

THE COMPANIES ACT, NO. 17 OF 2015

ARTICLES OF ASSOCIATION

OF

**CO-OP BANK KENYA LIMITED
(A PRIVATE COMPANY LIMITED BY SHARES)**

Incorporated on the..... day of2026

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CO67/137/M/2026/P

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OF

CO-OP BANK KENYA LIMITED

INTERPRETATION

1. (1) Except where these Articles or the context otherwise provide in these Articles:
 - (a) **“the Act”/“Companies Act”** means the Companies Act, 2015, including any statutory modification or re-enactment thereof for the time being in force;
 - (b) **“alternate”** and **“alternate director”** means a person appointed by a director as an alternate under these Articles;
 - (c) **“appointor”** means a person who is entitled to, and who appoints, an alternate or alternative director;
 - (d) **“articles”** or **“Articles”** means these Articles of Association of the Company, and **“sub-article”** means sub-articles of such Articles;
 - (e) **“associated company”** means:
 - i. a subsidiary of the Company;
 - ii. a holding company of the Company; or
 - iii. a subsidiary of such a holding company;
 - (f) **“Auditors”** means the auditors from time to time of the Company;
 - (g) **“Banking Act”** means the Banking Act, Cap 488 of the Laws of Kenya, including any statutory modification or re-enactment thereof for the time being in force;

- (h) **“business day”** means any day other than a Saturday, a Sunday, or a gazetted public holiday in Kenya, on which commercial banks are open for business in Kenya;
- (i) **“the Company”** or **“this Company”** means **CO-OP BANK KENYA LIMITED**;
- (j) **“Company Secretary”** means a person or persons appointed by the Board under these Articles as the Secretary of the Company and includes any joint, assistant or deputy secretary;
- (k) **“debenture”** means debenture stock, bonds and any other securities of the Company (whether or not constituting a charge on the assets of the Company);
- (l) **“distribution recipient”** means, in relation to a share in respect of which a dividend or other sum is payable:
 - a. the holder of the share;
 - b. if the share has 2 or more joint holders, whichever of them that the joint holders agree to be the distribution recipient; or
 - c. if the holder is no longer entitled to the share because of bankruptcy or otherwise by operation of law, the person otherwise entitled;
- (m) **“directors”** or **“Directors”** or **“Board of Directors”** means the directors of the Company, and **“director”** and **“Director”** shall be interpreted accordingly;
- (n) **“dividend”** means a dividend or a bonus;
- (o) **“Electronic Form”** has the same meaning as in section 3 (1) of the Act;
- (p) **“Electronic Means”** has the same meaning as in section 3 (1) of the Act;
- (q) **“Executive Director”** means any Director who has day-to-day responsibility for managing the affairs of the Company, irrespective of the title by which the Director is known;

- (r) “**fully paid**”, in relation to a share, means that the price at which the share was issued has been fully paid to the Company;
- (s) “**General Meeting**” has the same meaning as in section 3 (1) of the Act;
- (t) “**hybrid meeting**” means a General Meeting of the holders of any class of shares held and conducted by (i) physical attendance by shareholders and/or proxies at one or more meeting locations; and (ii) virtual attendance and participation by shareholders and/or proxies by electronic facilities including, but not limited to, internet based audio and video conferencing platforms, chat tools, live polling platforms, web and mobile phone based voting systems;
- (u) “**holder**”, in relation to a share, means the person whose name is entered in the register of members as the holder of the share;
- (v) “**Independent Non-Executive Director**” has the meaning assigned to it in the Central Bank of Kenya Prudential Guidelines;
- (w) “**KES**”/“**KShs**”/“**Kshs**” means Kenya Shillings, being the lawful currency of the Republic of Kenya;
- (x) “**members**” means members of the Company within the meaning of the Act, and “**member**” has the corresponding singular meaning;
- (y) “**mentally disordered person**” means a person who is found under the Mental Health Act, Chapter 248 of the Laws of Kenya, to be incapable, because of mental disorder, of managing the person’s affairs;
- (z) “**notice**” means a notice in writing, by whichever means delivered;
- (aa) “**Non-Executive Director**” means a Director who is not involved in the day-to-day management of the Company and is not a full-time salaried employee of the Company or any of its Subsidiaries. A person in the full-time employment of the Company’s Holding Company shall be deemed a Non-Executive Director of the Company’s Subsidiaries, provided that such individual does not exercise executive authority over, or actively direct, the daily management and operations of the relevant Subsidiary.
- (bb) “**paid**” means paid or credited as paid under any conditions whatsoever;

- (cc) “**proxy notice**” has the meaning assigned to it under these Articles;
- (dd) “**register of members**” means the register of members of the Company;
- (ee) “**request**” means request in writing, by whichever means delivered;
- (ff) “**Security**” or “**Securities**” means any domestic or foreign note, stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, interest in any partnership or limited liability company, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, financial futures contract, commodity futures contract, option, voting trust certificate, certificate of deposit for a security, asset-backed security (including collateralized mortgage obligations of any type), or, in general, any interest or instrument commonly known as a "security" or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase or any derivative of any of the foregoing;
- (gg) “**Shares**” means the shares in the capital of the Company and any shares issued in exchange therefor by way of conversion or reclassification and any shares representing or deriving from such shares as a result of any increase in or reorganisation or variation of the capital of the Company;
- (hh) “**special resolution**” means a special resolution passed by members in accordance with the provisions of the Act;
- (ii) “**Statutes**” shall mean the Act and every other statute or subordinate legislation and regulations for the time being in force concerning companies and affecting the Company (including the Capital Markets Act (Chapter 485A), the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Central Depositories Act, 2000, the Banking Act (Chapter 488), the Insolvency Act and the Unclaimed Financial Assets Act, No. 4 of 2011) including every amendment or re-enactment (with or without amendment) thereof for the time being in force.

- (2) Other words or expressions used in these Articles but not herein defined shall have the same meaning as in the Act (together with any regulations thereunder) as in force on the date of registration of the Company.
- (3) For the purposes of these Articles, a document is authenticated if it is authenticated in accordance with the Act.
- (4) 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.
- (5) Any reference to an enactment, regulation, rule or by-law is to that enactment, regulation, rule or by-law as at the signature date, and as amended or replaced from time to time.
- (6) Except as otherwise specified in these Articles or the Act, when any number of days is prescribed, such number shall exclude the first and include the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding business day.
- (7) Unless the context clearly indicates a contrary intention, an expression which denotes any gender includes all other genders, a natural person includes an artificial person (whether incorporated or unincorporated), the singular includes the plural and vice versa.
- (8) Except as otherwise expressly provided in these Articles, the provisions of the Fourth Schedule to the Companies (General) Regulations, 2015 are hereby excluded from application to the Company.

COMPANY STATUS

2. The name of the Company is **“CO-OP BANK KENYA LIMITED”**.
3. The registered office of the Company will be situated in the Republic of Kenya.
4. The liability of the Company’s members shall be limited to the amount (if any) unpaid on the shares held by them.
5. (1) The Company is a private company and accordingly:

- (a) a member's right to transfer shares is restricted in the manner specified in these Articles;
 - (b) the number of members shall at any given time be not more than fifty (50); and
 - (c) any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (2) For purposes of sub-article (1), "**member**" does not include:
- (a) a member who is an employee of the Company; and
 - (b) a person who was a member while being an employee of the Company and who continues to be a member after ceasing to be such an employee.
- (3) For the purposes of this Article, two or more persons who hold shares in the Company jointly are to be regarded as one member.

OBJECTS

6. The Company shall have full capacity to carry on or undertake any lawful business or activity, to do any act or enter into any transaction, and for such purposes shall have full rights, powers and privileges as a natural person, subject only to the applicable provisions of the Companies Act and the Banking Act.

