

- 5.37. If any Member fails to pay any call or installment on or before the date appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on each Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been accrued by the Company by reason of such non-payment.
- 5.38. The notice shall name a day (not being less than Fourteen (14) days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.
- 5.39. 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 thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 5.40. Where any share has been forfeited, notice of the resolution shall be given to the Member in whose name it stood prior to the forfeiture or to the person entitled to the share by reason of the death or bankruptcy of the Member (as the case may be) and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members, and the Member (or his beneficiary, as the case may be) shall be bound to deliver forthwith to the Company any certificate or certificates held by him for the share or shares so forfeited, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
- 5.41. A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board may think fit and, at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board may think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorize some person to execute an instrument of transfer of the share to that person.
- 5.42. Any Member whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, be liable to pay, and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of such forfeiture, together with interest thereon, from the time of such forfeiture until payment, at such rate as the Board may from time to time determine, and the Board may enforce the payment of such moneys or any part thereof as they think fit, but shall not be under obligation so to do.
- 5.43. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time,

whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

- 5.44. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate for the share delivered to a transferee or allottee thereof shall (subject to the execution of a transfer if the same be so required) constitute a good title to the share and the person to whom the share is sold, re-allotted or otherwise disposed of shall be registered as the holder of the share and shall not be bound to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale, re-allotment or other disposition of the share.
- 5.45. The Company shall have a first and paramount lien upon every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) for all moneys (whether presently payable or not and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not) due from such Member or his estate, either alone or jointly with any other person, to the Company but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) upon such shares.
- 5.46. For the purpose of enforcing such lien, 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 some sum in respect of which the lien exists is presently payable or before the expiration of fourteen (14) 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, shall have been given to the registered holder for the time being of such share, or to the person entitled to the share by reason of his death or bankruptcy.
- 5.47. To give effect to any such sale, the Board may authorize any person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of such share or shares and he 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 in or invalidity of the proceedings in reference to the sale and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- 5.48. The net proceeds of any such sale, after payment of the cost of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities 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, but subject to the surrender to the Company for cancellation of any certificate or certificates for the shares sold.

#### *Transfer of Shares*

- 5.49. Subject to the Applicable Laws, all transfer of shares shall be in writing in any usual or common form as the Board may from time to time or at any time approve.
- 5.50. The instrument of transfer of a share shall be executed by or on behalf of the transferor and transferee, provided that the Board may dispense with execution by the transferee in any case which it thinks fit to do so. 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, when registered, shall be retained by the Company.
- 5.51. The Board may, in its absolute discretion, decline to register any instrument of transfer of shares (not being fully paid shares).
- 5.52. The Board may also decline to register any instrument of transfer if:-
- 5.52.1. the transfer relates to shares on which the Company has a lien; or
- 5.52.2. the registration fee (of such amount as the Board may from time to time prescribe) is not paid to the Company in respect thereof; or
- 5.52.3. it is not accompanied by the certificate or certificates for the shares to which it relates, and such other evidence as the Board may reasonably require to show the rights of the transferor to make the transfer; or
- 5.52.4. it is of shares of more than one class of shares; or
- 5.52.5. the transferee named therein is:-
- (i) an infant person; or
  - (ii) a person incapable by reason of mental disorder of managing and administering his property and affairs; or
  - (iii) a partnership in its partnership name; or
  - (iv) in the case of a transfer to joint holders, they exceed four in number; or
- 5.52.6. the registration of shares would infringe any law of Kenya.
- 5.53. 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 together with a statement specifying the reasons for refusal. Any instrument of transfer which the Board refuses to register shall (except in the case of fraud) be returned to the person lodging it when notice of refusal is given.
- 5.54. The Board may suspend the registration of a transfer of a share for any period or periods not exceeding thirty (30) days in each financial year of the Company.
- 5.55. 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.

### *Transmission of Shares*

- 5.56. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognized by the Company as having any title to his share, but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share which had been solely or jointly held by him.
- 5.57. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced, as may from time to time be properly required by the Board, and subject as hereinafter provided, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the transferee thereof but the Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.
- 5.58. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by execution of a transfer of the share to that person. All the provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall apply to any such notice or transfer as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by that Member.
- 5.59. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive, and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not be entitled to receive notices of or to attend or vote at General Meetings of the Company or to have any of the rights or privileges of a Member until he shall have become a Member in respect of the share. 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 sixty (60) days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share and such person shall not thereafter have any right to attend or vote at any General Meeting in respect of the share until the requirements of the notice have been complied with.

### *Unclaimed Assets*

- 5.60. The Company shall, as required by the Unclaimed Financial Assets Act, deliver or pay to the Unclaimed Financial Assets Authority any unclaimed assets including but not limited to shares and dividends in the Company presumed to be abandoned or unclaimed in law and any dividends remaining unclaimed beyond prescribed statutory periods and the Board may perform such acts as may be necessary to effect such delivery or payment. Upon such delivery or payment, the unclaimed assets shall cease to remain owing by the Company and the Company shall no longer be responsible to the Member or his or her estate, for the relevant unclaimed assets.

