

**THE COMPANIES ACT**

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

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**CREDIT BANK PLC**

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**PRELIMINARY**

1. The model articles prescribed by the Companies (General) Regulations, 2015 shall not apply to the Company.
2. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meaning set out below:
  - a) The Act means the Companies Act, 2015.
  - b) Applicable Law means any common law, constitutional law, statute, regulation, resolution, rule, ordinance, enactment, judgement, order, code, decree, directive, notification, clarification, guideline, policy, requirement or any other governmental direction having the force of law and any form or decision or any determination by or interpretation of any of the foregoing by any Governmental Authority, now or hereafter in effect, in each case as amended, re-enacted or replaced to the extent applicable to the Company.
  - c) These Articles means these Articles of Association, as now framed, or as from time to time altered by Special Resolution.
  - d) Auditors means the auditors of the Company appointed by the Shareholders from time to time.
  - e) Business means the business of the provision of financial services, including banking services carried on by the Company and insurance business carried on by the Company's affiliates.
  - f) Business Plan means, at any time, the then valid business plan for the Company.
  - g) The Directors means the Directors for the time being of the Company and shall

- include an Alternate Director.
- h) The Board means the Directors for the time being of the Company and shall include an Alternate Director.
  - i) Financial Year means, in relation to the Company, a financial accounting period of twelve (12) months beginning on 1 January and ending on 31 December of each calendar year, as the same may from time to time be changed.
  - j) Investor means ShoreCap III, LP, a limited liability partnership registered in the Republic of Mauritius with registration number [L112 C1/GBL] whose registered address is at c/o IQEQ, 33 Edith Cavell Street, Port-Louis, Mauritius.
  - k) The Office means the Registered Office for the time being of the Company.
  - l) Senior Management Team shall include the following designations, or such persons having related or similar responsibilities: the Chief Executive Officer; Chief Operating Officer; Chief Financial Officer; Head of Finance; Head of Internal Audit & Compliance; Head of Human Resource; Head of Legal; and Head of IT & Digital Systems.
  - m) The Register means the Register of Members of the Company required to be kept under Section 112 of the Act.
  - n) Shareholder or Member means a person entered in the register of members of the Company as the holder of Shares from time to time and Shareholders or Members means all of them.
  - o) Shares means Shares or other equity interests or rights to equity interests in the share capital of the Company of whatsoever nature from time to time and Share shall be construed accordingly.
  - p) Special Resolution is a resolution passed in accordance with section 257 of the Act.
  - q) ESG Undertaking means the Company's Environmental Social and Governance Undertaking;
  - r) Paid means paid or credited as paid.
  - s) Month means calendar month.
  - t) In Writing means written, or produced by any visible substitute for writing, or partly one and partly another.

And the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary.

Words denoting the singular number shall include the plural number and vice versa.

Words denoting the masculine gender shall include the feminine gender.

Words denoting persons shall include corporations. Save as aforesaid any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these articles.

## BUSINESS

3. Any branch or kind of Business, which the Company is either expressly or by implication authorised to undertake, may be undertaken at such time or times as the Board thinks fit, and may be referred to be in abeyance whether already commenced or not, so long as the Board deems it expedient not to commence or proceed with such branch or kind of business.
4. No part of the funds of the Company shall be employed in the purchase or, or in loans upon the security of, the Shares and the Company shall not, except as authorised by the Act, give any financial assistance for purpose of or in connection with any purchase or subscription of Shares, or, if any when it is a subsidiary, in its holding company, nor except as authorised by the Act, make, or guarantee or provide any security in connection with a loan to any Director or to any Director of its holding company if any. The Company shall not, except as authorised by the Act, be a member of a Company which is its holding company. The registered office of the company shall be at such place in Kenya as the Board shall from time to time appoint.

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

5. The Nominal Share Capital of the Company is Kshs Kenya Shillings Seven Billion Five Hundred Million (7,500,000,000) divided into Seventy Five Million (75,000,000) Shares of Kenya Shillings One Hundred (Kshs 100/-) each.
6. Whenever the capital of the Company 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, either with the consent in writing of the holders of two-thirds of the issued Shares of the class, or with the sanction of a Special Resolution passed at a separate General Meeting of such holders (but not otherwise), be varied or abrogated and may so be varied or abrogated either whilst the Company is a going concern or during or in contemplation of winding up. To every such separate General Meeting all the provisions of these Articles relating to General Meeting all the provisions of these Articles relating to General Meetings or the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued Shares of that class (but so that if at any adjourned meeting of such holders or quorum as above defined is not present, those Members who are present in person or by proxy shall be a quorum) and that the holders of Shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.
7. The special rights conferred upon the holders of any Shares or class of Shares issued with preferred or other special rights shall not, unless otherwise expressly provided by these Articles of the conditions of issue of such Shares, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

8. Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, any share in the Company may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend voting, return of capital or otherwise as the Company may from time to time by resolution determine.
9. Subject to the provisions of these Articles, the Shares in the original or any increased capital of the Company shall be under the control of the Directors who shall offer in the first instance and either at par or at a premium or (subject to the provisions of the Act) at a discount to all the then holders of the Shares in proportion to the amount of the capital held by them. Provided that no Shares shall be issued at a discount except in accordance with section 356 of the Act.
10. The Company may exercise the powers of paying commissions conferred by section 331 of the Act provided that the rate percent or the amount agreed to be paid and the number of Shares which persons have agreed for a commission absolutely shall be disclosed in the manner required by the said section and that such commission shall not exceed 10 per cent of the price at which the Shares in respect of which the commission is paid, are issued and shall be disclosed in the manner required by the Act, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in another, The Company may also on any issue of Shares pay such brokerage as may be lawful.
11. If any Shares are issued for the purposes of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long time the company man, subject to the conditions and restrictions contained in the Act, pay interest on so much of such share capital as is for the time being paid up, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings or the provisions of the plant.
12. Except as required by law no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise even when having notice thereof, any equitable, contingent, future or partial interest in any share, or any interest in any share, or any interest in any fractional part of a share or (except only as by these articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

