

THE COMPANIES ACT

(Act No. 17 of 2015)

COMPANY LIMITED BY SHARES

(AMENDED*)

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

Draft for AGM^{OF} discussions
CYTONN INVESTMENTS MANAGEMENT
PLC¹

Incorporated the 12TH day of SEPTEMBER, 2014

J. W. NDUATI & ASSOCIATES
2ND FLOOR, SUITES 42 & 49,
THE STABLES
KAREN ROAD
KAREN
P.O. BOX 27970
00100 GPO
NAIROBI

¹ PLC- Public Limited Company Name change from Cytonn Investments Management Ltd, to Cytonn Investments PLC vide a Special resolution dated 3rd March 2017

*Amended as at _____

THE COMPANIES ACT
(Act No. 17 of 2015)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
CYTONN INVESTMENTS MANAGEMENT PLC

1. The name of the Company is “CYTONN INVESTMENTS MANAGEMENT PLC”
2. The registered office of the Company will be situated in the Republic of Kenya.
3. The objects for which the Company is established are:-
 - (a) To provide financial advice of every description, including (but without limiting the generality of the foregoing words) all those capable of being provided by investment managers, stockbrokers, stockjobbers, investment pension and provident fund managers, managers of retirement benefits funds of all descriptions and advisers, promoters and managers of unit trusts, mutual funds, other collective investment vehicles and investment media, insurance brokers, underwriters, issuing houses and financiers;
 - (b) To undertake and carry on the business of fund managers, investment advisers, pension fund managers in accordance with the provisions of the Capital Markets Act (Chapter 485A of the Laws of Kenya) and the Retirement Benefits Act, Act 3 of 1997 or any other applicable, successor or amending legislation in respect of the same and to render investment management and advisory services to Kenyan and non-Kenyan clients in respect of all kinds of assets entrusted to the company;
 - (c) To invest the funds of or available to the company in the share or loan capital of any other company or enterprise wherever incorporated or carrying on business, and in the bonds or other obligations of any authority, undertaking or corporation, whether public or private;
 - (d) To carry on the business of an investment company, and for that purpose to acquire and hold either in the name of the company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations, warrants, options and securities issued or guaranteed by any company wherever incorporated, or issued or guaranteed by any government, public body or authority in any part of the world;
 - (e) To acquire any such shares, stock, debentures, debenture stock, bonds, notes, obligations, warrants, options or securities by subscription, purchase, exchange, underwriting or otherwise, and whether or not fully paid up, and subject to such terms and conditions (if any) as may be thought fit;
 - (f) To exercise and enforce all rights and powers conferred by or incident to the ownership of any investment of the company, and to provide managerial, administrative, supervisory and consultant services for or in relation to any company in which the company is interested on such terms as may be thought fit;
 - (g) To undertake and carry on the business of a holding, investment, lending and agency company and to carry out as principal or as trustee or agent for any person or company all or any of the objects hereby authorized; to invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, debentures, debenture

stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking or whatever nature and wherever constituted or carrying on business; to acquire any such shares, stocks, and others before mentioned by subscription, syndicate participation tender, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscriptions thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to act as managers of any syndicate; to vary any investments of the Company from time to time;

- (h) To invest the capital or other moneys of the Company in and to acquire (by purchase, lease concession, grant, licence or otherwise) and to hold, manage, develop, lease, exchange, sell or otherwise dispose of or deal in such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit in any part of the world; and to vary any of the investments of the Company, and to enter into, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings, and business of every description;
- (i) To acquire, carry on and undertake all or any part of the business, property and liabilities of any person or company carrying on business similar to that which the Company is authorized to carry on, or possessed of rights of property suitable for any of the purposes of the Company, and to purchase, acquire, sell and deal with the shares and securities of any such person or company;
- (j) To purchase, take on lease or otherwise acquire by way of investment and hold, occupy, let, underlet, cultivate, improve and manage freehold, leasehold, or other lands and property of every description, or any estate or interest therein, and subject or not to any leases, tenancies, mortgages, charges, rights, easements, restrictions or other encumbrances; and to erect, construct, lay down, alter, add to, enlarge and maintain upon or in any lands or property so purchased, taken or acquired, all manner of houses and other buildings, roads, pleasure grounds, parks, gardens, sewers, drains, gas, water, electric and other mains, pipes, wires, cables and other media, plant, machinery, apparatus and works;
- (k) To enter into hire, hire purchase and other agreements in respect of goods or articles dealt with and services supplied to or by the Company and to negotiate, assign, mortgage or pledge for cash or otherwise any such agreements or any payments or rights accruing there under;
- (l) To carry on the business of an investment company; and for that purpose to acquire and hold either in the name of the company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations, warrants, options and securities issued or guaranteed by any company wherever incorporated, or issued or guaranteed by any government, public body or authority in any part of the world;
- (m) To acquire any such shares, stocks, debentures, loans, scrip, bonds and/or securities or investments by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to make payments thereon as called up in advance of calls or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incident to the ownership

thereof, and to vary and transpose from time to time as may be considered expedient any of the Company's investments for the time;

- (n) To apply for, purchase, or otherwise acquire, any patents, brevets d'invention, licences, concessions, inventions, rights and privileges, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, sell, let, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired;
- (o) To amalgamate with any other company having objects altogether or in part similar to those of the Company;
- (p) To make, accept endorse and negotiate bills of exchange promissory notes and other negotiable instruments;
- (q) To act as agents for the sale and purchase of any stocks, shares or securities or for any other monetary or mercantile transactions;
- (r) To acquire on any terms, carry on and develop the whole or any part of the business, undertaking or assets of any corporation, company or person carrying on any business or undertaking of any kind which the Company is authorised to carry on;
- (s) To carry on the business wholesale and retail dealers in all and any commodities or articles which may be conveniently sold therewith and of whatever nature and kind and the carrying out of such other activities that are authorised by the objects of the Company and which the Company's Board of Directors may consider to be ancillary to the said objectives;
- (t) To carry on, develop, extend and turn to account the said business and any other trade or business whatsoever which can in the opinion of the Company be advantageously or conveniently carried on by the Company by way of extension of or in connection with any of its business or calculated directly or indirectly to develop any branch of the Company's business or to increase the value of or turn to account any of the Company's property or rights;
- (u) To engage and hire professional men and other staff and workers and to enter into agreements with such staff and workers with a view to making their services available to the Company and others;
- (v) To develop the resources of and turn to account any lands and any rights over or connected with lands belonging to or in which the Company is interested in particular by clearing, draining, fencing, irrigating, planting, cultivating, building, improving farming, grazing and by the establishment of towns, villages and settlements;
- (w) To sell, exchange, lease, let, grant licences, easements and other rights over, or otherwise dispose of or deal with any movable and immovable property, assets, business, rights, and effects of the Company or any part thereof or any option or other rights in relation thereto or any share or interest therein for such consideration and generally on such terms as the Company may determine;