## **6. DECISION-TAKING BY MEMBERS**

### *General Meetings*

- 6.1. Subject to Division 5 of Part XII of the Act, the Company shall, in respect of each financial year of the Company, hold a General Meeting as its Annual General Meeting in accordance with section 310 of the Act (*Public companies: annual general meeting*).
- 6.2. The Directors may, if they consider appropriate, convene a General Meeting.
- 6.3. If the Directors are required to convene a General Meeting under section 277 of the Act (*Right of members to require directors to convene general meeting*), they shall convene it in accordance with section 278 of the Act (*Directors duty to convene general meetings required by members*).
- 6.4. If the Directors do not convene a General Meeting in accordance with section 278 of the Act, the Members who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a General Meeting in accordance with section 279 of the Act (*Power of members to convene general meeting at the expense of the company*).

#### *Notice of General Meetings*

- 6.5. The Directors may convene an Annual General Meeting only by giving members at least twenty one (21) days' notice of the meeting (exclusive of the day on which it is served or deemed to be served and of the day for which it is given).
- 6.6. The Directors may convene a General Meeting other than an Annual General Meeting only by giving Members at least fourteen (14) days' notice of the meeting (exclusive of the day on which it is served or deemed to be served and of the day for which it is given).
- 6.7. The Directors shall ensure that the notice:
  - 6.7.1. specifies the date and time of the meeting;
  - 6.7.2. specifies the place of the meeting (and if the meeting is to be held in two (2) or more places, the principal place of the meeting and the other place or places of the meeting);
  - 6.7.3. states the general nature of the business to be dealt with at the meeting;
  - 6.7.4. for a notice convening an Annual General Meeting, states that the meeting is an Annual General Meeting;
  - 6.7.5. if a resolution (whether or not a special resolution) is intended to be moved at the meeting:
    - 6.7.5.1. include notice of the resolution; and
    - 6.7.5.2. include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;
  - 6.7.6. if a special resolution is intended to be moved at the meeting, specifies the intention and include the text of the special resolution; and
  - 6.7.7. contains a statement specifying a Member's right to appoint a proxy under section 298 of the Act (*Right to appoint proxy*).
- 6.8. Sub-Article 6.7.5 does not apply in relation to a resolution of which:

- 6.8.1. notice has been included in the notice of the meeting under section 278(2) or section 279(2) of the Act; or
- 6.8.2. notice has been given under section 289 of the Act (*Members' power to request circulation of resolution for annual general meeting*).
- 6.9. Despite the fact that a General Meeting is convened by shorter notice than that specified in Article 6.5 or 6.6 (as the case may be), it is regarded as having been duly convened if it is so agreed, for an Annual General Meeting, by all the Members entitled to attend and vote at the meeting and in any other case, by a majority in number of the Members entitled to attend and vote at the meeting, being a majority together representing at least ninety five per cent (95%) of the total voting rights at the meeting of all the Members.
- 6.10. Each Member and each Director are entitled to be given notice of a General Meeting. For purposes of this Article, the reference to a Member includes a transmittee, if the Company has been notified of the transmittee's entitlement to a share.
- 6.11. If notice of a General Meeting or any other document relating to the meeting is required to be given to a Member, the Company shall give a copy of it to its auditor (if more than one auditor, to each of them) at the same time as the notice or the other document is given to the Member.
- 6.12. An accidental omission to give notice of a General Meeting to, or any non-receipt of notice of a General Meeting by, any person entitled to receive notice does not invalidate the proceedings at the meeting.
- 6.13. The Company shall give notice of a General Meeting either in hard copy form, in electronic form, by means of a website (in accordance with section 283 of the Act); or partly by one such means and partly by one or more of the other such means.
- 6.14. Subject to Article 6.1, if the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting, 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 (30) days or more.

#### ***Proceedings at General Meeting***

- 6.15. The business of an Annual General Meeting shall be to receive and consider the statement of profit and loss and the balance sheet, the report of the Board and of the Auditors, to elect Directors, Auditors and other officers in the place of those retiring, to declare dividends, fix the remuneration of the Auditors, and to transact any other business which under these Articles and/or under the Act ought to be transacted at an Annual General Meeting. All other business transacted at any Annual General Meeting and all business transacted at an Extraordinary Meeting shall be deemed special.
- 6.16. Ten (10) Members (including corporations present by proxy or by a representative in accordance with Article 6.31) personally present and entitled to vote shall be a quorum for a



General Meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

- 6.17. The Chairman of the Board, or in his absence the Vice-Chairman of the Board, shall preside at every General Meeting, or if there be no Chairman or Vice-Chairman, or if any Meeting he or the Vice-Chairman shall not be present within ten (10) minutes after the time appointed for holding such Meeting, the Members personally present shall choose another Director as Chairman; and if no Director be present, or if all the Directors present decline to take the chair, then the Members personally present shall choose one of their number to be the Chairman of the Meeting. Nothing in these Articles shall restrict or exclude any of the powers or rights of a chairman of a meeting which have been given by law.
- 6.18. If within ten (10) minutes from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon such requisition as aforesaid, 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, or if such place be not available, at such other place as the Board may appoint, but should such day be a gazetted holiday, then it shall be adjourned to the first business day next following such public holiday at the same time, and if at such adjourned Meeting a quorum is not present, those Members who are present shall be a quorum, and may transact the business for which the Meeting was called.
- 6.19. The Chairman of the General Meeting may, with the consent of the Meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. Whenever a Meeting is adjourned for thirty (30) 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.
- 6.20. 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) a poll is demanded by the Chairman of the Meeting or by any Member holding not less than one-sixtieth ( $1/60^{\text{th}}$ ) part of the capital represented at the Meeting and present in person or by proxy or, in the case of a corporation, represented in accordance with Article 6.31. Unless a poll is so demanded, a declaration by the Chairman that a Resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing minutes of the proceedings of the Company 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.
- 6.21. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and at such time and place as the Chairman of the Meeting directs.
- 6.22. If a poll has been duly demanded the result of the poll shall be deemed to be the Resolution of the Meeting at which the poll was demanded.
- 6.23. The demand of a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question of which a poll has been demanded.