### CERTIFICATES

13. Every person whose name is entered as a Member in the Register shall be

entitled without payment to receive within two months after allotment or transfer (or within such other period as the conditions of issue shall provide) one certificate in respect of each class of Shares held by him, or, upon payment of such sum (if any), not exceeding Kenya Shillings 20/- for every certificate after the first as the board shall from time to time determine, to several certificates, each for one or more of his Shares, except that Shares of different classes may not be included in the same certificate. Where a Member has transferred a part of the Shares comprised in his holdings he shall be entitled to a certificate for the balance without charge. Every certificate shall be issued under the Seal, as provided in these Articles, and shall specify the Shares to which it relates, and the amount paid up thereon. In the case of Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for a share to one of several holders shall be deemed sufficient delivery to all.

14. If a share certificate is worn out, defaced, lost or destroyed, it may be replaced on payment of such fee (if any) not exceeding Kenya Shillings 20/- and on such terms (if any) as to evidence and indemnity with or without security as the board requires. In the case of loss or destruction the person availing himself of the provisions of this Article shall also pay to the Company all expenses incident to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity.

#### **LIEN ON SHARES**

15. The company shall have a first and paramount lien on every share registered in the name of a Member (whether solely or jointly with others) for all moneys, whether presently payable or not, due to the Company from him or his estate either solely or not, due to the company from him or his estate either solely or jointly with any other person; 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.
16. The Company may sell, in such manner as the Board thinks fit, any Shares 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, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable, and stating the intention to sell in default, shall have been given to the holder for the time being of the share, or the person entitled to the share, or the person entitled to the share by reason of death or bankruptcy.
17. To give effect to any such sale the board may authorise any person to transfer the Shares sold to the purchaser, The purchaser shall be entered in the Register as the holder of the Shares comprised in any such transfer, and he

shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

18. The net proceeds of sale shall be received by the company and applied in or towards payment or satisfaction of the debt or liability in respect of which 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 Shares prior to the sale) be paid to the person entitled to the Shares at the date of the sale.

### CALLS ON SHARES

19. The Board may from time to time subject to any terms upon which any Shares may have been issued) make calls upon the members in respect of any moneys unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium); provided share shall exceed one-fourth of the nominal amount of the share or be payable within one month from the date fixed for the payment of the last preceding call. Each member shall (subject to receiving at least one month's notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his Shares. A call may be revoked or the time fixed for its payment postponed by the Board.
20. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
21. The joint holders of the share shall be jointly and severally liable to pay all calls in respect thereof.
22. If a sum called in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest thereon from the day fixed for payment at such rate, not exceeding 10 per cent per annum as the Board determines; but the board shall be at liberty to waive payment of such interest wholly or in part.
23. Any sum which by the terms of issue of share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium, shall for the purpose 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 provisions of these Articles relating to payment of interest and expenses, forfeiture and otherwise shall apply as if such had become payable by virtue of a call duly made and notified.

24. The Board may, on the issue of Shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
25. 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 may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at such rate (not exceeding 15 per cent per annum) as may be agreed upon between the Board and such Member.

### TRANSFER OF SHARES

26. All transfers shall be in accordance with these Articles or any other agreement between the Shareholders.
27. All transfers of Shares shall be affected by transfer in writing in any usual common form or in such other form as the Board may from time to time or at any time approve.
28. 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 in 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.
29. The Board may decline to register the transfer of a share (not being a fully paid share) to a person of whom it shall not approve.
30. The Board may also refuse to Register any instrument of transfer of Shares:-
  - (a) On which the Company has a lien;
  - (b) If the registration fee of Kenya Shillings 20/- (or such lesser fee (if any) as the Board from time to time prescribes as the registration fee) is not paid to the Company in respect thereof; or
  - (c) It is not accompanied by the certificate 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
  - (d) It is of Shares of more than one class; or
  - (e) 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
- (f) In the case of a transfer to joint holders, they exceed four in number.
31. If the Board refuses to register a transfer, it shall within two months after the date, on which the transfer was lodged with the company, send to the transferor and transferee notice of the refusal.
32. The registration of transfers may be suspended and the Register closed at such times and for such period as the Board may from time to time determine, provided that it shall not be closed for more than thirty days in any year.
33. The company shall be entitled to charge a fee not exceeding Kenya Shillings 20/- on the registration of any probate, letters of administration, certificates of death or marriage power of attorney or other instrument relating to or affecting the title to any share.

#### TRANSMISSION OF SHARES

34. In case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his Shares but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.
35. Any person becoming entitled to a share in consequence of death or bankruptcy of a Member shall, 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 other person nominated by him registered as the transferee thereof; but the Board shall, in either case, have the same right to refuse or suspend registration as it would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.
36. 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.

37. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall subject to the requirement of Article 145 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 meeting of the Company or to 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 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.
38. 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 of any share, such fee (if any) not exceeding Kenya shillings 20/- as the Board may from time to time require or prescribe.

#### **FORFEITURE OF SHARES**

39. If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the company by reason of such non-payment.
40. The notice shall specify a date (being not less than fifteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place specified, the Shares on which the call was made will be liable to be forfeited.
41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time after the date specified in such notice, before the payments required by the notice have been made, be forfeited by a resolution of the board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
42. 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 thinks fit, and at any time before sale, a re-allotment or disposal, the forfeiture may be annulled on such terms as the Board thinks fit. The Board may authorise some person to execute the transfer of a forfeited share to any such other person.