Without prejudice to the generality of the foregoing, and for the avoidance of doubt, the Company is established with power to undertake the businesses and activities set out below.

- i. To carry out banking business in Kenya.
- ii. To acquire and take over such assets and liabilities of the Co-operative Bank of Kenya (Registration Number C23/2008) as may be necessary to facilitate the continuation of its banking operations in Kenya.
- iii. To carry on in Kenya and in any part of the world the businesses of banking in all its branches and departments, including the accepting of deposits of money on current account or otherwise subject to withdrawal by cheque, draft or order,

the borrowing, raising or taking up of money, lending or advancing of money, securities and property, discounting, buying, holding, selling and dealing in investments of all kinds, bills of exchange, promissory notes, deposit receipts, coupons, drafts, bills of lading, warrants, debentures, certificates, script and other instruments and securities, whether transferable, negotiable, or otherwise, the granting and issuing of letters of credit and circular notes, buying, selling and dealing in bullion, currencies and specie, acquiring, holding, issuing on commission, underwriting and dealing in stocks, funds, shares, debentures, debenture and loan stocks, bonds, obligations, securities and investments of all kinds, negotiating loans and advances, guarantees and indemnity of all descriptions, performance and surety bonds, credit guarantees or credit insurance, the receiving of securities, property and valuables of any description whatsoever on deposit or for safe custody or otherwise, collecting and transmitting moneys and securities, and managing property, and generally the transaction of every kind of mercantile business or agency business which may lawfully be transacted by banks.

- iv. To borrow, raise or take up money, to lend or advance money, securities and property, to discount, buy, sell and deal in bills of exchange, promissory notes coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities whether transferable or negotiable, or not, to grant and issue letters of credit and circular notes to buy sell and deal in bullion and specie, to acquire, hold, issue on commission, underwrite and deal with stocks, funds, shares, debenture stock, bonds, obligations, securities and investments of all kinds, to negotiate loans and advances, to receive money and valuables on deposit, or for safe custody, or otherwise, to collect and transmit money and securities, to manage property and to transact all kinds of agency business commonly transacted by bankers.
- v. To carry on in any part of the world the businesses of obtaining, receiving and holding money in any deposit or current account (whether expressed in Kenya Shillings or other currencies) or in any manner whatsoever and whether at interest or otherwise, and of utilising the same to account in any manner thought fit, and the issuing of cheques or any other means of any description whatsoever to provide facilities for the withdrawal or transfer thereof.
- vi. To advance and borrow money, negotiate loans and lend money for any purpose or object, with or without security including the lending of money to finance hire purchase agreements in respect of any property or assets.

- vii. To undertake and execute either by the Company or by an authorised officer thereof and either alone or with any other person any trusts the undertaking whereof may seem desirable and also to undertake either by the Company or by an authorised officer thereof and either alone or with any other person the office or executor administrator, receiver, treasurer, registrar or auditor, and to keep for any Bank, public entity, or body, any register relating to any stocks, funds, shares or securities, or to undertake any duties in relation to the requisition of transfers and the issue of certificates or other form of ownership.
- viii. To take over, undertake and carry on banking business in Kenya and agreed business assets and liabilities of THE CO-OPERATIVE BANK OF KENYA LIMITED, a public limited company under the Companies Act under registration number C. 23/2008 and licensed to carry on banking business under the Banking Act (Cap 488 of the Laws of Kenya)
- ix. To take or to concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company, to encourage the growth of the Co-operative movement in Kenya and East Africa, to obtain and justify public confidence, and to avert or minimise financial disturbances which might adversely affect the business of the Company.
- x. To carry on whether alone or with others directly or through subsidiaries or associated company the business of scheme administrators, real estate investment trust (REIT) trustee, custodian bank, central depository agent, commercial shares registrar, Trustee Company, fund manager or investment bank or advisor and any other business that can lawfully and conveniently be carried on along with the banking business of the Company.
- xi. To promote, effect, insure, guarantee, underwrite, participate in, manage and carry out any issue, public or private, of state, municipal or other loans, or of shares, stock, debentures or debenture stock of any company, corporation or association, and to lend money for the purposes of any such issue.
- xii. To carry on business as merchant bankers, financiers, concessionaires, mortgage brokers, financial agents and advisors and to undertake and carry on and execute all kinds of financial, commercial, trading and other operations and to carry on in any part of the world the businesses of obtaining, receiving and holding money in any deposit or current account (whether expressed in Kenya Shillings or other currencies) or in any manner whatsoever and whether at

interest or otherwise, and of utilizing the same to account in any manner thought fit, and the issuing of cheques or any other means of any description whatsoever to provide facilities for the withdrawal or transfer thereof.

- xiii. To promote any company or co-operative society for the purposes of acquiring or taking over all or any of the property, rights and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to establish or promote the establishment of subsidiary companies or be a member of any registered society or incorporated company.
- xiv. To aid any government or state or municipal or other body politic or corporate, registered society, Bank, or association, or individuals, with capital, credit, means or resources for the prosecution of any works, undertakings, projects, or enterprises, provided that no such aid shall be given unless in the reasonable opinion of the Board such giving is beneficial to the Bank.
- xv. To finance or assist in financing the sale of goods, articles or commodities of all and every kind or description by way of hire purchase or deferred payment, or similar transactions, and to institute, enter into, carry on, subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever, to acquire and discount hire purchase or other agreements or any rights thereunder (whether proprietary or contractual) and generally to carry on business and to act as financiers, traders, commission agents or in any other capacity in any part of the world, and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, products, articles and merchandise.
- xvi. To guarantee the payment or performance of any debts, contracts or obligations, or become surety for any person, firm or Bank, for any reason whatsoever, and to act as agents for the collection, receipt or payment of money, and generally to act as agents for and render services to customers and others, and generally to give guarantees and indemnities.
- xvii. To make, draw, accept, endorse, discount, negotiate, execute and issue and to buy, sell and deal in promissory notes, bills of exchange, cheques, bills of lading, shipping documents, dock and warehouse warrants, and other instruments negotiable or transferable or otherwise.

- xviii. To participate in or assist with, whether directly or indirectly and whether by grant of long term credits or loans or otherwise to companies, firms and persons, any schemes of development or reconstruction in any area, in the Republic of Kenya or elsewhere, either by providing credit, making loans available, buying, selling, letting on hire, hire purchase or easy payment systems, or by providing financial assistance to such other companies, firms or persons as may be necessary or expedient to promote or further any scientific, agricultural, mineral, commercial or industrial development or research or some other public or useful object or towards the promotion or furtherance of the Company's objects.
- xix. To carry on all kinds of insurance business.
- xx. To carry on the business of a mortgage house.
- xxi. To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- xxii. To purchase, take on lease or in exchange, hire or otherwise acquire, any movable and immovable property, or any interest therein, and any rights or privileges which the Bank may think necessary or convenient for the purposes of its business and in particular any land and buildings.
- xxiii. To acquire and undertake the whole or other business or any part of the business, property and liabilities of any Bank, society, partnership or person carrying on or proposing to carry on any business which the Bank is authorised to carry on, or possessed of property suitable for the purposes of the Bank, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Bank.
- xxiv. To amalgamate or enter into partnership or into any arrangement for sharing of profits, union of interest, co-operation, joint adventure, reciprocal concession, or for limiting competition, or otherwise, with any person including a registered society or Bank carrying on or engaged in or about to carry on or engage in any business or transaction which the Bank is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Bank.