- 6.24. In the case of an equality of votes, the Chairman of the Board shall, either on a show of hands or on a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
- 6.25. If any vote shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the Resolution unless it is pointed out at the same Meeting and not in that case unless it shall, in the opinion of the Chairman of the Meeting, be of sufficient magnitude to vitiate the Resolution. The demand for a poll may be withdrawn.
- 6.26. Any minutes of Resolutions and proceedings at General meetings made in the minute books of the Company, if signed by any person purporting to be the Chairman of the meeting to which it relates, or by any person present thereat and appointed by the Directors to sign the same in his place, or by the Chairman at the next Board meeting after the Annual General meeting, shall be conclusive evidence of the facts therein stated.

#### *Amendment of Resolutions*

- 6.27. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 6.27.1. notice of the proposed amendment is given to the Secretary in writing; and
- 6.27.2. the proposed amendment does not, in the reasonable opinion of the person presiding at the meeting, materially alter the scope of the resolution.
- 6.28. The notice required to be given by a person entitled to vote at the General Meeting at which it is to be proposed is at least forty eight (48) hours before the meeting is to take place (or such later time as the chairman at the meeting determines).
- 6.29. A special resolution to be proposed at a General Meeting may be amended by ordinary resolution if:
- 6.29.1. the Chairman proposes the amendment at the meeting at which the special resolution is to be proposed; and
- 6.29.2. the amendment merely corrects a grammatical or other non-substantive error in the special resolution.
- 6.30. No amendment to a resolution may in any event be considered or voted on unless either at least forty eight (48) hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the registered office or received in electronic form at the electronic address at which the Company has or is deemed to have agreed to receive it or the Chairman in his absolute discretion decides that it may be considered or voted on.

If an amendment to any resolution under consideration is proposed but is ruled out of order by the Chairman in good faith, any error in such ruling shall not invalidate the proceedings on the original resolution unless a Court otherwise determines.

#### *Votes of Members*

- 6.31. Subject to any special terms as to voting upon which any share may be issued or may for the time being be held, on a show of hands every Member who (being an individual) is present in person or by proxy or attorney or (being a corporation) is present by a representative appointed in accordance with Article 6.35 or by his proxy shall have one vote. On a poll every Member present in person or by proxy shall have one vote for every share held by him.
- 6.32. Where there are joint holders of a share, any one of such persons may vote at any Meeting either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any Meeting, personally or by proxy, that one of the said persons whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any shares stand shall for the purpose of this Article be deemed joint holders thereof.
- 6.33. No Member shall be entitled to receive any dividend or to be present or to vote on any question, either personally or by proxy, at any General Meeting or upon 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 or the Board determines otherwise.
- 6.34. No objection shall be raised to the qualification of any vote 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*

- 6.35. 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 authorized in that behalf authorize such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of that Company and the person so authorized 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.
- 6.36. A Member of unsound mind in respect of whose estate a manager has been appointed under section 38 of the Mental Treatment Act (Cap.248) may vote, whether on a show of hands or on a poll, by his said manager and any such manager may, on a poll, vote by proxy. The manager may vote by proxy on a show of hands or on a poll.
- 6.37. On a poll, votes may be given either personally or by proxy or attorney or by a representative of a corporation appointed in accordance with Article 6.35 or by his proxy. The instrument appointing a proxy shall be in writing under the hand of the person granting such proxy or his duly authorized attorney, or if the appointer be a company or corporation, shall be either under its common seal or under the hand of an officer or attorney so authorized. A proxy need not be a Member of the Company but shall be entitled to the same right to speak and address a Meeting as the Member appointing him.
- 6.38. The instrument appointing a proxy and a 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 Office of the Company not less than forty eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote 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 (12) months from the date of its execution.

- 6.39. Subject to the Act, the Board may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as it considers fit provided that:
- 6.39.1. the proxy 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
  - 6.39.2. 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 proxy has been transmitted in an acceptable manner including a determination that such transmission is complete and is in a clear and legible form; and
  - 6.39.3. 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 (1) hour before the time appointed for holding the meeting or adjourned meeting.
- 6.40. Every instrument of proxy, whether for a specified Meeting or otherwise shall be in the following form (or a form as near thereto as circumstances admit or in any other form which is usual or which the Board may approve):-

NIC GROUP PLC

"I/We.....

of.....

being a Member/Members of NIC GROUP PLC, and entitled to votes, hereby appoint

.....

of .....

or failing him,.....

of.....

as my/our proxy to vote for me/us and on my/our behalf at the Annual (or Extraordinary, as the case may be) General Meeting of the Company to be held on the ..... day of ..... and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-

Resolution No. 1 - \*For/\*Against

Resolution No. 2 - \*For/\*Against etc.

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from Voting

As witness my/our hands this .....day of .....