- (x) To lend money to such persons and on such terms as may seem expedient and in particular to customers and others who may have dealings with the Company;
- (y) To borrow or raise or secure the payment of money in such manner as the Company thinks fit and to secure the same or the repayment or performance of any debt liability contract guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by any legal or equitable mortgage or charge upon any of the Company's property or by the issue of debentures charged upon any of the Company's property present and future (including its uncalled capital) or by the issue of any security whether registrable or not; and to purchase, redeem and pay off any such securities;
- (z) To guarantee all or any liabilities of and to assist or subsidise any customer of the Company or any company or person having objects similar to those of the Company or carrying on a business or of undertaking of a kind which the Company is authorised to carry on; and to secure any liability to be undertaken by the Company in any way and in particular by any legal or equitable mortgage or charge upon any of the Company's property or by the issue of debentures charged upon any of the Company's property present and future (including its uncalled capital) or by the issue of any security whether registrable or not;
- (aa) To purchase, lease, exchange, hire, sell mortgage or otherwise deal in lands and property of any tenure or any interest in the same in Kenya or elsewhere; to erect and construct houses, buildings or works of every description on any land of the Company, or upon any other lands or property, and to pull down, rebuild, enlarge, alter and improve existing houses, buildings or works thereon, to convert and appropriate any such land into and for roads, streets and other conveniences and generally to deal with and improve the property of the Company; to manufacture, buy and sell bricks, stone, marble, slates, chalks, sand and other building materials; to prospect for and mine building materials of all kinds, fuels, ores, precious and semi-precious stones and minerals and to process, market and deal in the same; to undertake or direct the management of the property, buildings, lands, mines, quarries and estates (of any tenure or kind) of the Company and any persons, whether members of the Company or not, and to transact on commission or otherwise the general business of a land agent;
- (bb) To acquire and take over any business or undertaking carried on upon or in connection with any land or building which the Company may desire to acquire as aforesaid or become interested in the whole or any part of the assets and liabilities of such business or undertaking and to carry on the same or to dispose of, remove or put an end thereto or otherwise deal with the same as may seem expedient;
- (cc) To establish and carry on and to permit the establishment and carrying on upon any property in which the Company is interested in any business which may be conveniently carried on upon or in connection with such property and the establishment of which may seem calculated to enhance the value of the Company's interest in such property or to facilitate the disposal thereof;
- (dd) To promote or aid in the promotion of any company or companies for the purpose of acquiring the business or undertaking or assets of the Company or any part thereof or for any purpose deemed calculated to benefit the Company;
- (ee) To pay for any property, moveable or immovable and any rights or privileges, either in cash or in stock or shares of the Company or partly in stock or shares or otherwise;

- (ff) On any sale, disposition or arrangement by the Company to accept payment, in whole or in part, in cash payable by instalments, or otherwise, fully or partly paid up shares with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, debentures or any other securities or not to any restriction as to transfer or otherwise and generally on such terms as the Company may determine;
- (gg) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place any of the shares or debentures or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business;
- (hh) To establish libraries, reading rooms and other conveniences and to provide recreation and instruction for its customers;
- (ii) To establish and provide all kinds of facilities and amenities for customers and others, and in particular club rooms, reading and writing rooms, games and sports accommodation, and courts, billiards and snooker facilities, changing rooms, lockers and safe deposits, telephones, stores and shops;
- (jj) To establish art galleries for the exhibition of paintings, photographs, engravings, sculptures, bronzes, enamels, jewellery, gems, coins, medals and other works of art, and for social, musical, theatrical, and other entertainments, and for lectures and other purposes, whether of a like or of a different kind, which may seem expedient;
- (kk) To form a collection of works of a suitable nature for such galleries, and to encourage the exhibition in such galleries;
- (ll) To undertake on behalf, sponsor or subsidise any cultural or sporting event performance or exhibition;
- (mm) To obtain all powers and authorities necessary to carry out or extend any of the objects of the Company;
- (nn) To make and carry into effect arrangements by way of partnership, co-ownership, working agreements or co-operation, or for sharing or pooling receipts, expenses, profits or losses, or for reciprocal or other concession, or for the interchange of business accommodation and facilities or otherwise with any corporation, company, body or person carrying on or proposing to carry on or engage in any business or transaction capable of being conducted in concession with or so as to benefit the company;
- (oo) To carry on all kinds of agency business and to take part in the management, supervision or control of the business or operation of any other company, association, firm or person and in connection therewith to appoint and remunerate any directors, accountants and other experts or agents;
- (pp) To make donations or grant gratuities pensions or allowances or participations in profits or otherwise and to establish support, organise and contribute to schemes for the benefit of officers or employees or to take all necessary or proper steps with any authority, whether national, local, municipal or otherwise in any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution dependants or relations or connection of such persons, or any other persons, or for any objects, and to establish and support and

subscribe to or aid in the establishment or support of associations, institutions, clubs, funds and trusts which may be considered to be calculated to benefit any such persons, or otherwise advance the interests of the Company or any of its members;

- (qq) To invest and deal with the moneys of the Company in such a manner as the Company may from time to time determine, and to lend money to any person or company and on such terms as may be deemed expedient, and in particular to customers and others having dealings with the Company;
- (rr) To procure the registration or incorporation of the Company as an anonymous or other society in any foreign country, state, protectorate, occupied or mandated territory;
- (ss) To distribute amongst the members of the Company in specie, kind or otherwise all or any part of the property of the Company;
- (tt) To do all or any of the above things in any part of the world and either alone or in conjunction with others, and either as principals or by or through agents, trustees, contractors or otherwise;
- (uu) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them; and
- (vv) To carry on any other business or activity which may seem capable of being conveniently carried on in connection with any activity of the company or may seem to the company calculated directly or indirectly to benefit the company.

AND it is and hereby declared that the word "Company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Kenya or elsewhere and the intention is that the objects of the Company as specified in each of the foregoing paragraphs so far as otherwise expressly provided in any paragraph be separate and distinct objects of the Company and shall not be in anyway limited or restricted by reference to or inference to any other paragraph or the order in which the same occur or the name of the Company.

- 4. The liability of the members is limited.
- 5. The share capital of the Company is Kenya Shillings Fifteen Million (K.Shs. 15,000,000/-) divided into:
 - a. 40,000,000 Class A Shares of Kenya Shillings 0.10 each; and
 - b. 110,000,000 Class B Shares of Kenya Shillings 0.10 each.