43. A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, but shall notwithstanding the forfeiture, remain liable to pay to the company all moneys which at the date of forfeiture were then payable by him to the Company in respect of the Shares, with interest thereon at the rate of 15 per cent per annum from the date of forfeiture until payment, but the Board shall be at liberty to waive payment of such interest wholly in part.
44. The Board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed. Any share so surrendered may be disposed of in the same manner and upon the same terms as a forfeited share.
45. A statutory declaration in writing that the declarant is one of the Directors or the Secretary, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of such facts as against all persons claiming to be entitled to the share, and 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 shall constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder thereof, and his title to the share shall not be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **CONVERSION OF SHARES INTO STOCK**

46. The Company may from time to time by Ordinary Resolution convert any fully paid Shares into stock and reconvert any stock into fully paid-up Shares of any denomination.
47. The holders of a stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may, from time to time fix the minimum amount of stock transferable and restrict the transfer of fractions of such minimum but the minimum shall not exceed the nominal value of one of the Shares from which the stock arose.
48. The holders of stock shall, according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends,

participation in assets on a winding up, voting at meetings, and other matters as if they held the Shares from which the stock arose but no such rights, privileges or advantages (except participation in dividends and profits and in the assets on a winding up) shall be conferred by an amount of stock which would not if existing in Shares, have conferred such rights, privileges or advantages.

49. All the provisions of these Articles applicable to paid up Shares, shall apply to stock, and the words “share” and Member” herein shall include “Stock” and “Stockholder”.

#### **CONSOLIDATION, SUB-DIVISION AND CANCELLATION OF SHARES**

50. The Company may from time to time by Special Resolution:-
- (a) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares and authorise the Board to make such provisions as they think fit in case of any fractions arising in the course of such consolidation and division.
  - (b) Sub-divide its Shares, or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, (subject, nevertheless, to the provisions of section 405 (2) of the Act) and so that, as between the holders of the resulting Shares, one or more of such Shares may by the resolution by which the sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such Shares but so that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each share resulting from the sub-division shall be the same as it was in the case of the share from which such Shares were derived.
  - (c) Cancel any sharers which, at the date of the passing of the resolution, have not been issued or agreed to be take, by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled.
51. The Company may from time to time by special Resolution increase its share capital by such sum, to be divided into Shares of such amounts, as the resolution shall prescribe.
52. The Company may by the Resolution increasing the share capital direct that the new Shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provision of the Act) at a discount to all the exiting holders of any class of Shares for the time being in proportion as nearly as may be to the number of Shares of such class held by them respectively or make any other provisions as to the issue of such new Shares, and subject to or in default of any such direction, the provisions of these

Articles shall apply to the new Shares in the same manner in all respects as if they had formed part of the Shares in the original capital.

### **REDUCTION OF CAPITAL**

53. Subject to the consents and incidents required by the Act, the Company may by Special Resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any way and in particular, may extinguish or reduce the liability on any of its Shares, in respect of share capital not paid up, or either with or without extinguishing or reducing liability on any of its Shares, (a) cancel capital which has been lost or is unrepresented by available assets, or (b) pay off any share capital which is in excess of the wants of the Company.

### **REDEEMABLE PREFERENCE SHARES**

54. The Company may by Special Resolution create and sanction the issue of Preference Shares which are, or at the option of the Company are to be, liable to be redeemed, subject to and in accordance with the provisions of the Act. The Special Resolution sanctioning any such issue shall also specify by way of an addition to these Articles the terms on which and the manner in which any such Preference Shares shall be redeemed.

### **MEETINGS OF MEMBERS**

#### **CONVENING OF GENERAL MEETINGS**

55. Within eighteen months from its incorporation and in every year subsequent to that in which the first Annual General Meeting is held, the Company shall hold a General meeting as its Annual General Meeting in addition to any other meetings in the year and shall specify the meeting as such in the notice convening it. Not more than fifteen months shall elapse between the date of one Annual General meeting and that of the next. Subject as aforesaid, Annual General meetings shall be held at such times and places as the Board may determine. All General Meetings other than Annual General Meetings shall be called General Meetings.
56. The Board may whenever it thinks fit convene a General Meeting, and, General Meetings shall also be convened on such requisition or in default may be convened by such requisitions as provided by the Act. If at any time there are not within Kenya sufficient Directors, any two Members of the Company may convene a General Meeting in accordance with the Act.
- 55A. Annual General Meetings and General Meetings may be held by the Company as follows:

- (a) a physical meeting at such times and places as the Board shall appoint; or
- (b) a virtual meeting using electronic means (such as video-conferencing and tele-conferencing) and at such time as the Board shall appoint; or
- (c) a hybrid meeting comprising a partly physical meeting and a partly virtual meeting as set out in paragraphs (a) and (b) above.

Attendance by a Member via electronic means shall be sufficient for all intents and purposes of the relevant General Meeting.

### **NOTICE OF GENERAL MEETINGS**

- 57. Every general meeting shall be called by at least twenty-one days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall be given in the manner provided by these Articles to such Members as are, under the provisions of these Articles, entitled to receive notices from the Company, to all the Directors of the Company and also to the Company's Auditors. No resolution with respect to any substantive matter may be voted upon by the Shareholders at such meeting unless identified in the agenda as a matter that may be or will be voted upon at the meeting and is described in reasonable detail.
- 58. A meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed in accordance with the Articles and Applicable Law:-
  - b. In the case of a meeting called as an Annual General Meeting, by all the Members having the right to attend and vote thereat: and
  - c. In the case of any other meeting, by a majority in number of the members having that right together holding not less than 95 per cent in nominal value of the Shares giving that right.
- 59. Every notice of meeting shall specify the place of the meeting, the agenda of the meeting, the day and the hour of meeting, and, in the case of special business, the general nature of such business. Every notice convening an Annual General Meeting shall also specify the intention to propose the resolution as a Special Resolution, as the case may be. Every notice of meeting shall state with reasonable prominence that a Member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote thereat instead of him and that a proxy need not be a member.

60. The accidental omission to give notice of any meeting or the non-receipt of the notice of meeting by any person entitled to receive the same, shall not invalidate the proceedings at the meeting.