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."*

- 6.41. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 6.42. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which it was executed or the transfer of the share in respect of which the instrument of proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company before the commencement of the Meeting or adjourned Meeting or the taking of a poll at which the instrument of proxy is used.
- 6.43. For the purposes of Articles 6.34 and 0, the Board may require such reasonable evidence it considers necessary to determine:
  - 6.43.1. the identity of the Member and the proxy; and
  - 6.43.2. where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.
- 6.44. A Member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company. Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to exercise all such rights, as the proxy thinks fit.
- 6.45. A Member may appoint more than one proxy in relation to a Meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the Member. When two or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
- 6.46. Delivery or receipt of an appointment of proxy does not prevent a Member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- 6.47. The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for twelve (12) months from the date of execution or, in the case of an

appointment of proxy delivered by electronic means, for twelve (12) months from the date of delivery unless otherwise specified by the Board.

- 6.48. A proxy does not take effect unless it is received by the Company:
- 6.48.1. for a General Meeting or adjourned General Meeting, at least forty eight (48) hours before the time fixed for holding the meeting or adjourned meeting; and
  - 6.48.2. for a poll taken more than forty eight (48) hours after it was demanded, at least twenty four (24) hours before the time fixed for taking the poll.
- 6.49. An appointment under a proxy notice may be revoked by delivering to the Company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given and a notice revoking the appointment only takes effect if it is received by the Company:
- 6.49.1. for a general meeting or adjourned General Meeting, at least forty eight (48) hours before the time fixed for holding the meeting or adjourned meeting; and
  - 6.49.2. for a poll taken more than forty eight (48) hours after it was demanded, at least twenty four (24) hours before the time fixed for taking the poll.
- 6.50. A vote given or poll demanded by a proxy shall be valid in the event of the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share for which the instrument of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the registered office, or at such other place as has been appointed for the deposit of instruments of proxy, no later than:
- 6.50.1. for a general meeting or adjourned general meeting, at least forty eight (48) hours before the time fixed for holding the meeting or adjourned meeting; and
  - 6.50.2. for a poll taken more than forty eight (48) hours after it was demanded, at least twenty four (24) hours before the time fixed for taking the poll,
- in order for it to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

## 7. **DIRECTORS**

### *Number*

- 7.1. Unless and until otherwise determined by the Company in General Meeting, the number of the Directors (excluding Alternate Directors) shall not be less than four nor more than ten.
- 7.2. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors.

### *Remuneration*

- 7.3. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting.

- 7.4. The Directors shall be paid out of the funds of the Company by way of remuneration for their services such sums as the Company may from time to time by ordinary resolution determine and such remuneration shall be divided among them in such proportion and manner as the Directors may determine and, in default of such determination within a reasonable period, equally. Subject as aforesaid, a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The Directors shall also be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of the Board, or of committees of the Board, or general meeting, or which they may otherwise properly incur in or about the business of the Company.
- 7.5. Any Director who by request performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

#### *Casual Vacancies*

- 7.6. The continuing Directors may act notwithstanding any vacancy in their body, so long as there remain four Directors duly qualified to act; but if the number falls below four, the remaining Directors shall fill up such casual vacancies, and, except for the purpose of filling such vacancies, such remaining Directors shall not act so long as the number is below four.
- 7.7. The Directors shall have power at any time and from time to time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Directors, but so that the total number of the Directors shall not at any time exceed the maximum number fixed by these Articles. Any person appointed to fill a casual vacancy shall retain office only until the next following Annual General Meeting and shall then be eligible for re-election.

#### *Alternate Directors*

- 7.8. Any Director (other than an Alternate Director) may, subject to due compliance with all Applicable Laws, appoint another Director or any person who is approved by a resolution of the Board and willing to act, to be an Alternate to act in his place at any meeting of the Board at which he is unable to be present. Such appointee shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member and, 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.
- 7.9. 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. Every appointment and revocation under this Article shall be effected by notice in writing under the hand of the appointor served on the Company and on such Alternate Director.
- 7.10. Save as otherwise provided in these Articles, an Alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent.

- 7.11. An alternate Director shall look for his remuneration to the Director appointing him and not to the Company.

***Share Qualification***

- 7.12. 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.

***Removal of Directors***

- 7.13. The office of a Director shall be vacated *ipso facto*:
- 7.13.1. If he becomes bankrupt, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds with his creditors, or is convicted of any offence involving fraud or moral turpitude.
- 7.13.2. If he becomes of unsound mind.
- 7.13.3. If he is absent from meetings of the Directors for six (6) consecutive months, or two (2) consecutive meetings of the Board, whichever shall be the longer, without leave of the Directors and is not represented at any such meetings during such six (6) consecutive months by an Alternate Director, provided that the Directors shall have power to grant any Directors not resident in Kenya leave of absence for any or an indefinite period;
- 7.13.4. If he is removed under Article 7.14 or Article 7.15 of these Articles;
- 7.13.5. If he is removed from office of director by an ordinary resolution passed in accordance with section 139 of the Act (*Resolutions to remove directors from office*);
- 7.13.6. If he becomes prohibited from being a Director by reason of an order made under Part X of the Act;
- 7.13.7. After he has given notice in writing of his resignation as a Director;
- 7.13.8. If he ceases to be or is prohibited from being a Director by virtue of any provision of the Act, the Insolvency Act, 2015, the Banking Act, the Central Bank of Kenya Prudential Guidelines or other Applicable Law.
- 7.14. 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.
- 7.15. A Director may before the expiration of his period of office be removed from office by a resolution signed by all his co-Directors. Such resolution may consist of several documents in a like form, each signed by one or more of his co-Directors.