"With such rights, privileges and conditions respectively attached thereto as may be from time to time be conferred by the regulations of the Company; with power to increase and reduce the Capital of the Company and divide the shares in the capital for time being into several classes, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges and conditions, in such manner as may be for the time being provided by the regulations of the Company"

- ~~5. The share capital of the Company is Kenya Shillings Fifteen Million (Kshs 15,000,000/-) divided into One Million (1,000,000) shares of Five Kenya Shillings (Kshs.5/-) each with~~

² Change of Capital Structure vide a Ordinary resolution dated 16th February 2015

~~power to increase or reduce the capital and to issue any part of its capital original or increased with or without any preference, priority or special privileges or subject to any postponement of rights or conditions or restrictions and to consolidate or sub-divide the shares of large or smaller amount and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, and conditions in accordance with the regulations for the time being of the Company.~~

Draft for AGM discussions

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

NAMES, POSTAL ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
EDWIN HAROLD DAYAN DANDE P.O. BOX 100158 - 00101 <u>NAIROBI, KENYA</u> BUSINESSMAN	360,000	
ELIZABETH NAILANTEI NKUKUU P.O. BOX 20695-00200 <u>NAIROBI, KENYA</u> INVESTMENT MANAGER	150,000	
PATRICIA NJERI WANJAMA P.O. BOX 50027-00100 <u>NAIROBI, KENYA</u> LAWYER	100,000	
<hr/> TOTAL SHARES TAKEN	<hr/> 610,000	

Dated at Nairobi thisday of 2014

WITNESS TO THE ABOVE SIGNATURES:

CERTIFICATE UNDER THE COMPANIES REGULATIONS

It is hereby certified that the above Memorandum of Association of "CYTONN INVESTMENTS MANAGEMENT PLC³" was produced by the method of Xerography.

Advocate,
 P.O. Box 27970-00100,
 NAIROBI.

³ PLC means Public Limited Company

THE COMPANIES ACT
(Act No. 17 of 2015)
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
CYTONN INVESTMENTS MANAGEMENT PLC

INTERPRETATION

1. In these Articles:

“the Act” means the Companies Act, 2015, including any statutory modification or re-enactment thereof for the time being in force;

“these Articles” means these Articles of Association as now framed or as from time to time altered in accordance with the Act;

“the directors” means the directors of the Company, or a quorum of the directors duly constituted;

“the members” means the shareholders of the Company;

“the seal” means the common seal of the Company;

“the secretary” means any person appointed to perform the duties of the secretary of the Company;

expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and any other mode of representing or reproducing words in a visible form;

words importing the masculine gender only shall include the feminine gender;

words importing the singular number only shall include the plural numbers and vice versa;

unless the context otherwise requires, words or expressions defined in the Act shall bear the same meaning in these Articles.

PUBLIC COMPANY

2. The Company is a Public company.⁴

~~(1) the right to transfer shares is restricted in manner hereinafter appearing;~~

~~(2) the number of members of the Company (exclusive of persons who are in the employment of the Company, and of persons who, having been formerly in~~

⁴ Article 2 sub 1-4, deleted vide a Special resolution dated 3rd March 2017 following the conversion of the company from Private to Public Company

~~the employment of the Company, were while in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty (50); provided that where two (2) or more persons hold one or more shares in the Company jointly, they shall for the purpose of this Article be treated as a single member;~~

~~(3) any invitation to the public to subscribe for any shares or debentures of the Company is prohibited;~~

~~(4) the Company shall not have power to issue share warrants to bearer.~~

~~The Regulations contained in Table "A" Part 1 in the First Schedule to the Act shall not apply to the Company. The model Articles of Association in the Third Schedule to the Companies (General) Regulations 2015 shall not apply to the Company.⁵~~

BUSINESS

3. (1) Any branch or kind of business which the company is either expressly or by implication authorised 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;
- (2) The registered office shall be at such place in Kenya as the Board shall from time to time appoint.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. The share capital of the Company is Kenya Shillings Fifteen Million (K.Shs. 15,000,000/-) divided into:⁶
 - a. 40,000,000 Class A Shares of Kenya Shillings 0.10 each; and
 - b. 110,000,000 Class B Shares of Kenya Shillings 0.10 each.

4A. Class A Shares have the following rights:

- a. the right to vote at meetings of Members; and
- b. the right to receive dividends from the Company; and
- c. the right to participate in the distribution of assets on winding up of the Company; and
- d. the right to participate in any division of any surplus assets or profits of the Company on a pro rata basis with all other members having similar rights."

"4B. Class B Shares shall have the following rights:

- a. the right to participate in the distribution of assets on winding up of the Company; and
- b. the right to receive dividends from the Company."

⁵ In compliance with Companies Act, 2015

⁶ Change of Capital Structure vide a Ordinary resolution dated 16th February 2015

4. ~~The original share capital of the Company is Kenya Shillings Five Million (Kshs.5,000,000/=) divided into One Million (1,000,000) shares of Five Kenya Shillings (Kshs.5/=) each.~~
5. Subject to an ordinary resolution at a General meeting⁷, the unissued shares (if any) in the capital of the Company shall be at the disposal of the directors, who may allot, grant options over, or otherwise dispose of them to such persons, at such times, and for such consideration, and upon such terms and conditions as the directors may determine and the provisions of Section 356 of the Act shall apply, ~~but so that no shares shall be issued at a discount otherwise than in accordance with section 59 of the Act.~~⁸
6. Subject to the provisions of the Act, and 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 ordinary resolution determine.
7. Subject to the Act and to any rights attaching to existing shares, any share may be issued which can be redeemed at the option of the Company or the Holder. The Directors of the Company may determine the terms, conditions and manner of redemption of such redeemable shares. ~~any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed, on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.~~
8. 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, whether or not the Company is being wound up, be varied with the consent in writing of the holders of the 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 the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be any member or members present in person or by proxy and holding or representing not less than one-third of the issued shares of the class, and that any holder of the shares of the class present in person or by proxy may demand a poll.¹⁰
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. The Company may not pay commission exceeding the rates prescribed by any laws applicable to it to any person in consideration of that person subscribing or agreeing to subscribe, whether absolutely or conditionally, for any securities of the Company

⁷ Amending to be in line with Sec 329 of the Companies Act

⁸ Deleted as Section 356 of the 2015 Act now expressly prohibits thus

⁹ According to Section 520(3) of the Act

¹⁰ Provision compliant with Rule 1.1 of the NSE Listing Rules

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~~The Company may exercise the powers of paying commissions conferred by section 55 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section, and the rate of the commission shall not exceed the rate of ten percent (10%) of the price at which the shares in respect whereof the same is paid are issued, or the amount equal to ten percent (10%) of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.~~¹²

11. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two (2) months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one (1) certificate for all his shares or several certificates each for one or more of his shares upon payment of Kenya Shillings One Thousand only (Kshs 1,000.00) for every certificate after the first or such less sum as the directors shall from time to time determine. Every certificate shall be under the seal, and shall specify the shares to which it relates and the amount paid up thereon; provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