### **PROCEEDING AT GENERAL MEETINGS**

61. All business shall be deemed special that is transacted at a General Meeting, and also all business that is transacted at an Annual General Meeting, with exception of sanctioning or declaring dividends, the consideration of the accounts and balance sheet (and any other documents accompanying or annexed thereto); the reports of Directors and Auditors the election of Directors and any other documents required to be annexed to the balance sheet the appointment of, and the fixing of the remuneration of, the Auditors and the voting of remuneration or extra remuneration to the Director.
62. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; save as herein otherwise provided a quorum for all purposes shall consist of at least four members each of whom is present in person or by proxy or by attorney or in the case of a corporation in accordance with Article 79, provided that one Member holding the proxies of three or more other Members or one person holding the proxies of four or more Members shall not constitute a quorum”.
- 61A. Subject to Applicable Law, if sufficient notice as defined in Article 57 above has not been given, no business is to be transacted at a Shareholders’ meeting if the Investor Director is not present at the meeting.
63. If within fifteen minutes from the time for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such day and to such time, and place, as may be fixed by the Chairman of the meeting and if at such adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting, the Members present in person or by proxy shall be a quorum.
64. The Chairman (if any) of the Board or in his absence the deputy Chairman (if any) shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman or Deputy Chairman is present within fifteen minutes after the time fixed for holding the meeting or is willing to act as Chairman of the meeting, the members present willing to act as Chairman of the meeting, the Members present shall choose some Director, or if no Director is present, or if all the Directors present decline to take the chair, they shall choose some Member present to be Chairman of the meeting.
65. The Chairman of the meeting may with the consent of any meeting at which

a quorum is present (and shall if so directed by the meeting), but no business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given in like manner as in the case of the 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.

66. 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:-
- (a) By the Chairman of the meeting; or
  - (b) By any Member present in person or by proxy; or
  - (c) In the case of a corporation by a representative appointed in accordance with Article 79.

Unless a poll is so demanded, a declaration by the Chairman of the meeting that a resolution has 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 minute book, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

67. If a poll is duly demanded, it shall be taken in such manner as the Chairman of the meeting may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
68. 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 at such time and place as the Chairman of the meeting directs, but in any case not more than twenty-eight days after the meeting at which the poll was demanded any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll may be withdrawn at any time before the conclusion of the meeting or the date fixed for the taking of the poll.
69. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded and such demand may be withdrawn at any time.
70. On a poll votes may be given personally or by proxy or by attorney or by a representative of a corporation appointed in accordance with Article 79.

71. 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.
72. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or as representative or proxy of a member.
- 71A Notwithstanding anything to the contrary in these Articles, none of the matters set out in Part 1 of Schedule 1 (the **Shareholder Reserved Matters**) shall be taken or decided on in relation to the Company and the Company shall not as far as it is legally able, carry out or give effect to any Shareholder Reserved Matters unless first agreed by the Investor in writing.
73. Subject to the provisions of the Act, a Resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their representatives appointed in accordance with Article 77) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Such resolution may be contained in one document or in several documents in like form, each signed by one or more of the members (or their representative) as aforesaid.

#### **VOTES OF MEMBERS**

74. Subject to any special terms as to voting upon which any Shares may be issued or may for the time being, be held, on a show of hands every Member (who) is present in person or by proxy or (being a corporation) is present by a representative appointed in accordance with Article 77 shall have one vote. On a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.
75. On a poll votes may be given in person or by proxy.
76. On a poll a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
77. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register.



78. Any corporation which is a Member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any General Meeting, and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.
79. A Member incapable by reason of mental disorder or managing and administering his property and affairs may vote, whether on a show of hands or on a poll, by his receive, or other person authorised by any Court of competent jurisdiction to act on his behalf, an such person may on a poll vote by proxy.
80. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.
81. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at each 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.
82. (a) Proxy forms may be sent by the Company to all members entitled to notice of and to attend and vote at any meetings. Where the business of the meeting includes special business, the proxy forms may be so worded that a Member may vote either for or against the resolution to be proposed at that meeting which comprise such special business. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or under the hand of an officer or duly authorised attorney of such corporation.
- (b) An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

“CREDIT BANK PLC”

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a  
 Member/Members of the above-named Company, hereby appoint  
 \_\_\_\_\_ of \_\_\_\_\_ or failing him  
 \_\_\_\_\_ of \_\_\_\_\_ as  
 My/our proxy to vote for me/us and on my/our behalf at the  
 Annual/General Meeting of the Company to be held on the day of  
 19 \_\_\_\_\_ and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_  
This form is to be used \* in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

\* Strike out whichever is not desired.

- (c ) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
83. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or an office or notarially certified copy of such power of authority, shall be deposited at the office or at such other place as the notice of meeting shall specify, not less than Forty-eight hours before the time appointed 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, not less than Forty-eight hours before the time appointed for taking the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of Twelve months from the date named in it as the date of its execution.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding that previous death or incapacity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

### **DIRECTORS**

#### **NUMBER AND APPOINTMENT OF DIRECTORS**

85. (a) The number of Directors shall be not less than five (5) and until otherwise determined by the Company in general meeting shall not exceed eleven (11).
- (b) At the Annual General Meeting of the Company in every year one third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.
- (c) 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.
- (d) A retiring director shall be eligible for re-election.
- (e) The Company at the meeting at which a director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring director shall if offering himself for re-election be deemed to have

been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

- (f) No person other than a director retiring at the meeting shall unless recommended by the directors be eligible for election to the office of director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
- 84A. Subject to Applicable Law, the Investor shall, for so long as it holds at least 10% of the ordinary Shares of the Company, have the right to nominate for appointment, remove and replace one (1) director (the **Investor Director**) as it may deem fit subject to such nominated director satisfying the fit and proper requirements under Applicable Law.
86. The Board shall cause to be kept the Register of the Directors' holdings of Shares and debentures of the Company and of its subsidiaries or holding company (if any) required by the Act, and shall cause the same to be available for inspection during the period and by the persons prescribed, and shall produce the same at every Annual General meeting as required by the Act.