- 7.16. If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.
- 7.17. The Company shall keep at the Office a register containing the names, addresses and occupations of its Directors and the Secretary shall send to the Registrar of Companies a copy of such register and shall from time to time notify to him any change that takes place in such Directors.

#### ***Rotation of Directors***

- 7.18. At every Annual General Meeting one third of the Directors with the exception of Executive Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 7.19. If the Company, at the Meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the Meeting it is resolved not to fill the vacancy or unless the Resolution for reappointment of the Director is put to the Meeting and lost.
- 7.20. A retiring Director shall be eligible for re-election.
- 7.21. No person, other than a Director retiring by rotation, shall be eligible for election to the office of Director at any General Meeting unless:-
- 7.21.1. he is recommended by the Directors; and
- 7.21.2. he, or some Member intending to propose him, has, at least twenty-one (21) days before the Meeting, left at the office a notice in writing, duly signed, signifying his candidature for the office, or the intention of such Member to propose him.

#### ***Transactions or Other Arrangements with the Company***

- 7.22. No Director or Alternate Director or Executive Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any company or firm in which any Director shall be a director or member or any contract or arrangement in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established, but it is declared that the nature of his interest must be disclosed by him in accordance with section 151 of the Act at the meeting of the Directors after the acquisition of his interest and that no Director shall, as a Director, vote in respect of any contract or arrangement in which he is so interested as aforesaid, and if he does vote, his vote shall not be counted, but these prohibitions shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by way of indemnity, and it may at any time or times be suspended or relaxed to any extent by a General Meeting. A general notice that a Director is a member of any

specified company or firm and is to be regarded as interested in all transactions with that company or firm, shall be a sufficient disclosure under this Article as regards such Director and the said transaction, and after such general notice it shall not be necessary for such Director to give a special notice of any particular transaction with that company or firm. Nothing herein contained shall be taken or construed to prevent or debar any Director as a shareholder from taking part in and voting upon all questions submitted to a shareholders' Meeting, concerned in such question or not.

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

7.24. Subject to Applicable Laws, a Director may act by himself or 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.

#### *Authorisation of Directors Conflicts of Interest*

7.25. The Board may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under the Act to avoid conflicts of interest.

7.26. A Director seeking authorisation in respect of a conflict of interest shall declare to the Board the nature and extent of his interest in a conflict of interest as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict of interest together with such additional information as may be requested by the Board.

7.27. Any authorisation under this article will be effective only if:

7.27.1. to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;

7.27.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and any other interested Director; and

7.27.3. the matter is agreed to without the Interested Director voting or would be agreed to if the Interested Director's and any other interested Director's vote is not counted.

7.28. Any authorisation of a conflict of interest under this Article must be recorded in writing (but the authority shall be effective whether or not the terms are so recorded) and may (whether at the time of giving the authorisation or subsequently):

7.28.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

- 7.28.2. provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the conflict of interest;
- 7.28.3. impose upon the Interested Director such other terms for the purposes of dealing with the conflict of interest as the Directors think fit;
- 7.28.4. provide that, where the Interested Director obtains, or has obtained (through his involvement in the conflict of interest and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- 7.28.5. permit the Interested Director to absent himself from the discussion of matters relating to the conflict of interest at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.29. Where the Directors authorise a conflict of interest, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the conflict of interest.
- 7.30. The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.31. A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict of interest which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 7.32. If a question arises at a Board meeting about whether a Director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest, or whether he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman's ruling about the relevant Director is final and conclusive, unless the nature and extent of the Director's interests have not been fairly disclosed to the Directors. If the question arises about the chairman of the meeting, the question must be directed to the Directors. The chairman cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairman is final and conclusive, unless the nature and extent of the chairman's interests have not been fairly disclosed to the Directors.
- 7.33. For the purposes of Articles 7.25 to 7.34 inclusive (which shall apply equally to alternate Directors):
- 7.33.1. an interest of a person who is connected (which word shall have the meaning given to it by section 122 of the Act) with a Director shall be treated as an interest of the Director;

- 7.33.2. a contract includes references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not consulting a contract;
- 7.33.3. a conflict of interest includes a conflict of interest and duty and a conflict of duties; and
- 7.34. Subject to the Statutes, the Company may by ordinary resolution suspend or relax the provisions of Articles 7.25 to 7.34 to any extent or ratify any contract not properly authorised by reason of a contravention of any of the provisions of Articles 7.25 to 7.34.

*Managing Director and Executive Director*

- 7.35. Subject to Article 7.14, the Directors may from time to time appoint one or more of their body to be Managing Director or Executive Director of the Company, and other Executive Directors for a fixed term to be determined by the Board, and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.
- 7.36. An Executive Director shall, while he continues to hold that office be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold the office of Director for any cause he shall ipso facto and immediately cease to be Managing Director or Executive Director. Provided that the Managing Director or Executive Director shall not be subject to retirement by rotation.
- 7.37. The remuneration of the Executive Director shall from time to time be fixed by the Directors or by the Company in General Meeting, and may be by way of salary or commission or participation in profits, or by any or all of these modes or otherwise.
- 7.38. The Directors may from time to time entrust to and confer upon the Managing Director or Executive Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

*Proceedings of Directors*

- 7.39. The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business. A Director may at any time, and the Secretary upon the request of a Director shall, convene a meeting of the Directors.
- 7.40. The Directors may elect a Chairman and Vice- Chairman for their meetings and determine the period for which they are each to hold office, but if no such Chairman or Vice- Chairman is elected, or if at any meeting neither the Chairman nor the Vice- Chairman is present within fifteen minutes after the time appointed for holding the same, the Directors shall choose one of their number to be Chairman of such meeting.
- 7.41. Subject to the provisions of Article 7.22, questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