11B. In the event the Company immobilizes its shares all immobilized shares shall be deposited at an approved Central Depository . The title to immobilized and dematerialised shares will be evidenced otherwise than by a certificate and title to such shares shall be, if and when traded, transferred evidenced by means of a book-entry transfer.¹³

- i. No provision of these Articles shall apply or have effect in relation to any shares which have been immobilised or dematerialized to the extent that it is inconsistent in any respect with:
 - a) the holding of such shares in uncertificated form;
 - b) the transfer of title to such shares by means of a book-entry transfer; and
 - c) a provision of the laws governing the Company or as prescribed by the any regulatory Authority to which the Company is subject .
- ii. Transfers of Securities which have been immobilised or dematerialised shall be effected in the manner prescribed by the laws governing the Company or as prescribed by the any regulatory Authority to which the Company is subject.
- iii. Where the Company refuses to register transfers of Securities required to be registered under an applicable law, it shall serve the transferor and transferee with written notice of the reasons for such refusal .
- iv. An instrument of transfer lodged with the Company at a central depository shall be capable of registration in the name of the 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.
- v. With effect from the Dematerialisation Date, any reference to a transfer of shares or debentures shall be a reference to a book-entry transfer performed

¹¹ Addition in the compliance to the NSE Listing Rules 1.13

¹² Deletion in the compliance to the NSE Listing Rules 1.13

¹³ Addition in the compliance to the NSE Listing Rules 1.45

by a central depository .

- vi. Any provisions in these articles inconsistent with the requirements of the laws governing the Company or as prescribed by the any regulatory authority to which the Company or any regulations in respect of registration, transfer, immobilisation or dematerialisation 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 immobilised or dematerialised or are required to be immobilised or dematerialised in part or whole as the case may be.
12. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of a fee of Kenya Shillings Five Hundred only (Kshs. 500.00) or such less sum and on such terms (if any) as to evidence and indemnity, and the payment of out-of-pocket expenses of the Company of investigating evidence, as the directors think fit.
13. ~~The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or a subscription made or to be made by any person of or for any shares in the Company or in its holding company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Article shall prohibit transactions mentioned in the proviso to clause 56 (1) of the Act.¹⁴~~
14. Unless otherwise determined by a special resolution and except in the case of the issue of shares pursuant to any rights previously conferred in accordance with these Articles, whenever the Board proposes to issue any shares they shall offer them in the first instance to members (other than preference shareholders not specifically entitled to them under the terms of issue of their preference shares) in proportion as nearly as may be to the number of the existing shares held by them. Such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time (not less than twenty-one days) within which the offer, if not accepted, will be deemed to be declined and after the expiration of that time (if other offer is not accepted) or on the receipt of an intimation from the member to whom the offer is made that he declines to accept the shares offered the Board may allot or otherwise dispose of those shares to such persons and upon such terms as may be decided by it. The Board may likewise so dispose of shares which, by reason of the ration which the offered shares bear to existing shares, cannot in the opinion of the Board be conveniently offered under this Article.¹⁵
15. ~~If any shares in the capital of the Company are issued for the purpose 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 may, subject to any conditions under the Act, pay interest on such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant as the case may be.¹⁶~~

¹⁴ Suggestion is the deletion of this as this will restrict the Company's ability to issue credit to prospective clients for the securities we will issue hence restricting funding and as allowed under the Act Part XVI

¹⁵ In compliance with Rule 1.2 of Listing Rules

¹⁶ Deleted pursuant to the provisions of the Companies Act, 2015

LIEN

16. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company, but the directors 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.
17. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which such lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect to which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.
18. To give effect to any such sale, the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see 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.
19. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

20. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of shares, or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, ~~provided that no call shall exceed one fourth of the nominal value of the share, or be payable at less than one (1) month from the date fixed for the payment of the last preceding call,~~¹⁷ and each member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.
21. A call shall be deemed to have made at the time when the resolution of the directors authorising the call was passed, and may be required to be paid by instalments.
22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
23. 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

¹⁷ Deleted as the restrictions are not statutory

from the day appointed for payment thereof to the time of actual payment at such rate ¹⁸not exceeding five percent (5%) per annum as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or part.

24. Any sum which by the terms of issue of a 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 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.
25. Neither the directors nor the Company are to be given power on the issue of securities to make any difference between the holders of the same class of share in the amount of calls to be paid and the time of payment of such calls or in any other respect whatsoever¹⁹
~~The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.~~

~~The directors may, if they think 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 payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) six percent (6%) per annum, as may be agreed upon between the directors and the member paying such sum in advance.²⁰~~

TRANSFER OF SHARES

26. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

27B ²¹ Every instrument of transfer shall be left at the transfer office of the Company at which it is presented for registration accompanied by the certificate of the securities to be transferred and or such other evidence as the issuer may require to prove the title of the transferor or his rights to transfer the securities. All authorities to sign Transfer Deeds granted by shareholders for the purpose of transferring securities which may be lodged, produced or exhibited with or to the Company at any of its offices shall as between the Company and the grantor of such authorities be taken and deemed to continue and remain in full force and effect and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Company's transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices the Company shall be

¹⁸ Deleted as the restrictions are not statutory

¹⁹ Deletion in the compliance to the NSE Listing Rules 1.3

²⁰ Entire clause to be deleted as not statutory and not in precedents;

²¹ Addition in the compliance to the NSE Listing Rules 1.9

entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.

27. There shall be no restriction on the transfer of securities however the directors may, in their absolute discretion, and ~~without assigning any reason therefor,~~ decline to register the transfer of a share, where it is then or not a fully paid share.

28. 22

Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form, or any other form which the directors may approve.

29. The directors may also decline to recognise any instrument of transfer unless:

(1) a fee of Kenya Shillings One Thousand only (Kshs.1,000.00), or such lesser sum as the directors may from time to time require, is paid to the Company in respect thereof;

(2) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require, to show the right of the transferor to make the transfer; and

(3) the instrument of transfer is in respect of only one (1) class of share;

~~(4) —²³~~

(5) the lien that the company has over the shares is discharged;

(6) the registration would otherwise infringe the Laws of the Republic of Kenya

~~(7) — the Board approves of the person and also in such circumstances as the rights of pre-emption in respect of such share(s) shall not be applicable;~~

~~(8) — the transferee named therein is:~~

~~(i) — not an infant person; or~~

~~(ii) — not a person incapable by reason of mental disorder of managing and administering his property and affairs; or~~

~~(iii) — not a partnership in its partnership name.~~

²² Compliance to Sec 10 of the Companies Act

30. If the directors refuse to register a transfer, they shall within sixty (60) days after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
31. The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine; provided always that such registration shall not be suspended for more than thirty (30) days in any year.
32. The Company shall be entitled to charge a fee not exceeding Kenya Shillings Two Thousand (Kshs 2,000.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instrument.
33. The Company shall be entitled to retain any instrument of transfer, which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