- xxv. To enter into any arrangements with any governments or authorities supreme, municipal, local or otherwise that may seem conducive to the objects of the Bank, or any of them, and to obtain from any such government or authority any rights, privileges, contracts, licences concessions which the Bank may think desirable to obtain, and to carry out, exercise and comply therewith.
- xxvi. To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Bank.
- xxvii. To subscribe for, take, or otherwise acquire and hold shares, stock, debentures, or other securities of any Company.
- xxviii. To invest and deal with the moneys of the Company not immediately required.
- xxix. To borrow, raise money or secure obligations (whether of the Company or any other person) by the issue of debentures, debenture stock (perpetual or terminable), bonds, mortgages, or any other securities, founded or based upon all or any of the property and rights of the Bank, including its uncalled capital, or without any such security, and upon such terms as to priority or otherwise, as the Bank shall think fit.
- xxx. To draw, make, accept, endorse, discount and execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- xxxi. To procure the Company to be registered licensed or recognised as a Bank in any part of the world.
- xxxii. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit and to grant pensions and allowances to directors or ex-directors and any persons who are or have been at any time employed by or in the service of the Company or of any subsidiary, allied or associated company or of the predecessors in business of any such company or the dependants of such persons, and to make payments towards insurance for the purposes aforesaid and to subscribe or guarantee money for any charitable or benevolent object or for any exhibitions or for any public, general or useful object.
- xxxiii. To establish an employee share option or ownership schemes or plans for the benefit of persons serving or who have served the company and to contribute

to such scheme, appoint or participate in appointing trustees of such schemes or plans and in the management thereof.

- xxxiv. To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose. To sell, lease, hire out, mortgage or otherwise dispose of the property, assets or undertaking of the Bank or any part thereof for such consideration as the Company may think fit.
- xxxv. To pay for any rights or property acquired by the Company, and to remunerate any person or Bank whether by cash payment or by the allotment of shares debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- xxxvi. To carry out all or any of the objects of the Company and do all or any of the above things in any part of the world and either as principal, agent, contractor, or trustee or otherwise, and by or through trustees or agents or otherwise, and either alone or in conjunction with others.
- xxxvii. To undertake any work and activity as will encourage the growth and development of the private sector and particularly the co-operative movement in, and the economy of, Kenya.
- xxxviii. To subscribe for, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with the shares, stock, securities and evidences of indebtedness or of the right to participate in profits or assets or other similar documents issued by any government, authority, corporation or body, or by any company or body of persons, and generally investments of every kind, however constituted and wherever issued, and any options or rights in respect thereof and to buy, hold and sell foreign exchange, currency, bullion and specie.
- xxxix. To carry on the business of an investment trust company, and acquire and hold by way of investment any shares, stocks, debentures, debenture stock, bonds, obligations or securities of any government, state or authority, whether supreme, municipal or local, whether at home or abroad, or of any corporation, wherever incorporated, and any estate or interest in the same, and to dispose of the same as and when deemed expedite.

- xl. To receive the dividends, interest, income, bonuses, rents, profits, commissions and advantages of every description from time to time payable or receivable in respect of any of the Company's investments and to vary any such investments from time to time.
- xli. To invest and deal with the money of the Company not immediately required in any manner.
- xlii. To contribute to social development and responsibility including making financial and other contributions to any charitable or educational purposes.
- xliii. To do all such other lawful things as are incidental, conducive or complementary to the attainment of the above purposes or any of them, or which the Company may consider likely directly or indirectly to enhance the value of its investments or business.
- xliv. To carry on any lawful business or activity whatsoever.

The objects set forth in any sub-clause of this Clause shall not be restrictively construed, but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clause or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

IT IS HEREBY DECLARED THAT, in the interpretation of this clause the powers conferred on the Company by any paragraph shall not be restricted by reference to any other paragraph, or to the name of the Company, or by the juxtaposition of two or more objects, and that, in the event of any ambiguity, this clause and every paragraph hereof shall be construed in such a manner as to widen, and not to restrict, the powers of the Company.

SHARE CAPITAL

7. The nominal share capital of the Company is Kenya Shillings Twenty Billion (**Kshs. 20,000,000,000.00**) divided into Two Hundred Million (**200,000,000**) ordinary shares of Kenya Shillings One Hundred (**Kshs. 100.00**) each.
8. The Company may, from time to time and in accordance with the Act, increase its share capital for the time being.
9. The Company may, by special resolution, reduce its share capital in accordance with Divisions 2 and 3 of Part XV of the Act.
10. Subject to these Articles, the unissued shares (if any) in the capital of the Company shall be at the disposal of the directors, who may allot or grant options over them to the members or any member by way of a rights issue or otherwise, or, subject to these Articles, to any other person, at such times, and for such consideration, and upon such terms and conditions as the directors may determine, but so that no shares shall be issued at a discount otherwise than in accordance with the Act.
11. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
12. Subject to the provisions of the Act, the Company may issue shares of different classes with shares of each such class having various rights or divide any shares issued at any particular time into any number of classes with various rights.

SHARE CERTIFICATES

13. The Company shall issue each member, free of charge, with one or more certificates in respect of the shares that the member holds, within:
 - (1) 2 months after allotment or lodgement of a proper document of transfer; or
 - (2) such other period as the conditions of issue may provide.
14. The Company may not issue one certificate in respect of shares of more than one class.

15. If more than one person holds a share, the Company may issue only one certificate in respect of it. A share certificate issued under this Article shall be delivered to the person first named in the register of members.
16. When issuing a share certificate, the Company shall ensure:
 - (1) that the certificate specifies:
 - (a) the number and class of shares for which the certificate is issued;
 - (b) whether the shares are fully paid; and
 - (c) any distinguishing numbers assigned to the shares; and
 - (2) that the certificate has affixed to it the Company's common seal or the Company's official seal or is otherwise executed in accordance with the Act.
17. If a certificate issued in respect of a member's shares is defaced, damaged, lost or destroyed, the member is entitled to be issued with a replacement certificate in respect of the same shares.
18. A member exercising the right to be issued with a replacement certificate:
 - (1) may at the same time exercise the right to be issued with a single certificate, separate certificates or a consolidated certificate;
 - (2) shall return the certificate that is to be replaced to the Company if it is defaced or damaged; and
 - (3) shall comply with the conditions as to evidence, indemnity and the payment of such reasonable fee, not exceeding Kenya Shillings One Thousand (Kshs. 1,000) as the directors may decide.

LIEN

19. The Company shall have a first and paramount lien on every share (excluding fully paid shares) 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 (including fully paid shares) standing registered in the name of any person for all moneys presently payable by such person's 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.

20. 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 the registered holder's death or bankruptcy.
21. To give effect to any such sale, the directors may authorize one of their number to execute any documents necessary to formalize the transfer of the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
22. The net proceeds of the sale (after payment of the costs of sale and any other costs of enforcing the lien) 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

23. The directors may from time to time, but subject to any special condition on which any share is issued, 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 be payable at less than one (1) month from the date fixed for the payment of the last preceding call, 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 the member's shares. A call may be revoked or postponed as the directors may determine.
24. A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed and may be required to be paid by instalments.

25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
26. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not 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 in part.
27. Subject to the provisions of any agreement entered into by the Company or among its members *inter se*, 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.
28. 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 the member.

FORFEITURE OF SHARES

29. Forfeiture of a share shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
30. If a member fails to pay any call or instalment 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 instalment remains unpaid, serve a notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
31. 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.

32. 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 payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.
33. 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.
34. 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 monies which, at the date of forfeiture, were payable by such person to the Company in respect of the shares, but such person's liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
35. An entry in the minute book of the Company of the forfeiture of any shares or that any shares have been sold to satisfy a lien of the Company shall be sufficient 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 or authorise any person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of the transferee named therein shall thereupon be registered as the holder of the share, and he shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
36. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the 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.

TRANSFER OF SHARES

37. Subject to the provisions of these Articles, shares in the Company shall be transferable by written instrument in any common form executed by or, on behalf of the transferor and the transferee. The transferor shall be deemed to remain the

holder of any shares subject of a transfer until the name of the transferee is entered in the Company's register of members in respect thereof.