- 7.42. If a question arises at a meeting of the Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.
- 7.43. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be more than one half of the number of Directors for the time being holding office, present either personally or by Alternate.
- 7.44. A Meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the regulations of the Company for the time being vested in or exercisable by the Directors generally.
- 7.45. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or of the committee (as the case may be) duly called and constituted. Such resolutions may consist of several documents in a like form, each signed by one or more of the Directors.
- 7.46. The Directors may delegate any of their powers to committees consisting of such members or member of their body as they think fit, and may vote any such committee such special remuneration (in addition to the remuneration to which the members of the committee are entitled as Directors) as they may deem fit and proper. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors.
- 7.47. The meetings and proceedings of any such committee, consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
- 7.48. All acts done at any meeting of the Directors or of a committee of the Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- 7.49. If any Director being willing shall be called upon to perform extra services, or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for his share in the remuneration hereinbefore provided, and may also refund to such Director all reasonable expenses incurred by him with the approval of the Board whilst on the Company's business.

#### *Minutes*

- 7.50. The Directors shall cause minutes to be duly entered in books provided for the purpose of all appointments of officers made by the Directors; of the names of the Directors present at each

meeting of the Directors and of any Committees of Directors; of all orders made by the Directors and Committees of Directors; and of all Resolutions and proceedings of General Meetings; and of all meetings of the Directors and Committees.

- 7.51. Any such minutes of any meetings of the Directors, or of any Committee, or of the Company and any extracts there from if purporting to be signed by the Chairman of such meeting or by some person present thereat and appointed by the Directors to sign the same in his place, or by the Chairman of the next succeeding meeting, shall be receivable as evidence of the matters stated in such minutes or extracts.

#### *The Register*

- 7.52. The Directors shall cause to be kept a Register of the Members, and there shall be entered therein:
- 7.52.1. the names and addresses of the Members with a statement of the shares held by each Member, distinguishing each share by its class or kind and of the amount paid, or agreed to be considered as paid on the shares of each Member;
- 7.52.2. the date at which the name of any person was entered in the register as a Member;
- 7.52.3. the date at which any person ceased to be a Member.

And the Register shall be kept at the Office or at such other place in Kenya as the Directors may from time to time determine, and shall be open to the inspection of the Members during business hours, subject to reasonable restriction from time to time imposed by the Company in General Meeting. No notice of any trust shall be entered in the Register.

#### *Borrowing Powers*

- 7.53. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 7.54. The Directors may exercise all the powers of the Company to guarantee and become surety for the liabilities, the performance of contracts and the repayment of monies by any person, firm or company and to issue charges, mortgages, debentures or lien to secure performance by the Company of any such guarantee or surety.

#### *Powers of Directors*

- 7.55. The management of the business and the control of the Company shall be vested in the Directors, who, in addition to the powers and authorities by these Articles expressly conferred upon them, may, subject to the proviso hereinafter mentioned, exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to such management not being inconsistent<sup>27</sup> with these Articles nor with any Resolution passed at any Meeting of the shareholders in accordance therewith; but no Resolution passed by the Company in General Meeting shall

invalidate any prior act of the Directors which would have been valid if such Resolution had not been passed: Provided however that although the Directors shall have power to enter into a provisional contract for the sale and/or alienation of all of the major portion of the property and assets of the Company or the absolute alienation of the whole of the movable and immovable property of the Company and the rights belonging thereto or connected therewith such provisional contract shall only become binding on the Company in the event of the same being ratified and confirmed by a Special Resolution of the Company in General Meeting. All the provisions of these Articles as to General Meetings shall apply *mutatis mutandis* to meetings convened under this Article.

- 7.56. Without prejudice to the general powers conferred by the last preceding Article, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers, that is to say:-
- 7.56.1. To pay the costs, charges and expenses preliminary and incidental to the raising of any share or loan capital for the Company.
  - 7.56.2. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit.
  - 7.56.3. To pay for any property, rights or privileges acquired by or service rendered to the Company, either wholly or partially in cash or with the sanction of the Company in General Meeting, in shares, or in bonds, debentures, debenture stock or other securities of the Company, and any such shares, may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
  - 7.56.4. To secure the fulfillment of any contracts or engagements entered into by the Company, by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being, or in such other manner as they may think fit.
  - 7.56.5. Subject to the provisions of Article 7.55, to sell, lease, alienate, abandon or otherwise dispose of part or parts of the moveable and immoveable property of the Company as the Directors may think most beneficial to the Members of the Company, and to apply the consideration arising there from either by dividing the same as a bonus among the Members or as they may think most advantageous for the Company.
  - 7.56.6. To appoint and at their discretion remove or suspend such Managing Agents, Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their duties and powers and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit.
  - 7.56.7. To accept from any Member, on such terms and conditions as shall be agreed, a surrender of his shares or stock, or any part thereof.