PRE-EMPTION RIGHTS

34. ²⁴DELETED.
 - (1) ~~Except as hereinafter provided no shares in the Company may be transferred unless and until the rights of pre-emption hereinafter conferred have been exhausted;~~
 - (2) ~~Every member who wishes to transfer any share or shares ("the Vendor") shall give to the Company notice in writing ("the Transfer Notice"). The Transfer Notice constitutes the Company the Vendor's agent on the terms herein set out for the sale of the share or shares specified therein ("the Transfer Shares") to the members other than the Vendor at a price to be agreed upon by the Vendor and the directors or, in case of difference, at the price which the auditor of the Company for the time being, by writing under his hand, certifies to be in his opinion the fair value thereof as between a willing seller and a willing buyer. The Transfer Notice may contain a provision that, unless all shares comprised therein are sold by the Company pursuant to this Article, none should be sold and any such provision should be binding on the Company;~~
 - (3) ~~If the auditor is asked to certify the fair price as aforesaid, the Company shall, as soon as it receives the Auditor's certificate, furnish a certified copy thereof to the Vendor and the Vendor may by notice in writing given to the Company within twenty one (21) days of the service upon him of the said certified copy, cancel the Company's authority to sell the Transfer Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor gives notice of cancellation as aforesaid in which case he shall bear the cost;~~
 - (4) ~~Upon the price being so fixed and provided the Vendor has not given notice of cancellation as aforesaid, the Company shall forthwith by notice in writing inform each member other than the Vendor of the number and price of the Transfer Shares and invite each such member to apply in writing to the Company within twenty one (21) days of the date of dispatch of the notice~~

²⁴ Provisions of Sale of shares via Private Transfer has been deleted vide a Special resolution dated 3rd March 2017

(which date shall be specified therein) for such maximum number of the said shares (being all or any thereof) as he shall specify in such application;

- ~~(5) — If the said members shall within the said period of twenty one (21) days apply for all or (except where the transfer notice provides otherwise) any of the Transfer Shares, the Directors shall allocate the Transfer Shares (or so many of them as shall be applied for as aforesaid) to or amongst the applicants and in case of competition pro rata (as nearly as possible) according to the number of shares in the Company of which they are registered as holders, provided that no applicant shall be obliged to take more than the maximum number of shares specified by him. The Company shall forthwith give notice of such allocations (an "Allocation Notice") to the Vendor and to the persons whom the Transfer Shares have been allocated and shall specify in such notice the place and time (being not earlier than fourteen (14) and not later than twenty eight (28) days after the date of the notice) at which the sale of the shares so allocated shall be completed;~~
- ~~(6) — The Vendor shall be bound to transfer the shares comprised in the Allocation Notice to the purchasers named therein at the time and place specified and, if he fails to do so, the Chairman of the board of directors or some other person appointed by the directors shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the shares to the purchasers thereof against payment of the price to the Company. On payment of the price to the Company, the purchaser shall be deemed to have obtained good quittance for such payment and on execution and delivery of the transfer the purchaser may have his name entered in the register of members as the holder by transfer of such shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the Vendor;~~
- ~~(7) — During the six (6) months following the expiry of the said period of twenty-one (21) days referred to in paragraph (4) of this Article 35, the Vendor shall, subject nevertheless to the provisions of Article 37, be at liberty to transfer to any person and at any price (not being less than fixed under paragraph (2) of this Article 35) any share not allocated by the directors in an Allocation Notice provided that, if the Vendor stipulated in his Transfer Notice that, unless all the shares comprised therein were sold pursuant to this Article none should be sold, the Vendor may not without the written consent of all the other members of the Company, sell only some of the shares comprised in his Transfer Notice.~~

EXCLUDED TRANSFERS

35. DELETED²⁵

~~Subject to the provisions of Article 30, the rights of pre-emption in Article 35 shall not apply in any of the following cases~~

- ~~(1) — where the transfer is approved in writing by all the members;~~

²⁵ Provisions of Sale of shares via Private Transfer has been deleted vide a Special resolution dated 3rd March 2017

- ~~(2) any transfer by a corporate member to an associated company (that is to say any holding company or subsidiary of such corporate member and any other subsidiary of any such holding company);~~
- ~~(3) any transfer to a member to the spouse, child or remote issue, brother, sister or parent of that member;~~
- ~~(4) any transfer by the personal representative of a deceased member to the widow, widower, child or remote issue, brother, sister or parent of that deceased member;~~
- ~~(5) any transfer by the trustees, executors or administrators of a deceased member to new trustees, executors or administrators upon any change hereof;~~
~~or~~
- ~~(6) any transfer by a corporate member to a company formed to acquire the whole or a substantial part of the undertaking and assets of such corporate member as part of a scheme of amalgamation or reconstruction.~~

TRANSMISSION OF SHARES

- 37. In case of death of a member, a survivor or survivors where the deceased was a joint holder, and the personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 38. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share, or to have some person nominated by him registered as the transferee thereof, but the directors shall, in either case, have the same right to decline or suspend registration as they 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.
- 39. 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 executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred, and the notice or transfer were a transfer signed by that member.
- 40. A person being entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided always that the directors may at any given time give notice requiring any

such person to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within three (3) months, the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

41. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may be accrued.
42. The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which 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 appointed, the shares in respect of which the call was made will be liable to be forfeited.
43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the amount required by the notice has been paid, be forfeited by a resolution of the directors to that effect.
44. A forfeited share may be sold or otherwise disposed of on such terms, and in such manner, as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
45. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
46. A statutory declaration in writing that the declarant is a director or the secretary of the company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof, and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
47. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of a share, becomes payable at fixed time, whether on account of the nominal value of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
48. When any shares have been forfeited, notice of the forfeiture shall forthwith be given to the holder of the shares or to the person entitled to the shares by reason of the

death or bankruptcy of the holder (as the case may be) but no forfeiture shall be invalidated by any omission or neglect to give such notice as aforesaid.

CONVERSION OF SHARES INTO STOCK²⁶

49. ~~The Company may, by ordinary resolution, convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.~~
50. ~~The holders of 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, and the directors may from time to time fix the minimum amount of stock transferable, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.~~
51. ~~The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.~~

ALTERATION OF CAPITAL

52. ~~Draft for AGM discussion~~ The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
53. The Company may by ordinary resolution:
- (1) consolidate or divide all or any of its share capital into shares of larger amount than its existing shares;
 - (2) subdivide its existing 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)²⁷ of the Act; In the case of any issue of a fraction of a shares, that fraction may be sold for the benefit of the shareholder in such manner as the directors may determine²⁸
 - (3) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
54. The Company may, by special resolution, reduce its share capital, any capital redemption reserve fund, or any share premium account, in any manner and with, and subject to, any incident authorised and consent required by law.