#### **REMUNERATION OF DIRECTORS**

87. The Directors other than those Directors whose remuneration is determined by agreement between the company and such 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, in General Meeting 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 paid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of board, or of committees of the Board, or General meeting, or of committees of the Board, or General Meeting, or which they may otherwise properly incur in or about the business of the Company.
88. 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 lump sum salary, percentage of profits or otherwise as the Board

may determine.

89. 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 Shares of the Company.
90. Any Director may with the consent of the Board (such consent not to be unreasonably withheld) appoint any person (whether a member of the Company or not), to be his Alternate to act in his place at any meeting of the Board at which he is unable to be present and may at any time remove any alternate Director so appointed by him from office. An alternate Director so appointed shall not as such be entitled to receive any remuneration from the Company. The remuneration of an Alternate Director shall be payable out of the remuneration of his appointor and shall be such proportion thereof as shall be agreed between them. Every person acting as an Alternate Director shall be an officer of the Company and he shall not be deemed to be the agent of the Director by whom he was appointed.
91. An Alternate Director shall be entitled to receive notices of all meetings of the Board and to attend and vote as a Director to any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence, including that of counting in a quorum at any such meeting.
92. An Alternate Director shall also cease to be an Alternate Director if his appointor ceases for any reason to be a Director or where the appointor gives notice to the Company that the Alternate Director representing him has ceased to do so.
93. Every appointment and removal of an Alternate Director shall be affected but notice in writing to the Company under the hand of the Director making or revoking such appointment.
94. A Director or any other person duly appointed as an Alternate Director may act to represent more than one Director, and a Director appointed as an alternate Director shall be entitled at Board Meetings to one vote for every Director whom he represents in addition to his own vote as a Director.

#### **DISQUALIFICATION OF DIRECTORS**

95. The office of a Director shall be vacated in any of the following events, namely:-
  - (a) If he ceases to be a Director under the Act or the Insolvency Act, 2015.
  - (b) If (not being a Managing Director holding office as such for a fixed term) he

- resigns his office by notice in writing to the Company.
- (c) If he is removed from office pursuant to Section 139 of the Act or by a Special Resolution.
  - (d) If he becomes bankrupt or makes any arrangement or composition with his creditors generally.
  - (e) If he becomes a mentally disordered person incapable of discharging his duties as a Director.
  - (f) If he is absent without permission of the other Directors from meetings of the Directors for more than six (6) consecutive months and the other Directors resolve that he should cease to be a Director.
  - (g) If he ceases to be a Director by virtue of any provision of the Act or is prohibited from being a director by law.
96. The Board may at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.
97. The Company may, by Ordinary Resolution, appoint another person in place of a Director removed from office under Article 94 and, without prejudice to the powers of the directors under Article 95, the Company may, by ordinary Resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
98. 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.
99. A Director may hold any other office or place of profit under the Company except that of Auditor) in conjunction with his office of Director and on such terms as to remuneration and otherwise as the Board shall arrange.

#### **DIRECTORS' CONTRACTS**

100. No Director shall be disqualified by his office from contracting with the

Company either as Vendor, purchaser or otherwise, or from being interested whether directly or indirectly in any contract or arrangement proposed to be entered into or in fact entered into by or on behalf of the Company; nor shall any such contract or arrangement in which any Director so constructing, or being so interested, be liable to account to the Company for any profit realised by him from such contract or arrangement in which he shall be so interested by reason of such director holding that office or the fiduciary relation thereby established, but it is declared that as regards such contract or arrangement the nature of his interest as aforesaid must be disclosed by him in accordance with the provisions of the Act.

101. A Director may vote as a Director in respect of any contract or arrangement in which he is interested (and if he shall do so his vote shall be counted) and he may be counted for the purpose of any resolution regarding the same in the quorum at the meeting.
102. Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than an Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

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

103. The business of the Company shall be managed by the Board, and the Board may pay all expenses incurred in promoting, establishing, forming and registering the Company and may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in General meeting, subject nevertheless to any provisions of these Articles and of the Act and to such regulations, being not inconsistent with such provisions, as may be prescribed by the company in General Meeting, but no regulations made by the Company in General Meeting, shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The General powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
104. The Board may from time to time establish any local boards or agencies for managing any of the affairs of the Company, either in Kenya or elsewhere, and may appoint any persons to be members of such local boards, or to be managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board (other than its powers to borrow and make calls) with power to sub delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the board may think fit, and the Board may remove any person so appointed, and may annual or vary any such delegation,

but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

105. The Board may from time to time establish and maintain or procure the establishment and maintenance of any non- contributory or contributory pension schemes or provident or superannuation funds or life assurance schemes for the benefit of and give or procure the giving of pensions, allowances, gratuities or bonuses to, any persons who are or were at any time in the employment or service of the Company or any Company which is a subsidiary of the Company or is allied to or is associated in business with the Company or with any such subsidiary, or of any business acquired by the Company or who are or who were at any time Directors or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons. Any Director shall be entitled to participate in and retain for his own benefit any such pension, allowances, gratuity or bonus and may vote in favour of the exercise of any of the powers aforesaid notwithstanding that he is or may become interested therein.
106. The Board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, to be the attorney or attorneys of the Company and for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection or inconvenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
107. The Company may have an Official Seal for use outside Kenya and such powers shall be vested in the Board.
108. The Company may exercise powers conferred by Section 121 to 123 of the Companies Act (Cap 486, now repealed) with regard to the keeping of a Branch Register and the Board may from time to time make any or vary such regulations as it thinks fit respecting the keeping of the Branch Registers of Members pursuant to the Act.
109. All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

## **BORROWING**

110. Subject as hereinafter provided the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertakings, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **MANAGING AND EXECUTIVE DIRECTORS**

111. The Board may from time to time appoint one or more of its body to the office of Managing Director, manager, or to any other office (except that of Auditor) or employment under the Company for such period and on such terms as it thinks fit, and subject to the terms of any agreement entered into in any particular case revoke such appointment.