38. Every instrument of transfer shall be left at the registered office of the Company at which it is presented for registration accompanied by the certificate of the share(s) to be transferred or such other evidence as the Company may require to prove the title of the transferor to the transferee or to ascertain the transferor's right to transfer the share(s).

RESTRICTIONS ON TRANSFER OF SHARES

39. Notwithstanding any other provision of these Articles, no member shall transfer any or all its shares or the beneficial interest thereto or pledge or in any other manner encumber or give an option in respect of any of the shares held by it or any portion of its claims on loan account against the Company except in accordance with the provisions of these Articles. Any purported sale, or other disposal or encumbrance of securities in contravention of these Articles shall be void.
40. All transfer duties and taxes (if any) and other legal costs payable in respect of any transfer of shares pursuant to these Articles will be paid by the purchaser of such shares unless otherwise agreed in writing by the seller and purchaser of such shares or unless otherwise provided by law.
41. Notwithstanding any other provision of these Articles, no member may without prior written consent of the other members pledge or in any other manner encumber any shares or other securities of the Company held by such member.
42. The directors may in their discretion refuse to register the transfer of any shares of the Company. Provided that such discretion shall be exercised reasonably, in good faith, without malice, and in the best interests of the Company and its shareholders.
43. The directors may decline to recognize any instrument of transfer unless:
- (1) The transfer is in compliance with any restrictions, limitations or procedures set under these Articles;
 - (2) all calls made on the share(s) to which the transfer relates have been paid;

- (3) a fee of Kenya Shillings One Thousand (Kshs 1,000), or such lesser sum as the directors may from time to time require, is paid to the Company in respect thereof;
- (4) 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
- (5) the instrument of transfer is in respect of only one (1) class of share;
- (6) the instrument of transfer is in favour of not more than four (4) transferees;
- (7) the transferee named therein is not:
 - (a) an infant person; or
 - (b) a person incapable by reason of mental disorder of managing and administering the person's property and affairs.

44. 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.
45. 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.

TRANSMISSION OF SHARES

46. In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where the deceased was a sole holder, shall be the only persons recognized by the Company as having any title to the deceased's 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 the deceased joint holder with other persons.
47. Any transmittee 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 as holder of the share or to have some person nominated by

the transmittee 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 the member's death or bankruptcy, as the case may be.

48. If the transmittee shall elect to be registered, the transmittee shall deliver or send to the Company a notice in writing signed by the transmittee stating that he so elects. Within two (2) months of receiving the notice, the directors shall register the transmittee as the holder of the share or send the transmittee a notice of refusal of registration. If the transmittee shall elect to have another person registered the transmittee 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.
49. The transmittee 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 time give notice requiring any such person to elect either to be registered or to transfer the share, and if the notice is not complied with within ninety days 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.

50. If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

DIRECTORS

Appointment

51. Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any Alternate Directors) shall not be less than Eight (8) and not more than Ten (10). The composition of the Board shall comply with the

requirements of the Statutes as may be amended from time to time. The first Directors shall be appointed by the subscribers to the Memorandum of Association, or a majority thereof, by notice in writing.

52. Notwithstanding the foregoing, at any time that Co-opbank Group PLC holds a majority of the issued shares in the Company, it shall be entitled to nominate for election to the Board, and to secure the election of, at least five (5) directors, without opposition from nominees of other shareholders. Only the majority shareholder shall be entitled to nominate candidates for these five (5) directorships. Such nominees shall include the serving Chairman and Vice Chairman of Co-opbank Group PLC, as well as its Group Managing Director and Group Finance Director.
53. The Co-opbank Group PLC Board will appoint at least four (4) independent directors to the Board of the Company.
54. A person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
 - (1) by ordinary resolution in a General Meeting; or
 - (2) by a decision of the Directors.

PROVIDED that no person shall be so appointed without the prior approval, or any authorisation as may be required by the relevant laws as enacted and amended from time to time.

55. Subject to Article 78, the appointment of a Director by the decision of the Directors pursuant to Article 55 (2) to fill a vacancy on the Company's Board arising from the resignation of a Director shall be subject to retirement by rotation in accordance with Articles 59 to 68.
56. An appointment by the Directors pursuant to Article 55 (2) may only be made in accordance with Article 78 to:
 - (1) fill a casual vacancy; or
 - (2) appoint a director as an addition to the existing Directors if the total number of Directors does not exceed the maximum number of Directors (if any) fixed in accordance with these Articles.
57. A Director appointed under Article 55 (2) shall hold office only until the next following annual General Meeting and shall then be eligible for re-election but

shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Retirement of Directors by rotation

58. Subject to Article 140 (2), at each annual General Meeting, one-third of the Directors for the time being are required to retire from office.
59. For the purposes of Article 58, if the number of Directors is not three or a multiple of three, then the number nearest to but not exceeding one-third are required to retire from office.
60. The Directors to retire in every year are to be those who have been longest in office since their last appointment or reappointment.
61. 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.
62. At the annual General Meeting at which a director retires, the Company may appoint a person to fill the vacated office.
63. A retiring Director is regarded as having been reappointed to the office if:
 - (1) the Company does not appoint a person to the vacated office; and
 - (2) the retiring Director has not given Notice to the Company of his or her intention to decline reappointment to the office.
64. However, a retiring Director is not regarded as having been reappointed to the office if:
 - (1) at the meeting at which the Director retires, it is expressly resolved not to fill the vacated office; or
 - (2) a resolution for the reappointment of the Director has been put to the meeting and lost.
65. A person is not eligible for appointment to the office of Director at any General Meeting unless:
 - (1) the person is a Director retiring at the meeting; or
 - (2) the person is recommended by the Directors for appointment to the office; or

- (3) a member qualified to attend and vote at the meeting has sent to 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 so appointed.
66. The Member who intends to propose the person for appointment to the office shall authenticate the Notice and the person proposed for appointment shall endorse on the Notice his or her willingness to be appointed. The Member shall send the Notice to the Company Secretary in hard copy form or in Electronic Form and ensure that it is received by the Company Secretary not less than three (3) days and no more than twenty-one (21) days before the date of the General Meeting.
67. The Company may:
- (1) by ordinary resolution increase or reduce the number of Directors; and
 - (2) determine in what rotation the increased or reduced number is to retire from office.

Retiring Director eligible for reappointment

68. A retiring Director is eligible for reappointment to the office, unless otherwise disqualified.

Procedure if insufficient Directors in office

69. If
- at any time the number of Directors falls below the minimum number fixed by or in accordance with these Articles, the remaining Directors may act for the purpose of convening a general meeting or for the purpose of bringing the number of Directors to such minimum, and for no other purpose.

Composite Resolution

- 70.
- (1) This Article applies if proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any other body corporate

- (2) The proposals may be divided and considered in relation to each director separately.
- (3) Each of the Directors concerned is entitled to vote (if the Director is not for another reason precluded from voting) and be counted in the quorum in respect of each resolution except that concerning the director's own appointment.

Chairperson

71. The directors shall, subject to the applicable law, elect the Chairperson of the board (hereafter "the Chairperson") from one of their number. The Directors may elect a Vice-Chairperson to assist the Chairperson for their meetings and determine the period for which he or she is to hold office.
72. A director elected as the Chairperson in accordance with Article 71 shall serve on such terms and for such period as the directors shall determine. Without prejudice to the foregoing, the directors may at any time terminate the appointment of a person so elected, in accordance with rules and procedures to be established by the directors for that purpose. Provided that, termination of a person's appointment pursuant to Article 72 shall not, without more, operate to terminate the person's appointment in the office of director of the Company.