ACQUISITION OF A COMPANY OF ITS OWN SHARES

²⁶ Delete (refer to Section 322(2) of the Companies Act)

²⁷ Change made to reflect 2015 Act

²⁸ Addition in the compliance to the NSE Listing Rules 1.17

55. The Company may acquire its own shares in accordance with Part XVI of the Act.

GENERAL MEETINGS

56. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next; provided that so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint.²⁹
57. All general meetings other than annual general meetings shall be called general meetings.
58. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by section 277 of the Act.³⁰

NOTICE OF GENERAL MEETINGS

59. In convening a general meeting the company shall (a) in the case of its annual general meeting give a twenty-one (21) days' notice in writing at the least and (b) in the case of any other general meeting give at least a fourteen (14) day notice to its members. 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 specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, prescribed by the Company in general meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company; provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:
- (1) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
 - (2) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety five percent (95%)³¹ in nominal value of the shares giving that right.
60. In every notice calling a meeting there shall appear, with reasonable prominence, a statement that a member entitled to attend and vote thereat is entitled to appoint one or more proxies to attend and vote in his stead and that every proxy need not be a member.

²⁹ Amended in light of Section 310 of the Act

³⁰ Amended to reflect the 2015 Act

³¹ This should now be at least 95% i.e. Section 281(7) (b)

59B In every notice calling a meeting, a copy of the notice shall be sent to any Securities Exchange at which securities of the Company are admitted for listing the same time as notices are sent to shareholders and shall be additionally published as required by the said Securities Exchange listing rules.

³²

61. The the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

62. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the directors and auditors, and the appointment of, and the fixing of the remuneration of, the auditors.
63. The quorum at a general meeting shall be at least three shareholders entitled to attend and vote and shall carry a minimum voting right of 50% of the total shareholders' vote³³

~~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 any two members present in person or by proxy, and having the right to vote at the meeting shall be a quorum.~~

64. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day, and such other time and place, as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
65. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.
66. If at any meeting no director is willing to act as chairman, or if no director is present within fifteen (15) minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
67. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting, and at any separate meeting of the holders of any class of shares in the Company.

³² Addition in the compliance to the NSE Listing Rules 1.19 and 1.37

³³ Deletion in the compliance to the NSE Listing Rules 1.21

68. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting 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. When a meeting is adjourned for thirty(30)days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
69. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (1) by the chairman; or
 - (2) by no fewer than five members present in person or by proxy having the right to vote on the resolution³⁴
 - (3) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (4) by any member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
70. Unless a poll be 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, and an entry to that effect in the book containing the 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.
71. The demand for a poll may be withdrawn.
72. Except as provided in Article 75, if a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
73. 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.
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 second or casting vote.
74. 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.

³⁴ In compliance with the 2015 Act

75. 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 as the chairman of the meeting directs, and any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll.

~~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 the Article) 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 or several documents in like form each signed by one or more of the members (or their representatives) as aforesaid.~~³⁵

VOTES OF MEMBERS

76. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one (1) vote, and on a poll every member shall have one (1) vote for each share of which he is the holder.
77. In the case of joint holders, 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 of members.
78. A member of unsound mind in respect of whose estate a manager has been appointed under section 26 of the Mental Health Act (Chapter 248, Laws of Kenya) 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.
79. 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.
80. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decisions shall be final and conclusive.
81. On a poll votes may be given either personally or by proxy.
82. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
83. The instrument appointing a proxy, and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company, or at such other place within Kenya as is specified for that purpose in the notice convening the

³⁵ Deleted as a Plc is not allowed to issue written resolutions

meeting, 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, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

84. An instrument appointing a proxy shall be in the following form, or a form as near thereto as circumstances admit:

"CYTONN INVESTMENTS MANAGEMENT PLC³⁶"

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 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 20____, and at any adjournment thereof.

Signed this _____ day of _____ 20____.

85. Where it is desired to afford members an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form, or a form as near thereto as circumstances admit:

"CYTONN INVESTMENTS MANAGEMENT PLC³⁷"

Draft for AGM discussions
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 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 20____, and at any adjournment thereof.

Signed this _____ day of _____ 20____.

*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".*

86. 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. Such appointment shall be subject to these Articles

87. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

88. 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 proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given; provided that no intimation in writing

³⁶ PLC means Public Limited Company

³⁷ PLC means Public Limited Company

of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

89. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
90. ~~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 attend and vote at general meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.~~³⁸

AMENDMENTS TO RESOLUTIONS

90. An ordinary resolution to be proposed at a general meeting may be amended by an ordinary resolution if –
- (a) notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
91. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if –
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

91. 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 meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

DIRECTORS

92. (1) Unless and until otherwise determined by the Company in general meeting, the directors shall be Five (5) not more than Eleven (11) in number.

³⁸ Deleted as a Plc cannot pass a members resolution by way of a written resolution

- (2) The names of the first directors shall be determined in writing by the subscribers of the memorandum of association or a majority of them, and until such determination, the signatories to the memorandum of association shall be the first directors.

93. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. ~~The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors, or general meetings of the Company or in connection with the business of the Company.~~—The directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the Company, and in attending meetings of the directors or of committees thereof, and that if any director shall be required to perform extra services or to go to reside abroad or otherwise shall be specifically occupied about the Company's business, he shall be entitled to receive a remuneration to be fixed by a disinterested quorum of directors which may be either in addition to or in substitution for any other remuneration.³⁹

94. ~~Any director who, by request, performs special services or goes or resides abroad for any purposes of the Company shall (unless otherwise expressly resolved by the Company in general meeting) receive such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine.~~

95. 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.

96. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company, or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or other officer of, or from his interest in, such other company unless the Company otherwise directs.

BORROWING POWERS

97. 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. This is provided that the total amount owing by the Company in respect of monies so raised, borrowed or secured shall not exceed the amount authorised by any laws or regulations.

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POWERS AND DUTIES OF DIRECTORS

³⁹ Addition in the compliance to the NSE Listing Rules 1.27

⁴⁰ Addition in the compliance to the NSE Listing Rules 1.51

98. The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting 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 of these Articles, the provisions of the Act, and such regulations, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid had such regulation not been made.
99. The directors may from time to time, and at any time, by power of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company, for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles), and for such period, and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
100. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in Kenya or elsewhere, and may appoint any persons to be members of such local boards or managers or agents and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies. Any such appointments or delegation may be made upon such terms and subject to such conditions as the Directors may think fit and the Board may remove any person so appointed and may annul or vary such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
101. The Company may exercise the powers authorised by law with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

~~The Company may exercise the powers conferred upon the Company by sections 121 to 124 (both inclusive) of the Act with regard to the keeping of a branch register, and the directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register. ⁴¹ All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine. ⁴²~~

102. The Board shall cause Minutes to be recorded⁴³ ~~made, in books provided for the purpose, recording~~ in respect of every Meeting of the Company, of the Board and of the Committees of Directors, the names of all persons present and all resolutions and proceedings at such meetings. The Minutes of every such meeting shall be read at the next meeting of the Company, of the Board or of the Committee of Directors, as the

⁴¹ No longer applicable check Rule 39 of the Savings and Transition(Schedule 6)

⁴² Deleted to comply with Section 45 of the Act; Rule 9 of the transition provisions seems to imply this is not acceptable

⁴³ In compliance with 2015 Act; minutes don't have to be in writing

case may be, and after being amended or corrected, if necessary, and approved by the meeting, shall be signed by the Chairman of the meeting and, once signed, shall be prima facie evidence of the matters stated therein.