A Managing Director shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation or retirement of directors, but his appointment shall without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company be automatically determined if he ceases for any cause to be a Director.

A director (other than a Managing Director) holding any such other office or employment is herein referred to as “an Executive Director”.

112. The Managing Director of the Company shall be appointed by the Board (subject to the provisions of contract between him and the Company). The tenure of his employment shall be determined at any time (subject to the terms of any contract between him and the Company) by unanimous resolution of the Board.
113. The tenure of the office or employment by virtue of the holding whereof a Director is an Executive Director shall not be determined by reason only of his ceasing for any reason to be a Director, but (subject to the terms of any contract between him and the Company) may be determined at any time by resolution of the Board.
114. The remuneration of any managing Director or executive Director for his services as such shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.



115. The Board may entrust to and confer upon a Managing Director or Executive Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and, in the case of a managing Director, either collaterally with or to the exclusion of its own powers, any may from time to time revoke, withdraw, or vary all or any such powers.

### **PROCEEDINGS OF THE BOARD**

116. (1) Subject to Applicable Law and the Articles, meetings of the Board shall be properly convened and held at such times as may be determined by the Board and in any event not less than four (4) times annually at the Company's principal place of business in Kenya or such other place as the Board may agree from time to time.
- (2) The Secretary on the instructions of the Chairman or on the requisition of a Director shall, at any time call a meeting of the Board. At least fifteen (15) days' notice (inclusive of the day of service and the date of meetings shall be given, unless waived by all the Directors or their respective Alternates. The notice should also specify the agenda of the meeting.
- (3) Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote.
- (4) Except in circumstances where the Board unanimously determines otherwise, with respect to a specific matter, no substantive matter may be approved, rejected, or otherwise decided upon at a meeting of the Board unless the notice of the meeting clearly stipulates that the Board may or will take action on the matter at the meeting and contained reasonable detail of the said matter.
- (5) The Board shall hold meetings as either: (a) physical meetings; (b) virtual meetings using electronic means (such as video-conferencing and tele-conferencing) whereby all persons participating in the meeting can hear and communicate with each other during the duration of the meeting; or (iii) hybrid meetings comprising a partly physical meeting and a partly virtual meeting as set out in (a) and (b) above.
- (6) Save for a physical meeting, attendance via electronic means shall be sufficient for all intents and purposes of the relevant meeting.
117. The quorum necessary for the transaction of the business of the Board shall be three Directors, two of whom shall be independent directors, present in person or by their duly appointed Alternates, provided that one person whether a Director or not although a duly appointed Alternate for any number

of Directors, shall not constitute a quorum.

- 116A. None of the matters set out in Part 2 of Schedule 1 of these Articles (the Board Reserved Matters) shall be taken or decided on in relation to the Company and the Company shall not as far as it is legally able, carry out or give effect to any Board Reserved Matters unless first agreed by the Investor in writing.
118. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the minimum number fixed by or in accordance with these Articles as the necessary quorum for Board meetings, the continuing Directors may act for the purposes of increasing the number of Directors to that number or of summoning General meeting of the company but not for any other purpose.
119. The Board may from time to time appoint a Chairman and if it thinks fit a Deputy Chairman of its meetings and determine the period for which they respectively are to hold office, but if no such Chairman or Deputy Chairman is appointed, or neither is present within fifteen minutes after the time fixed for holding any meeting, the Directors present may choose one of their member to act as Chairman of such meeting.
120. A resolution in writing, signed or approved by letter, telegram or telex by all the Directors or their Alternates for the time being entitled to receive notice of a meeting of the Board, shall be as effective as a resolution passed at a meeting of the Board duly convened and held and such resolution in writing may consist of several documents in like form each signed by one or more of such Directors.
121. A meeting of the Board at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Board or by the Directors generally.
122. The Board may delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated, be governed by the provisions of these Articles regulating the proceedings and meetings of the Board and shall also conform to any regulations that may be imposed on it by the Board.
- 121A. The Company shall maintain inter alia the following committees:
  - a. Credit Committee;
  - b. Risk Committee;
  - c. Executive Committee;

- d. Audit Committee; and
- e. Nominations and Remunerations Committee,  
(hereinafter referred to as the **Committees**).

121B Subject to Applicable Law, the Investor shall have the right to:

- a. have the Investor Director be a member of the Audit Committee and the Risk Committee, the Executive Committee, and the Nominations and Remunerations Committee; and
- b. have a representative attend meetings of any of the Committees.

123. All acts done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of Director, or person acting as aforesaid, or that they or any entitled to vote be as valid as if every such person had been duly appointed or had duly continued in office, and was qualified to continue to be and had continued to be, a Director and had been entitled to vote.

124. The Board shall cause minutes to be made in books provided for the purpose:-

- a) of all appointments of officers made by the Board,
- b) of the names of the Directors present at each meeting of the Board and of any committee of the Board; and
- c) of all resolutions, and proceedings at all meetings of the Company and of the Board and of Committees of the Board.

Any such minutes, if purporting to be signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

#### **SECRETARY**

125. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board. The provisions of Sections 244, 256 and 254 of the Act shall be observed.