Managing Director

73. (1) The Directors shall appoint, as Managing Director who shall be the Chief Executive Officer of the Company for such period and on such terms and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way, and partly in another), as the Directors may think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment.
 - (2) Any person appointed to be the Managing Director as aforesaid shall not, while he holds such office, be subject to retirement by rotation nor shall he be taken into account in determining the rotation in which the Directors retire. The Managing Director shall nonetheless be taken into account in reckoning the total number of directors for purposes of Article 51.

- (3) His appointment as Director shall immediately determine if he ceases for any reason to be the Managing Director.
74. The Managing Director shall be entitled to attend and speak and vote at all meetings of the Board.
75. The directors may entrust to and confer upon any such Managing Director as aforesaid, any of the powers exercisable by them as directors (other than the powers of making calls and issuing shares) including, in particular, all executive powers and the day-to-day management and operation of the Company.

Termination of Directors' Appointment

76. A director's appointment shall be terminated, and the office of director shall be vacated if a director:
- (1) Becomes bankrupt or makes any arrangement with the director's creditors generally; or
 - (2) Conducts himself/herself in any manner which brings or is likely to bring the Company into disrepute; or
 - (3) Becomes prohibited from holding the office of director of a Company in accordance with the Act or any other applicable law or in accordance with an order made by any court of competent jurisdiction; or
 - (4) Becomes of unsound mind or a mentally disordered person; or
 - (5) Resigns office by notice in writing to the Company; or
 - (6) Unless the members otherwise permit for good cause, has been absent from more than three (3) consecutive board meetings; or
 - (7) If the period for which the director was appointed expires; or
 - (8) Is arrested for a cognizable offence punishable by imprisonment and is not within fourteen (14) days either released on bail or on bond or otherwise lawfully set at liberty; or

- (9) Commits, or on reasonable and sufficient grounds is suspected of having committed, a criminal offence against or to the substantial detriment of the Company or its business; or
- (10) Is removed from office in accordance with the Act or in accordance with the provisions of these Articles.

Casual Vacancies

77. The directors shall have power at any time, and from time to time, to appoint a person as an additional 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 exceed the maximum authorised by these Articles; but any person so appointed shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the Company at that meeting.

Directors' general authority

78. Subject to the Act and these Articles, the directors are responsible for managing the business and affairs of the Company and may exercise all the powers of the Company. For this purpose, and without limitation to the generality of the foregoing, the directors may exercise all the powers of the Company to borrow money, and subject to any other applicable law, 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.
79. A directors' meeting at which a quorum is present may exercise all powers exercisable by the directors.
80. Without prejudice to the generality of powers of the Board set out in Article 74, the duties of the Managing Director will include:
 - (1) to conduct the business of the Company in accordance with the policy guidelines formulated by the Board;
 - (2) to cause the Company's funds and securities to be kept under safe custody at all times;
 - (3) to keep or cause to be kept, full and accurate accounts of all receipts and payments in books of the Company;
 - (4) to make such payments from the funds of the Company as may be necessary for the day-to-day operations of the Company;
 - (5) to prepare, or cause to be prepared, the Annual Report of the Company; and

- (6) to prepare, or cause to be prepared, the Balance Sheet and Accounts for audit and for submission to the Board;
 - (7) to render to the Board at its meetings, or at such other times as required, an account of all the transactions and the financial position of the Company; and
 - (8) to perform such other duties as may be prescribed by the Board.
81. Subject to these Articles and the applicable laws, the directors may make any rule that they consider appropriate about:
- (1) how they take decisions; and/or
 - (2) how the rules are to be recorded or communicated to directors.
82. An alteration of these Articles does not invalidate any prior act of the directors that would have been valid if the alteration had not been made.
83. The powers given by this Article are not limited by any other power given to the directors by these Articles.

Members' reserve power

84. Notwithstanding any other provisions of these Articles, but subject to the Act, the members may, by special resolution or by an agreement between them, reserve any action or decision of the Company for their approval or direct the directors to take, or refrain from taking, any specified action or decision.
85. No such agreement or special resolution shall operate to invalidate anything that the directors have done before the coming to effect of the agreement or passing of the resolution and which would otherwise be valid but for the resolution.

Directors may delegate their powers

86. Subject to these Articles, the directors may, if they consider appropriate, delegate any of the powers that are conferred on them under these Articles:
- (1) to a committee of the board or to a suitably qualified management team;
 - (2) by any means (including by power of attorney);
 - (3) to any extent and without territorial limit;
 - (4) in relation to any matter; and

- (5) subject to such terms and conditions as they may determine.
- 87. If the directors so specify, the delegation may authorize sub-delegation of the directors' powers by any person to whom they are delegated.
- 88. The directors may at any time:
 - (1) revoke the delegation wholly or in part; or
 - (2) revoke or alter its terms and conditions.

Committees of directors

- 89. The directors shall make rules providing for the conduct of the business of the committees to which they have delegated any of their powers.
- 90. The committees shall comply with the rules.

DECISION MAKING BY DIRECTORS

- 91. Decisions at board meetings shall, as much as possible, be made by consensus. Failing consensus, decisions of the board shall be made by a majority of the directors present in a board meeting convened and held in accordance with these Articles.
- 92. At any meeting of the board, each director shall have one vote. In case of an equality of votes, the Chairperson shall have a second or casting vote.
- 93. Any director may propose a directors' written resolution. A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it. If a proposed directors' written resolution has been adopted, it is as valid and effectual as if it had been passed at a directors' meeting duly convened and held. A scanned email transmission of a Directors' signed resolution shall be acceptable evidence that such resolution has been signed by the Director whose signature appears on the scanned email transmission.

Convening directors' meetings

94. Board meetings shall be held at least quarterly. At least 7 days' notice will be given to the directors for any board meeting and board papers and the agenda shall be issued to the board at least 7 days before the board meeting. Provided that, a board meeting convened by shorter notice than that specified in this Article shall be deemed duly convened in the following circumstances:
- (1) if it is an emergency meeting held or proposed to be held to discuss urgent and unforeseen events or matters which, if not addressed immediately, are reasonably likely to have an adverse material effect on the Company's business or affairs, the Company shall give at least 3 days' notice to board members, or such shorter notice period as may be approved or ratified by all directors; and
 - (2) in any other case, if such shorter notice is approved or ratified by all directors.
95. The Chairman may, and the Secretary on the requisition of the Chairman or a majority of the directors shall, at any time summon a meeting of the Directors . If the secretary (if any) receives authorization under this Article, he shall give 7 days' notice of a directors' meeting to each director.
96. A notice of a directors' meeting is not effective unless it complies with these Articles and indicates:
- (1) its proposed date and time;
 - (2) where it is to take place; and
 - (3) a general summary of the business of the proposed meeting.
97. The Company shall give notice of a directors' meeting to each director.

Participation in directors' meetings

98. Subject to these Articles, a director participates in a directors' meeting, or part of a directors' meeting, when:
- (1) the meeting has been convened and takes place in accordance with these Articles; and
 - (2) the director can communicate to the other directors any information or opinions the director has on any particular item of the business of the meeting.

99. In determining whether a director is participating in a directors' meeting, it is irrelevant where the director and the other directors are located and how they communicate with each other.
100. A director may participate in a board meeting electronically using such technology as the board may approve provided that he and the rest of the board are able to hear and recognize the other persons present at the meeting.
101. If not all the directors participating in a directors' meeting are located at the same place, the meeting may be regarded as taking place in whatever place at which any one of them is located.

Quorum for directors' meetings

102. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to adjourn the meeting or to convene another meeting.
103. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be at least half of the directors then in office.

Presiding at directors' meetings

104. The Chairperson shall preside at every board meeting of the Company.
105. If the Chairperson is not participating in a directors' meeting within 30 minutes of the time at which it was scheduled to start or if he or she is unwilling or unable to preside at the meeting, the Vice-Chairperson shall preside.
106. If at any meeting neither the Chairperson nor the Vice-Chairperson is participating in a directors' meeting within 30 minutes of the time at which it was scheduled to start or if neither is willing or able to preside at the meeting, the directors present may choose one of their number to be Chairperson for that meeting.