103. The directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any other salaried office or place of profit with the Company, or to his widow or dependants, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

DISQUALIFICATION OF DIRECTORS

104. The office of director shall be vacated if the director:
- (1) is removed from office pursuant to Section 139 of the Act or by resolution passed by the Company in a General Meeting as provided in these Articles; or
 - (2) ceases to be a director by virtue of section 131 of the Act; or
 - (3) becomes bankrupt, or makes any arrangement or composition with his creditors generally; or
 - (4) becomes prohibited from being a director by reason of any order made under Part X of the Act; or
 - (5) becomes of unsound mind; or
 - (6) resigns his office by notice in writing to the Company; or
 - (7) shall for more than six (6) months have been absent, without permission of the directors, from meetings of the directors held during that period; or
 - (8) is replaced or removed by the Member nominating him pursuant to the provisions of these articles.

105. A casual vacancy in the Board may be filled by a decision of the Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. ~~upon nomination by the Member who had nominated the Director in respect of whom the vacancy has arisen.~~ The appointment of a director to fill a casual vacancy shall be in place until the next annual general meeting when that Director shall be eligible for re-election.⁴⁴

106. ~~A Director removed from office under Article 92 shall only be replaced by a person nominated by the Members who had nominated the Director so removed.~~

NO ROTATION OF DIRECTORS⁴⁵

107. The following provisions shall apply:

⁴⁴ Addition in the compliance to the NSE Listing Rules 1.53

⁴⁵ Modified to allow for rotation as per NSE Listing Rule 128 and in line with Companies Act (General) Regulations, 2015

1. At the first annual general meeting after Listing, all the directors are required to retire from office.
2. At every subsequent annual general meeting, one-third of the directors for the time being are required to retire from office. (3)
3. Subarticles (1) and (2) are subject to article the reappointment of a director as per subarticle (8) below.
4. For the purposes of subarticle (2), if the number of directors is not 3 or a multiple of 3, then the number nearest one-third are required to retire from office.
5. The directors to retire in every year are to be those who have been longest in office since their last appointment or reappointment.
6. For persons who became directors on the same day, those who are to retire are to be determined by lot, unless they otherwise agree among themselves.
7. At the annual general meeting at which a director retires, the company may appoint a person to fill the vacated office.
8. A retiring director is regarded as having been reappointed to the office if – (a) the company does not appoint a person to the vacated office; and (b) the retiring director has not given notice to the company of the intention to decline reappointment to the office.
9. However, a retiring director is not regarded as having been reappointed to the office if – (a) at the meeting at which the director retires, it is expressly resolved not to fill the vacated office; or (b) a resolution for the reappointment of the director has been put to the meeting and lost.
10. A person is not eligible for appointment to the office of director at any general meeting unless – (a) the person is a director retiring at the meeting; (b) the person is recommended by the directors for appointment to the office; or (c) a member qualified to attend and vote at the meeting has sent the company a notice of the member's intention to propose the person for appointment to the office, and the person has also sent the company a notice of the person's willingness to be appointed.
11. The member who intends to propose the person for appointment for appointment to the office shall authenticate the notice and the person shall endorse on the notice his or her willingness to be appointed. The member shall send the notice to the company in hard copy form or in electronic form and ensure that it is received by the company at least 7 days before the date of the general meeting.
12. The company may – (a) by ordinary resolution increase or reduce the number of directors; and (b) determine in what rotation the increased or reduced number is to retire from office. Retiring director eligible for reappointment A retiring director is eligible for reappointment to the office.

108. ~~The directors shall not be required to resign by rotation. A retiring director is eligible for reappointment to the office~~

APPOINTMENT AND REMOVAL OF DIRECTORS

109. The Company may from time to time by ordinary resolution increase or decrease the number of directors.
110. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy, or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these Articles. ~~Any director so appointed shall hold~~

~~office until he is removed or his office is vacated, in each case in accordance with these Articles.~~ The appointment of a director to fill a casual vacancy or as an addition to the board and shall be confirmed at the next annual general meeting.⁴⁶

111. The Company may by ordinary resolution, of which special notice has been given in accordance with section 139⁴⁷ of the Act, remove any director at any time notwithstanding anything in these Articles or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.
112. The Company may by ordinary resolution appoint another person in place of a director removed from office under Article 105, and, without prejudice to the powers of the directors under Article 106 the Company in general meeting may appoint any person to be a director either to fill a casual vacancy or as an additional director.
113. (1) Any director may appoint another director or any other person to be his Alternate to act in his place any meetings of the Directors at which he is unable to be present. Such appointee shall be entitled, in the absence of his appointor, to exercise all the rights and powers of a Director and to attend and vote at the 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. 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.
- (2) 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.

PROCEEDINGS OF DIRECTORS

114. (1) The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Any Director or member of a committee of the Directors may participate in a meeting of Directors or such committee by means of telephonic video, electronic or similar communications whereby all persons participating in the meeting can at least hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting. The place where the Chairman of the meeting is located at the time of the meeting shall be deemed to be the location of the meeting.
- (2) Questions arising at any meeting shall be decided by a majority of votes. In case of equality of votes, the chairman shall have a second or casting vote.

⁴⁶ Addition in the compliance to the NSE Listing Rules 1.53

⁴⁷ In compliance with the 2015 Companies Act

(3) A director may, and the secretary on requisition of a director shall, at any time summon a meeting of the directors. Notices of meetings shall be given to all directors, whether or not ordinarily resident in Kenya.

115. The quorum necessary for the transaction of the business of the directors shall be a simple majority of the directors.

116. The continuing directors may act notwithstanding any vacancies in their number, but if the number of Directors, ~~if the number is less than the number constituting the quorum, they or he,~~ is reduced below the number fixed by or pursuant to the Articles ~~as the necessary quorum of directors,~~ the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

117. The directors may elect a chairman for their meetings and determine a period for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the directors present may choose one of their number to be a chairman of the meeting.

118. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

119. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the members present may choose one of their number to be a chairman of the meeting.

120. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairman shall have a second or casting vote.

121. All acts done by any meeting of the directors, or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person 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.

122. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

EMPLOYMENT OF DIRECTORS AS EXECUTIVE OFFICERS

123. The directors may from time to time appoint one or more of their body to the office of managing director, or to any other executive office under the Company, for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

The appointment of such managing director or other executive officer shall be automatically determined if he cease from any cause to be a director.

124B⁴⁸ If a director is appointed a managing director or as an employee of the Company in any other capacity the contract under which he is appointed may provide that he shall not, while he continues to hold that position or office under contract for a term of rotation be subject to retirement by such contract and he shall not in such case be taken into account in determining the rotation of retirement of directors provided that less than half of the directors may be appointed to any such position on the condition that they shall not be subject to retirement by rotation

124C Directors so employed in the above or any other capacity in the Company or as a director or employee of an entity controlled by or subsidiary to the Company and their appointment and remuneration in respect of such other office shall be determined by a disinterested quorum of directors.⁴⁹

124. A managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine.

125. The directors may entrust to, and confer upon, a managing director or other executive officer any of the powers exercisable by them upon such terms and conditions, and with such restrictions, as they may think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke, alter or vary all or any of such powers.

Draft for AGM discussions

PENSIONS AND ALLOWANCES

126. The directors may grant retiring pensions or annuities or other allowances, including allowances on death, to any person, or to the widow or widower or dependants of any person, in respect of services rendered by him to the Company as managing director, manager, or in any other office or employment with the Company, or indirectly as an officer or employee of any subsidiary company of the Company, or of its holding company (if any) notwithstanding that he may have been a director of the Company, and may make payments towards insurance or trusts for such purposes in respect of such pensions, annuities and allowances in the terms of engagement of any such persons.

SECRETARY

127. (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.

(2) Until such appointment the secretary shall be the person for the time being notified to the Registrar of Companies as the secretary of the Company provided that the person so notified may be removed by the directors.

⁴⁸ Addition in the compliance to the NSE Listing Rules 1.28

⁴⁹ Addition in the compliance to the NSE Listing Rules 1.26

128. No person shall be appointed or hold office as a secretary who is:

(1) the sole director of the Company; or

(2) a corporation the sole director of which is the sole director of the Company;
or

(3) the sole director of a corporation which is the sole director of the Company.

129. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and 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.

THE SEAL

130. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors, or of a committee of the directors authorised by the directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the secretary or by a second director, or by some other person appointed by the directors for the purpose.

DIVIDENDS AND RESERVE

131. The Company in a general meeting, or the Directors may declare dividends, but no dividend declared by the Company at a general meeting shall exceed the amount recommended by the directors.

132 B Dividends are to be payable to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend whichever is the later. A period of fourteen days at least should be allowed between the date of declaration or date of confirmation of the dividend whichever is the later, and the date of the closing of the transfer registers in respect of such dividend.

132 Dividends may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

132. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.

133. No dividend shall be paid otherwise than out of profits.

134. The directors may, before recommending any dividend, set aside out the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly 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 directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

135. Subject to the rights of the persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid 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 on the share. All dividends shall be apportioned and paid proportionately 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, that share shall rank for dividend accordingly.

136. The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, or otherwise in relation to the shares of the Company.

137. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets, and in particular of paid-up shares, debentures or debenture stock of any other 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 such distribution, the directors may settle the same as they think 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 payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.

138. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such 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. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders.

139. No dividend shall bear interest against the Company.

ACCOUNTS

140. The directors shall cause proper books of account to be kept with respect to:

- (1) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure takes place;
 - (2) all sales and purchases of goods and services by the Company; and
 - (3) the assets and liabilities of the Company.
141. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
142. The books of account shall be kept at the registered office, or, as may be prescribed by the Act⁵⁰⁵¹ the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
143. 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 members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.
144. The directors shall from time to time, in accordance with sections Part XXV of 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 those sections.
145. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall not less than twenty-one (21) days before the day of meeting, be sent to every member of, every holder of debentures of, the Company, and to every person **who is entitled to receive notice of general meetings and to every person** registered under Article 38; provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware, or to more than one of the joint holders of any shares or debentures.

CAPITALISATION OF PROFITS

146. The Company in general meeting may, upon the recommendation of the directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit 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 unpaid on shares held by such members respectively, or paying up in full unissued shares or debentures of the Company, to be allotted and distributed credited as fully

⁵⁰ In compliance with 2015 Act

⁵¹

paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution; provided that a share premium account and 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. 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 allotments and issues of fully-paid shares or debentures, 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 or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by their 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.

AUDIT

148. Auditors shall be appointed and their duties regulated in accordance with the Act.⁵²

NOTICES

149. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address or electronic mail to his e-mail address, **whether such address shall be within or outside Kenya**. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of seventy two (72) hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post. Where a notice is sent by electronic mail, service of the notice shall be deemed to be effected upon receiving a confirmation of receipt of the electronic mail.

150. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

151. A notice may be given by the Company to the persons 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 them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Kenya supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied)

⁵² Compliance with Companies Act, 2015

by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

152. Notice of every general meeting shall be given in any manner hereinbefore authorised to:

- (1) every member except those members who have not supplied to the Company an address for the giving of notices to them;
- (2) every person upon whom the ownership of a share devolves by reason of his being a personal representative or a trustee in bankruptcy of a member where the member, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and
- (3) the auditor for the time being of the Company.

and no other person shall be entitled to receive notices of general meetings.

WINDING UP

153. 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 kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid, and may determine how much 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.

INDEMNITY

154. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, relating to anything done or not done by him on behalf of the Company in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 763 of the Act in which relief is granted to him by the Court and he shall not be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in execution of the duties of his office or in relation thereto. This Article shall however only have effect in so far as its provisions are not avoided by Section 194 of the Act.⁵³

⁵³ Compliance with the 2015 Act

WE, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	SIGNATURES OF SUBSCRIBERS
<p>EDWIN HAROLD DAYAN DANDE P.O. BOX 100158 - 00101 <u>NAIROBI, KENYA</u></p> <p>BUSINESSMAN</p> <p>ELIZABETH NALIANTEI NKUKUU P.O. BOX 20695-00200 <u>NAIROBI, KENYA</u></p> <p>INVESTMENT MANAGER</p> <p>PATRICIA NJERI WANJAMA P.O. BOX 50027-00100 <u>NAIROBI, KENYA</u></p> <p>LAWYER</p>	

Dated at Nairobi thisday of 2014

WITNESS TO THE ABOVE SIGNATURES:

CERTIFICATE UNDER THE COMPANIES REGULATIONS

It is hereby certified that the above Memorandum of Association of "CYTONN INVESTMENT MANAGEMENT PLC⁵⁴" was produced by the method of Xerography.

Advocate,
P.O. Box 27970-00100,
NAIROBI.

⁵⁴ PLC means Public Limited Company