#### **AUTHENTICATION OF DOCUMENTS**

126. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the

constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts there from as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

### ACCOUNTS

127. The Board shall cause to be kept such books of accounts as are necessary to exhibit and explain the transactions and financial positions of the Company and to give a true and fair view of the state of its affairs, and in particular (but without limiting the generality of the foregoing provisions) proper books of account with respect to:-
- (a) All sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place; and
  - (b) All sales and purchases of goods by the Company; and
  - (c) The assets and liabilities of the Company.
128. The books of accounts shall be kept at the office or (subject to the provisions of the Act) at such other place in Kenya as the Board thinks fit, and shall at all times be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any account or book document of the Company, except as conferred by the Act or authorised by the Board or by an ordinary Resolution of the Company.
129. The Board shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in General meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Act.
130. (a) The Accounts may be sent or otherwise made available by electronic means to all persons entitled thereto by publishing the Accounts on the Company's official website provided that the Company shall send to every Member or publish a summary of the Financial Statements and Auditors' Report in two daily newspapers with national circulation for two consecutive days drawing attention to the website on which the Accounts in full may be read, and the address to which a request for a printed copy of the Accounts may be submitted.

## AUDIT

131. Auditors of the Company shall be appointed and their duties regulated in accordance with Part XXVII of the Act.

## DIVIDENDS AND RESERVES

132. The profits of the Company available for dividends and resolved to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company may in General Meeting declare dividends accordingly.
133. No dividend shall be payable except out of the profits neither of the Company, nor in excess of the amount recommended by the Board.
134. All dividends shall be declared and paid according to the amounts paid on the Shares in respect whereof the dividend is paid, but no amount paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.
135. All dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared thereafter or declared after a particular date, such share shall rank for or be entitled to dividend accordingly.
136. Any General Meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and in particular of fully paid Shares or debentures of any other company and the Board shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board.
137. The Board may from time to time pay to the Members such interim dividends as appear to the board to be justified by the profits of the Company, and the board may also pay the fixed dividends payable on any preference Shares of the Company half yearly or otherwise on fixed dates whenever such profits in the opinion of the Board justify that course.

138. The Board may, before recommending any dividend, set aside out of the profits of the Company and carry to reserve or reserves such sums as it may think 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 equalising dividend, 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 may from time to time think fit. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to divide.
139. The Board shall transfer to share premium account as required by the Act sums equal to the amount or value of any premiums at which any Shares of the Company shall be issued. Subject to the provisions of the Act the provisions of these Articles relating to sums carried or standing to reserves shall be applicable to sums carried and standing to share premium account.
140. The Board may deduct from any dividend payable to any Members or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
141. Subject to Article 136 all dividends and interest shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the Register at the date at which such dividend shall be declared or at the date on which such interest shall be payable respectively, or at such other date as the Company may by Ordinary Resolution or in default thereof as the board may determine, notwithstanding any subsequent transfer or transmission of Shares.
142. The board may pay the dividends or interest payable on Shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such Shares.
143. No dividend or other moneys payable in respect of a share shall bear interest against the Company. All dividends unclaimed for one year after having Company. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company.
144. Any dividend interest or other sums payable in cash to the holders of share may be paid by cheque or warrant sent through the post to the address in the Register of the Member or person entitled thereto, and in case of joint holders to any one of such joint holders, or to such person and to such other address

as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the Member's risk, and payment of the cheque or warrant shall be a good discharge to the Company.

145. If several persons are entered in the Register as joint holders of any share, any one of them may give effectual receipts for any moneys payable in respect of the share.

### **CAPITALISATION OF PROFITS**

146. The Company may in General Meeting of the Board resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or of any share premium account or of the profit and loss account or otherwise available for distribution and accordingly, that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any Shares held by such members respectively or paying up in fully unissued Shares, income notes or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportions aforesaid or partly in the one way and partly in the other and the Board shall give effect to such resolution provided that amounts standing to the credit of a share premium account or a capital redemption reserve fund may for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

147. (1) Subject to any direction given by the Company the Board shall make all appropriations and applications of the profits resolved to be capitalised by any such resolution, and such profits shall be applied by the Board on behalf of the Members holding Ordinary Shares either:-

(a) In or towards paying up the amounts, if any for the time being unpaid on any Shares held by such members respectively, or

(b) In paying up full unissued Shares, income notes, debentures or obligations of the Company, of a nominal amount equal to such profits, for allotment and distribution credited as fully paid up, to and amongst such Members in proportion aforesaid; or partly in one way and partly in the other; provided that the only purpose to which sums standing to capital redemption reserve fund or share premium account shall be applied pursuant to this Article shall be payment up in full of unissued Shares to be allotted and distributed as aforesaid.

- (2) The Board shall have power after the passing of any such resolution:-
- (a) To make such provisions (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of Shares, debentures or obligations becoming distributable in fractions; and
  - (b) To authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing (as the case may require) either:-
    - (i) For the payment up by the Company on behalf of such Members (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; or
    - (ii) For the allotment to such Members respectively, credited as fully paid up, of any further Shares, income notes, debentures or obligations to which they may be entitled upon such capitalisation;

And any agreement made under such authority shall be effective and binding on all such Members.

- (3) The profits of the Company to which this Article applies shall be any undivided profits of the Company not required for paying the fixed dividends on any preference Shares or other Shares issued on special conditions and shall include:-
- (a) Any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation); and
  - (b) Any profits carried and standing to any reserve or reserves or to share premium or other special account.

### NOTICES

148. Any notice or other document may be served by the Company on any Member either personally, by electronic means, by means of a website or by sending it through the post in a prepaid letter addressed to such member at his address in the register. In case of joint holders, notice to the joint holder whose name stands first in the register shall be deemed as notice to all the joint holders.

149. Any Member whose address in the Register is not within Kenya, who shall from



time to time give to the Company an address within Kenya at which notices may be served upon him shall be entitled to have notices served upon him at such address.