Alternates voting at directors' meetings

107. A director who is also an alternate director has an additional vote on behalf of each and every appointor who:
 - (1) is not participating in a directors' meeting; and

(2) would have been entitled to vote but for that appointor's non-participation.

Conflicts of interests

108. The following Articles apply if:

- (1) a director is in any way (directly or indirectly) interested in a transaction, arrangement or contract which the Company has entered or is about to enter into and that is significant in relation to the Company's business; and
- (2) the director's interest is material.

109. The director shall declare the nature and extent of the director's interest to the other directors in accordance with sections 151 and 152 of the Act and/or the Company's Conflict of Interest Policy.

110. Neither the director nor the director's alternate shall be entitled to:

- (1) vote in respect of the transaction, arrangement or contract in which the director is so interested; or
- (2) be counted for quorum purposes in a meeting in respect of the transaction, arrangement or contract on behalf of another appointor not having an interest in the transaction, arrangement or contract.

111. Article 110 does not preclude the alternate from:

- (1) voting in respect of the transaction, arrangement or contract on behalf of another appointor who does not have such an interest; and
- (2) being counted for quorum purposes in respect of the transaction, arrangement or contract on behalf of another appointor not having an interest in the transaction, arrangement or contract.

112. If the director or the director's alternate contravenes Article 110, the vote shall not be counted and shall have no significance whatsoever.

113. Article 110 does not apply to:

- (1) an arrangement for giving a director any security or indemnity in respect of money lent by the director to or obligations undertaken by the director for the benefit of the Company;
- (2) an arrangement for the Company to give any security to a third party in respect of a debt or obligation of the Company for which the director has assumed responsibility wholly or in part under a guarantee or indemnity or by the deposit of a security;
- (3) an arrangement under which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries, which do not provide special benefits for directors or former directors; or
- (4) an arrangement to subscribe for or underwrite shares.

114. A reference in this Article to a transaction, arrangement or contract includes a proposed transaction, arrangement or contract.

115. In this Article arrangement to subscribe for or underwrite shares means:

- (1) a subscription or proposed subscription for shares or other securities of the Company;
- (2) an agreement or proposed agreement to subscribe for shares or other securities of the Company; or
- (3) an agreement or proposed agreement to underwrite any of those shares or securities.

Supplementary provisions as to conflicts of interests

116. A director may hold any other office or position of profit under the Company (other than the office of auditor) in conjunction with the office of director for a period and on terms (as to remuneration or otherwise) that the directors determine.

117. A director or intending director is not disqualified by the office of director from contracting with the Company:

- (1) with regard to the tenure of the other office or position of profit mentioned in Article 116; or

(2) as vendor, purchaser or otherwise in the usual course of business.

118. The contract mentioned in Article 117 or any transaction, arrangement or contract entered into by or on behalf of the Company in which any director is in any way interested is not liable to be avoided.

119. A director who has entered into a contract mentioned in Article 117 or is interested in a transaction, arrangement or contract mentioned in Article 108 is not liable to account to the Company for any profit realized by the transaction, arrangement or contract because of:

(1) the director holding the office; or

(2) the fiduciary relation established by the office.

120. Articles 116 to 119 apply only if the director has declared the nature and extent of the director's interest to the other directors in accordance with sections 151 and 152 of the Act or is otherwise not required to declare such interest.

121. Subject to the provisions of the Act and any regulations, rules, or guidelines enacted or issued thereunder, a director of the Company may be a director or other officer of, or be otherwise interested in:

(1) any Company promoted by the Company;

(2) any Company in which the Company may be interested as shareholder or otherwise; or

(3) any Company that is associated with the Company.

122. Subject to the Act, the director is not accountable to the Company for any remuneration or other benefits received by the director as a director or officer of, or from the director's interest in, the other Company unless the Company otherwise directs.

Validity of acts of meeting of directors

123. The acts of any meeting of directors or of a committee of directors or the acts of any person acting as a director are as valid as if the directors or the person had been

duly appointed as a director and was qualified to be a director, even if it is afterwards discovered that:

- (1) there was a defect in the appointment of any of the directors or of the person acting as a director;
- (1) any one or more of them were not qualified to be a director or were disqualified from being a director;
- (2) any one or more of them had ceased to hold office as a director; or
- (3) any one or more of them were not entitled to vote on the matter in question.

Record of decisions to be kept

124. The directors shall ensure that the Company keeps a written record of every decision taken by the directors under these Articles for at least 10 years from the date of the decision.

125. Without prejudice to Article 124, the directors shall cause minutes to be made in books provided for that purpose:

- (1) of all appointments of officers made by the directors;
- (2) of all the names of the directors present at each meeting of directors and of any committee of the directors;
- (3) of all proceedings at all meetings of the Company and of the directors and of the committees of directors and every director present at any meeting of the directors or committee of directors shall sign their name in the book to be kept for that purpose.

Directors' remuneration

126. Directors' remuneration shall be determined by the members in a general meeting.

127. A director's remuneration may:

- (1) subject to members' approval, take any form; and

- (2) include any arrangements in connection with the payment of a retirement benefit to or in respect of that director.

128. Directors' remuneration accrues in such a manner as the members shall determine.

Directors' expenses

129. The Company may pay any travelling, accommodation and other expenses properly incurred by directors, or any one or more of them, in connection with:

- (1) their attendance at:
 - (a) meetings of directors or committees of director(s);
 - (b) general meetings; or
 - (c) separate meetings of the holders of any class of shares or of debentures of the Company; or
- (2) the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Appointment and removal of alternates

130. A director may appoint as an alternate any other director (and not any other person) to act or attend as an alternate director in the appointor's place during the appointor's absence.

131. Subject to the Act, regulations under the Act and all other applicable laws, an alternate may exercise the powers and carry out the responsibilities of the alternate's appointor, in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

132. An appointment or removal of an alternate by the alternate's appointor may be made only:

- (1) by notice to the Company authenticated by the appointor; or
- (2) by some other means approved by the directors.

133. The notice has no effect unless:

- (1) it identifies the proposed alternate; and
- (2) if it is a notice of appointment, it contains a statement authenticated by the proposed alternate indicating the proposed alternate's willingness to act as the alternate of the appointor.

134. If an alternate is removed by resolution of the directors, the Company shall as soon as practicable give notice of the removal to the alternate's appointor.

Rights and responsibilities of alternate directors

135. An alternate director has the same rights as the alternate's appointor in relation to any decision taken by the directors under these Articles.

136. Unless these Articles specify otherwise, alternate directors:

- (1) are taken for all purposes to be directors;
- (2) are liable for their own acts and omissions; and
- (3) are subject to the same restrictions as directors

137. An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director. Provided that the alternate's appointor may, by notice to the Company, direct that all, or any part, of the appointor's remuneration be paid to the alternate.

Termination of alternate directorship

138. An alternate director's appointment as an alternate terminates:

- (1) if the alternate's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate;
- (2) the approval under Article 130 is withdrawn or revoked
- (3) if the appointor had indicated that the alternate's appointment would expire at a certain date or upon the occurrence of a certain event, upon such expiry;

- (4) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (5) on the death of the alternate's appointor; or
- (6) when the alternate's appointor's appointment as a director terminates.

Executive Directors

139.

- (1) The Board may from time to time appoint one or more of its body to any executive office in the management of the Company as the Board shall determine, for such period and upon such terms as it thinks fit and, without prejudice to the provisions of any agreement entered into in any particular case, may revoke such appointment.
- (2) A Director holding such office as aforesaid shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and either in addition to or in lieu of his remuneration as a Director.
- (3) The Board may entrust to and confer upon a Director holding such office as aforesaid any of the powers exercisable by it, other than the powers to borrow money, charge the property and assets of the Company and pay dividends, upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time, subject to the terms of any agreement entered into in any particular case, revoke, withdraw, alter or vary all or any of such powers.