- 7.56.8. To appoint any person or persons (whether incorporated or not incorporated) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustees.
- 7.56.9. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company.
- 7.56.10. To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.
- 7.56.11. To determine who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents on behalf of the Company.
- 7.56.12. To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction, or a share in the general profits of the Company.
- 7.56.13. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- 7.56.14. To delegate to any person or persons any of their powers and discretions and to give to any such person or persons power of sub-delegation and, by power of attorney or otherwise, to appoint any person to be agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 7.56.15. To grant pensions, annuities, gratuities or other allowances on death, sickness, disability or retirement of any person who is or has been employed by or in the service of the Company or any subsidiary company of the Company or of its holding company (if any) and to the widow, family or dependants of such person or to any person who is or has been a Director or other officer of the Company or any such subsidiary company or holding company (if any) and to the widow, family or dependants of such person and the Board may establish and maintain or concur with such subsidiary company or holding company (if any) as aforesaid in establishing and maintaining any schemes or funds for providing such benefits as aforesaid and may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such schemes or funds.
- 7.57. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

## 8. SECRETARY



- 8.1. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. The provisions of Sections 244 to 251 inclusive of the Act shall be observed.
- 8.2. No person shall be appointed or hold office as Secretary who is:
- 8.2.1. the sole Director of the Company; or
  - 8.2.2. a Corporation, the sole Director of which is the sole Director of the Company; or
  - 8.2.3. the sole Director of a Corporation which is the sole Director of the Company; or
  - 8.2.4. not the holder of the qualification required by law for that office.
- 8.3. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

## 9. SEAL

- 9.1. The Company shall be provided with a Common Seal on which its name shall be engraved in legible characters, and the Company may from time to time exercise the powers given by Section 42 of the Act with respect of official seals in foreign countries and such powers shall be vested in the Directors. The Common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Directors or of a committee of Directors authorized by the Directors in that behalf. Every instrument to which the seal shall be affixed shall be signed by a Director so that the Directors may by resolution determine, either generally or in any particular case, that the signature of any Director may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to certificates which have been approved for sealing by the Directors or a committee of Directors authorized by the Directors in that behalf. Every instrument to which the seal of the Company is so affixed and which is so signed shall be binding on the Company.
- 9.2. If the company has an official seal for sealing securities, then the seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the seal shall not require to be signed unless the Board decides otherwise or the law otherwise requires. The Board may decide who will sign an instrument to which a seal is affixed (or in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument and may also determine either generally or in a particular case that a signature may be dispensed with or affixed by mechanical means.

## 10. DIVIDENDS

- 10.1. The Company in General Meeting or the Directors may declare a dividend to be paid to the Members according to their rights and interests in the profits. 31

- 10.2. Subject to the rights of persons (if any) 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 dividend is paid 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. All dividends shall be apportioned and paid pro rata according to the amounts 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 be issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 10.3. No larger dividend shall be declared by the Company in General Meeting than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.
- 10.4. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company. Dividends may be declared either free or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.
- 10.5. The declaration of the Board as to the amount of the profits of the Company available for dividend shall be conclusive.
- 10.6. The Directors may from time to time pay to the Members on account of the next forthcoming dividend such interim dividends as in their judgment the position of the Company justifies.
- 10.7. The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respects of which the lien exists.
- 10.8. In case several persons are registered as the joint holders of any share, any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
- 10.9. Each dividend may be paid by cheque, warrant, coupon or otherwise, as the Directors may from time to time determine, and may, if paid otherwise than by coupon, be sent by post to the last registered address of the Member entitled thereto, or any other address requested by him, or in the case of joint registered holders to that one of them first named in the Register in respect of such joint holding, and the payment of such cheque or warrant, if purporting to be duly endorsed, or the surrender of any coupon shall be a good discharge of the Company in respect thereof.
- 10.10. The Company shall not be responsible for any loss, expense or damage whatsoever, whether direct or consequential, caused by the loss in transmission of any cheque, warrant or other document sent through the post to the registered address of any Member, whether or not at his request.
- 10.11. A General Meeting declaring a dividend may direct payment of such dividend by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company belonging to the Company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard

to the distribution they may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

- 10.12. All dividends, interest or other sum payable and unclaimed for twelve (12) months after having become payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. If cheques, warrants or orders for dividends or other monies payable in respect of a share sent by the Company to the person entitled to it are returned to the Company or left uncashed on two consecutive occasions, the Company shall not be obliged to send any dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose provided that in particular cases the Board may accommodate any member who applies for several dividend payments to be consolidated into a single payment.

## **11. RESERVES**

- 11.1. The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as it thinks proper which shall at the discretion of the Board be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works plant and machinery of the Company or for special dividends or bonuses or for equalizing dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application 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) as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Board may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

## **12. CAPITALIZATION OF PROFITS AND RESERVES**

- 12.1. The Company in General Meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any undivided profits of the Company not required for paying the fixed dividends on any Preference Shares (including profits carried and standing to the credit of any reserve or reserves or other special account) and accordingly that the Directors be authorized and directed to appropriate the profits resolved to be capitalised to the Members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends instead of being capitalised, and to apply such profits on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares, debentures or securities of the Company of a nominal amount equal to such profits, such shares, debentures or securities to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportion aforesaid, or partly in one way and partly in the other.

12.2. Whenever such a Resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotment and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision, by the issue of fractional certificates or by payment in cash or otherwise, as they think fit for the case of shares, debentures or securities becoming distributable in fractions, or to disregard such fractions in order to adjust the rights of all parties, and also to authorize any person to enter on behalf of all the Members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment 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.

### 13. ACCOUNTS

13.1. The Directors shall cause true accounts to be kept of all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place and of the assets, credits and liabilities of the Company. The books of account shall be kept at the office or at such other place or places as the Directors think fit.