150. Any notice or other document, if served by post, shall be deemed to have been served on the expiration of 72 hours after the day on which the letter containing the same is posted; and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted. Where a notice is sent by telegram or telex it shall be deemed to have been served at the expiration of 36 hours after the day on which it was sent.
151. Any notice or document sent by post to, or left at the address in the Register of, any Member in pursuance of these Articles shall, notwithstanding such Member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share whether held solely or jointly with other persons by such Member until some other person be registered in his stead as holder or joint holder thereof, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in such share.
152. 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, prior to his name and address being entered in the Register, shall have been duly given to the person from whom he derives his title to such share.
153. Notice of every General Meeting shall be given in the same manner hereinbefore authorised to every Member to every person upon whom the ownership of a share devolves by reason of his being a personal representative or trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting, to the Directors of the Company and also to the Auditors for the time being of the Company.

#### **WINDING UP**

154. If the Company shall be wound up, the liquidator may, with the sanction of a special Resolution of the Company and any other sanction required by the Act divide amongst the Members in specie or in kind the whole or any part of the assets of the Company, and the Liquidator may for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the Members as

the Liquidator with the like sanction shall think fit but so that no Member shall be compelled to accept any Shares or other securities whereupon there is any liability.

155. The power of sale of a Liquidator shall include a power to sell wholly or partially for Shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

#### **INDEMNITY**

156. The Directors, Managing Director, Managers, Auditors, Agent, Secretary and other Officers of the Company shall be indemnified out of the assets of the Company against any liability incurred by them as such in defending any proceedings, whether civil or criminal, in respect of alleged negligence, default, breach of duty or breach of trust, in which judgement is given in his/their favour, or in which he is/they are acquitted or in connection with any application under section 1005 of the Act in which relief is granted to him/them by the court.

#### **INSURANCE**

157. The Company shall purchase and maintain, with a reputable insurer, insurance, for or for the benefit of any person who is or was at any time a Director or officer of the Company against any liability against any liability to any person attaching to the Director in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the Company or associated company; or any liability incurred by the Director in defending any proceedings (whether civil or criminal) taken against the Director for any negligence, default, breach of duty or breach of trust (including fraud) in relation to the Company or associated company.

# 1 Reserved Matters

## Part 1: Shareholder Reserved Matters

### 1.1 Accounting Policies and Practices

- 1.1.1 Any change of Auditors or the alteration of the accounting reference date of the Company, or the alteration of the accounting policies or practices, bases or methods of the Company except, as required by law or to comply with a new accounting standard.
- 1.1.2 The approval and finalisation of the Company's audited financial statements, which approval shall not be unreasonably withheld or delayed.
- 1.1.3 The approval and finalisation of the Company's annual budget, where there is a variance in excess of 25% from the Company's annual budget for the previous year.

### 1.2 Senior Employees

Any material amendment to, or the entering into of a service agreement between the Company and the senior management team/Key Executives or the termination thereof.

### 1.3 Share Capital

- 1.3.1 The variation, creation, increase, re-organisation, consolidation, sub-division, conversion, reduction, redemption, repurchase, re-designation or other alteration of the authorised or issued share capital of the Company or the variation, modification, abrogation or grant of any rights attaching to any such share capital.
- 1.3.2 The entry into or creation by the Company of any agreement, arrangement or obligation requiring the creation, allotment, issue, sale, disposal, encumbering of, redemption or repayment of, or the grant to a person of the right (conditional or not) to require the creation, allotment, issue, sale, disposal, encumbering of, redemption or repayment of, a Share (including an option or right of pre-emption or conversion).

### 1.4 Fundamental/Material Transactions

- 1.4.1 The offer by the Company to each Shareholder of the right to subscribe for further Shares.
- 1.4.2 The sale, alienation, transfer or other disposal of or pledge or other encumbrance by the Company of any shares in any subsidiary of the Company, which would have an effect of more than 20% on the Company's net asset value.
- 1.4.3 The establishment of any share option or any other share incentive scheme.
- 1.4.4 The entry into of any partnership, joint venture, risk sharing or co-operation arrangements with any other party.

- 1.4.5 The conclusion of profit-sharing arrangements with employees and any such arrangements approved by the remuneration sub-committee (excluding existing arrangements disclosed prior to the Signature Date).
  - 1.4.6 The conclusion of, modification of or renewal of any contract or plan which provides for a material participation in the profits or dividends of the Company or any other material participation agreement which is similar to such contract or plan.
  - 1.4.7 The conclusion, modification or renewal of any material contract outside the ordinary course of the business of the Company.
  - 1.4.8 The acquisition of any business or undertaking for any consideration of any nature outside the ordinary course of business of the Company and which would have an effect of more than 10% of the Company's net asset value (upwards or downwards).
  - 1.4.9 The cessation or material variation of any material aspect of the business of the Company or the diversification of the business of the Company and which would have an effect of more than 10% of the Company's net asset value (upwards or downwards).
  - 1.4.10 The discontinuance, diversification of or expansion of any material business activities of the Company, which would have an effect of more than 10% of the Company's net asset value (upwards or downwards).
  - 1.4.11 The sale of the whole or a substantial part of the Company's business or assets, including but not limited to the goodwill of the Company or any other of its tangible assets, which would have an effect of more than 10% on the Company's net asset value (upwards or downwards).
- 1.5 **Constitutional Documents and Name**
- 1.5.1 The alteration of the constitution (or equivalent documents) of the Company.
  - 1.5.2 The alteration of the Company's name.
  - 1.5.3 The deregistration of the Company as a licensed banking institution.

## **Part 2: Board Reserved Matters**

### **1.6 Business Plan**

The approval of any new and any replacement of or alteration to the Business Plan for the relevant Financial Year or the taking of steps which are materially inconsistent with it.

### **1.7 Related Party Transaction**

The conclusion or implementation, other than in the ordinary course of business of the Company and on arms' length terms of any transaction of any nature with any Shareholder, Director or officer of the Company or any party associated directly or indirectly with such Shareholder, Director or officer.

## **Capital Expenditure**

Any capital expenditure and/or investment (singularly or cumulatively) in excess of 20% of the cost base and/or revenue of the Company which is not provided for in any budget which has been approved by the Board.