Appointment of Executive Director and termination of appointment

140.

- (1) The Directors may:
 - (a) subject to any regulatory approval required under the Statutes; from time to time appoint to the office of Executive Director other than the Managing Directors, and reporting to the Managing Directors, persons of such qualifications as the Board shall determine for a period and on terms they consider appropriate; and

- (b) subject to the terms of an agreement entered into in any particular case, revoke the appointment.
- (2) A Director appointed to the office of Executive Director is not, while holding the office, subject to retirement by rotation under Articles 58 to 67, but shall nevertheless be taken into account in determining the number of directors under Article 51.
 - (3) The appointment as an Executive Director is automatically terminated if the Executive Director ceases to be a Director for any reason.
 - (4) The Directors may determine an Executive Director's remuneration, whether in the form of salary, bonus, commission or participation in profits, or a combination of them.
 - (5) The Company may, at any time, enter into a contract with an Executive Director providing for the payment of a pension to him on his ceasing to be so employed and to his spouse, life partner, widow and other dependants after his death and for his participation in any pension or superannuation fund or life assurance scheme established or maintained by the Company.
 - (6) To the extent that the employment of any Director employed by the Company in an executive capacity (including the Executive Director) is suspended pursuant to the applicable employment contract and pending any investigation authorised by the Board or a governmental authority or a determination by the Board on whether the executive Director has engaged in acts or omissions constituting cause to terminate their employment under their employment contract, then, the said executive Director shall not be entitled to receive notice of or participate in any Board meetings discussing their suspension or the subject matter leading to their suspension.

Powers of Executive Directors

141.

- (1) The Directors may entrust to and confer on an Executive Director any of the powers exercisable by them on terms and conditions and with restrictions they consider appropriate, either collaterally with or to the exclusion of their own powers.

- (2) The Directors may from time-to-time revoke, withdraw, alter or vary all or any of those powers.

Indemnity of directors for certain liabilities

142. A director or former director of the Company may be indemnified out of the Company's assets against any liability incurred by the director to a person other than the Company or an associated Company of the Company in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or associated Company.

143. Article 142 applies only if the indemnity does not cover:

- (1) any liability of the director to pay:
 - (a) a fine imposed in criminal proceedings; or
 - (b) a sum payable by way of a penalty in respect of non-compliance with any requirement of a regulatory nature; or
- (2) any liability incurred by the director:
 - (a) in defending criminal proceedings in which the director is convicted;
 - (b) in defending civil proceedings brought by the Company, or an associated Company of the Company, in which judgment is given against the director;
 - (c) in defending civil proceedings brought on behalf of the Company by a member of the Company or of an associated Company of the Company, in which judgment is given against the director;
 - (d) in defending civil proceedings brought on behalf of an associated company of the Company by a member of the associated Company or by a member of an associated Company of the associated company, in which judgment is given against the director; or
 - (e) in connection with an application for relief under section 763 or 1005 of the Act (Power of Court to grant relief in certain cases) in which the Court refuses to grant the director relief.
- (3) A reference in Article 143(2) to a conviction, judgment or refusal of relief is a reference to the final decision in the proceedings.

144. For the purposes of Article 143(2) a conviction, judgment or refusal of relief:

- (1) if not appealed against, becomes final at the end of the period for bringing an appeal; or
- (2) if appealed against, becomes final when the appeal, or any further appeal, is disposed of.

145. For the purposes of Article 144(2), an appeal is disposed of if:

- (1) it is determined, and the period for bringing any further appeal has ended;
- (2) the final appeal is finally determined; or
- (3) it is abandoned or otherwise ceases to have effect.

Insurance of directors against certain risks

146. The directors may decide to purchase and maintain insurance, at the expense of the Company, for a director of the Company, or a director of an associated Company of the Company, against:

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

Appointment and removal of Company Secretary

147. The directors may appoint a Company secretary for such term, at such remuneration and on such other conditions they may determine.

148. The directors may remove a Company secretary appointed by them.

DECISION MAKING BY MEMBERS

General meetings

149. Subject to applicable law, the Company shall, in respect of each financial year of the Company, hold a general meeting as its annual general meeting.

150. The directors may at any time, if they consider appropriate, convene a general meeting.

151. If the directors are required to convene a general meeting under section 277 of the Act (*Right of members to require directors to convene general meeting*), they shall convene it in accordance with section 278 of the Act (*Directors duty to convene general meetings required by members*).

152. If the directors do not convene a general meeting in accordance with section 278 of the Act, the member(s) who requested the meeting may themselves convene a general meeting in accordance with section 279 of the Act (*Power of members to convene general meeting at the expense of the Company*).

Notice of general meetings

153. The directors may convene a general meeting only by giving members at least twenty-one (21) days' notice of the meeting.

154. The notice is to be exclusive of:

- (1) the day on which it is served or taken to be served; and
- (2) the day on which the meeting is to be held.

155. The directors shall ensure that the notice:

- (1) specifies the date and time of the meeting; and
- (2) specifies the place of the meeting (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting);
- (3) states the general nature of the business to be dealt with at the meeting;
- (4) for a notice convening an annual general meeting, states that the meeting is an annual general meeting;

- (5) if a motion for passing of a resolution (whether or not a special resolution) is intended to be moved at the meeting:
 - (a) includes notice of the resolution; and
 - (b) includes or is accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;
- (6) if a special resolution is intended to be moved at the meeting, specifies the intention and include the text of the special resolution; and
- (7) contains a statement specifying a member's right to appoint a proxy under section 298 of the Act.

156. Article 155(6) does not apply in relation to a resolution of which:

- (1) notice has been included in the notice of the meeting under section 278(2) or section 279(2) of the Act; or
- (2) notice has been given under section 289 of the Act (Members' power to request circulation of resolution for annual general meeting).

157. Despite the fact that a general meeting is convened by shorter notice than that specified in these Articles, it is regarded as having been duly convened if it is so agreed or ratified by:

- (1) in the case of a meeting called or proposed to be called as the annual general meeting, by all the members present and 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 per cent (95%) in nominal value of the shares giving that right.

158. Each member, each debenture-holder and each director are entitled to be given notice of a general meeting.

Attendance and speaking at general meetings

159. A person is able to exercise the right to speak at a general meeting when the person is in a position to communicate to all those attending the meeting, during the

meeting, any information or opinions that the person has on the business of the meeting.

160. A person is able to exercise the right to vote at a general meeting when:

- (1) the person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (2) the person's vote can be taken into account in determining whether or not those resolutions are passed at the same time as the votes of all the other persons attending the meeting.

161. The directors may make whatever arrangements as may be appropriate including use of appropriate technology to enable those attending a general meeting to exercise their rights to speak or vote at it. For the avoidance of doubt, subject to the provisions of the Act, members may confer via radio, telephone, closed circuit television, video and teleconferencing or other electronic means of audio/ visual communication. Notwithstanding that the members are not present in one place at the time of the conference, a resolution passed by members constituting a quorum at such a conference shall be deemed to have been passed at a meeting of the members as held on the day on which and at the time at which the conference was held and as specified by the notice calling it.

Quorum for general meetings

162. No business, other than the appointment of the person presiding at the meeting or the adjournment of the meeting, shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and at all times during the meeting.

163. The quorum at meetings of the shareholders shall be a member or members together holding not less than fifty percent (50%) of the Company's issued voting shares, present in person or by proxy or through an authorised representative.