13.2. The Directors shall 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 the Members, and no Member shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorized by the Directors or by a Resolution of the Company in General Meeting.

13.3. At the Annual General Meeting in every year the Directors shall lay before the Company in accordance with the relevant provisions of Part XXV of the Act, a Statement of the Profit and Loss and a Balance Sheet, containing a summary of the property and liabilities of the Company, made up to a date not earlier than six (6) months before such Meeting.

13.4. Every such Statement and Balance Sheet shall be accompanied by a Report of the Board as to the state and condition of the Company and as to the amount (if any) which has been paid or which they recommend to be paid out of the profits by way of dividend to the Members, and the amount (if any) which they have carried or propose to carry to the Reserve Fund according to the provisions in that behalf hereinbefore contained, and the Report, Statement and Balance Sheet shall be signed by two Directors or otherwise as required under the Act and/or the Banking Act.

13.5. A printed copy of the Report, accompanied by the Balance Sheet and Statement of Profit and Loss and by the Auditor's Report shall at least Twenty-one (21) days previous to the General Meeting be delivered or sent by post to the registered address of every member.

### 14. AUDIT

Auditors shall be appointed and their duties regulated in accordance with the Act.

## 15. NOTICES

- 15.1. A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter or by telegram, telex or facsimile addressed to such Member at his registered address or by sending it by electronic means to an address for the time being notified to the Company by the Member or otherwise in accordance with the Act. In the case of the Member resident outside Kenya, notices shall be sent by airmail or email as the Company may decide.
- 15.2. Subject to these Articles and the Applicable Laws, the Company may give any notice or send or supply any other document or information to any Member by making it available on an official Company website or such other website as may be prescribed by the Board or pursuant to the Applicable Laws for such purpose.
- 15.3. Any notice required to be given by the Company to the Members, or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement shall subject to the provisions of the Act be advertised in such newspaper or newspapers circulating in the district in which the registered office or any branch register is situate as the Directors may determine. Any notice given by advertisement shall be deemed to have been served on the first day when the newspaper containing such advertisement shall be published.
- 15.4. All notices may, with respect to any registered shares, to which persons are jointly entitled, be given to whichever of such persons is named first in the register and notice so given shall be sufficient notice to all the holders of such shares.
- 15.5. Any notice sent by post shall be deemed to have been served on the third day after the day on which it was posted, and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly addressed stamped and put in the post office.
- 15.6. Any notice and/or any document if sent by facsimile or email shall be deemed to have been received in the case of facsimile or e-mail twelve (12) hours after time of despatch provided (in the case of facsimile) an error-free transmission report (or in the case of e-mail) no error message indicating failure has been received by the Company.
- 15.7. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which, previously to his name and address being entered on the register, shall have been given to the person from whom he derives his title to such share.
- 15.8. Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member be then deceased, and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares either held solely or jointly with other persons by such Member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall, for all purposes of these Articles be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons (if any) jointly interested with him in any such shares.

- 15.9. Where a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be counted in such number of days or other period unless it is otherwise provided in such notice.
- 15.10. A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the registered address, of the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 15.11. The signature to any notice given by the Company may be written, printed, or impressed with a rubber or other stamp.

## 16. WINDING UP

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 and/or the Insolvency Act, 2015, divide amongst the Members in specie or 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 the 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 trust for the benefit of the contributories 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 whereon there is any liability. If the Company shall be wound-up, either voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution, divide among the contributories in specie any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit, and if thought expedient any such division may be otherwise than in accordance with the legal rights of the Members of the Company and in particular any class may be given preferential or special rights, or may be excluded altogether or in part; but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to the Act.

## 17. INDEMNITY AND INSURANCE

- 17.1. Subject to the provisions of the Act every Director, Manager, Secretary and other officer or servant of the Company shall be indemnified by the Company and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses which any such officer or servant may incur, or become liable to pay, by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties including traveling expenses.
- 17.2. Subject to the provisions of the Act no Director, Manager, Secretary or other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant, or for joining in any receipt or other act for conformity, or for loss or

expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effects shall be deposited, or for any loss or damage occasioned by any error or judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

- 17.3. Articles 17.1 and 17.2 shall only have effect in so far as their provisions are not avoided by section 194 of the Act. Notwithstanding the above, those Articles do not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or any Applicable Laws.
- 17.4. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for a Director of the Company, or a Director of an associated company of the Company against:
- 17.4.1. 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 (as the case may be); or
- 17.4.2. Any liability incurred by the Director in defending any proceedings (whether civil or criminal) taken against the Director for negligence, default, breach of duty or breach of trust (including fraud) in relation to the Company or associated company.

NAMES, POSTAL ADDRESSES & OCCUPATION OF SUBSCRIBERS	SIGNATURE OF SUBSCRIBERS
R. RIDLEY P.O. Box 30003, NAIROBI BANK OFFICIAL	R. Ridley Signed.
F.C. DEWELL P.O. BOX 4599, NAIROBI COMPANY DIRECTOR	F.C.Dewell Signed.

DATED at Nairobi, this 28<sup>th</sup> day of September, 1959.

WITNESS to the above Signatures:-

Michael W. Harley,  
P.O. Box 30333,  
NAIROBI  
SOLICITOR

It is certified that this document has  
been reproduced by the process of  
Xerography

.....  
Coulson Harney  
Advocates  
P.O. Box 10643-00100  
Nairobi