Presiding at general meetings

164. The Chairperson of the board of directors shall preside as chairperson at every general meeting of the Company.

165. The directors present at a general meeting are required to elect one of themselves to preside at the meeting if:

- (1) there is no Chairperson of the board of directors;
- (2) the Chairperson is not present within 15 minutes after the time fixed for holding the meeting;
- (3) the Chairperson is unwilling or unable to act; or
- (4) the Chairperson has given notice to the Company that he or she will not attend the meeting.

166. The members shall elect one of themselves to preside at the meeting if:

- (1) none of the directors is willing or able to preside at the meeting; or
- (2) none of the directors is present within 30 minutes after the time fixed for holding the meeting.

167. A proxy may only be elected to preside at a general meeting by a resolution of the Company passed at that meeting.

Attendance and speaking by non-members

168. Directors shall be entitled to receive notice of and to attend and speak at general meetings, whether or not they are members of the Company.

169. The person presiding at a general meeting may permit other persons to attend and speak at a general meeting even though they are not:

- (1) members of the Company; or
- (2) otherwise entitled to exercise the rights of members in relation to general meetings.

Provided that such person must demonstrate that he has a material and important matter on which to address the meeting and that such matter could not otherwise be conveniently communicated to the members.

Adjournment of general meetings

170. If a quorum is not present within half an hour from the time fixed for holding a general meeting, the meeting shall be adjourned to the same day seven (7) days later at the same time and venue, or if that day is not a business day, to the next succeeding business day. At the adjourned meeting the member(s) present shall constitute a quorum.
171. The person presiding at a general meeting at which a quorum is present may adjourn the meeting if:
- (1) the meeting consents to an adjournment; or
 - (2) it appears to the person presiding that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
172. The person presiding must adjourn a general meeting if directed to do so by the members.
173. When adjourning a general meeting, the person presiding shall make a ruling specifying the date, time and place to which it is adjourned.
174. Only the business left unfinished at the general meeting may be transacted at the adjourned meeting.
175. If a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting must be given as for an original meeting.
176. If a general meeting is adjourned for less than thirty (30) days, it shall not be necessary to give any notice of the adjourned meeting and the ruling made under Article 173 shall be sufficient notice for the adjourned meeting.

General rules on decision-making by members

177. Decisions at general meetings shall be made by a simple majority of the votes of the members present in person, by proxy or by authorised representative.
178. A resolution put to the vote of a general meeting must be decided on by a show of hands unless a poll is demanded in accordance with these Articles.
179. Each member will have one vote except on a poll where each member will have one vote for every share held in the Company.

180. On a vote on a resolution on a show of hands at a general meeting, a declaration by the person presiding that the resolution:

(1) has or has not been passed; and/or

(2) has passed by a particular majority, is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

181. An entry in respect of the declaration in the minutes of the meeting is also conclusive evidence of that fact without further proof.

Errors and disputes

182. Any objection to the qualification of any person voting at a general meeting may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered, and a vote not disallowed at the meeting is valid.

183. Any objection must be referred to the person presiding at the meeting whose decision on such objection is final.

How poll may be demanded

184. A poll on a resolution may be demanded:

(1) in advance of the general meeting where it is to be put to the vote; or

(2) at a general meeting, either before or on the declaration of the result of a show of hands on that resolution.

185. A poll on a resolution may be demanded by:

(1) the person presiding at the meeting provided that he is seconded by at least other person entitled to vote at the meeting; or

(2) any other person or persons who may demand a poll under the Act.

186. The document appointing a proxy is regarded as conferring authority to demand or join in demanding a poll on a resolution.

187. A demand for a poll on a resolution may be withdrawn by the person(s) so demanding.

Votes of joint holders of shares

188. For joint holders of shares, only the vote of one holder (and any proxies duly authorized by the holder) may be counted.

189. For the purposes of this Article, joint holders shall agree, either generally or with regard to each meeting, on which one of them shall be entitled to vote.

Content of proxy notices

190. A proxy may only validly be appointed by a notice that:

- (1) states the name and address of the member appointing the proxy;
- (2) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (3) is authenticated, or is signed on behalf of the member appointing the proxy; and
- (4) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting in relation to which the proxy is appointed.

191. Proxy notices shall be delivered in the following form, provided that the Company may make alterations thereto or specify different forms for different purposes;

"CO-OP BANK KENYA LIMITED": PROXY NOTICE

I/We, _____, of P.O. BOX _____, being a member/members of the above-named Company, hereby appoint _____ of P.O. BOX _____, or failing him/her, _____ of P.O. BOX _____, or failing him/her the Chairperson of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting/General Meeting of the Company to be held on the _____ day of _____ 20_____, and at any adjournment thereof.*

Signed by me/us this _____ day of _____ 20_____.*

**Delete whichever is not applicable."*

192. If the Company requires or allows a proxy notice to be delivered to it in electronic form, it may require the delivery to be properly protected by a security arrangement it specifies.

193. A proxy notice may specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions dealing with any business to be transacted at a general meeting.

194. Unless a proxy notice indicates otherwise, it:

(1) allows the person appointed under it as a proxy discretion as to how; and

(2) appoints that person as a proxy to vote on any ancillary or procedural resolutions put to the general meeting and in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notice and notice revoking appointment of proxy

195. A proxy notice does not take effect unless it is received by the Company:

(1) for a general meeting or adjourned general meeting, at least 48 hours before the time fixed for holding the meeting or adjourned meeting; and

(2) for a poll to be taken more than 48 hours after it was demanded, at least 24 hours before the time fixed for taking the poll.

196. An appointment under a proxy notice may be revoked by delivering to the Company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

197. A notice revoking the appointment only takes effect if it is received by the Company:

(1) for a general meeting or adjourned general meeting, at least 24 hours before the time fixed for holding the meeting or adjourned meeting; and

(2) for a poll taken more than 48 hours after it was demanded, at least 12 hours before the time fixed for taking the poll.

Effect of member's voting in person on proxy's authority

198. A proxy's authority in relation to a resolution is to be regarded as revoked if the member who has appointed the proxy-

- (1) attends in person the general meeting at which the resolution is to be decided; and
- (2) exercises, in relation to the resolution, the voting right attached to the shares in respect of which the proxy is appointed.

199. A member who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of the meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of the member.

Amendments to proposed resolutions

200. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- (1) notice of the proposed amendment is given to the Company Secretary in writing; and
- (2) the proposed amendment does not, in the reasonable opinion of the person presiding at the meeting, materially alter the scope of the resolution.

201. The notice may be given only by a person entitled to vote at the general meeting at which it is to be proposed at least 48 hours before the meeting is to take place (or such later time as the person presiding at the meeting may determine).

202. A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- (1) the person presiding at the meeting proposes the amendment at the meeting at which the special resolution is to be proposed; and
- (2) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.

203. If the person presiding at the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the vote on that resolution remains valid unless a court orders otherwise.

Attendance by corporate members

204. Any member of the Company may, by resolution of its directors or other governing body, appoint such persons as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The production at a meeting of a copy of a resolution certified by a director (other than the appointee if the appointee shall be a director) and the secretary, if any, of such entity to be a true copy of the resolution, shall be accepted by the Company as sufficient evidence of the validity of the person's appointment. The person so appointed shall be entitled to exercise the same powers on behalf of such entity as it could exercise if it were an individual member of the Company.

Class meetings

205. The provisions of these Articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

COMPANY SECRETARY

206. The Board shall appoint a Company Secretary for such term, at such remuneration and upon such conditions as they may think fit; and the appointment of any Company Secretary so made may be removed by them.

207. The Company Secretary will offer company secretarial and statutory compliance services to the Company, which will be charged at market-related rates as agreed in writing between the Company and the Company Secretary.

208. No person shall be appointed or hold office as Company 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; or
- (4) is not the holder of the qualification required by law for that office.

209. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and the company 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 Company Secretary.

DISTRIBUTIONS

210. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. The dividend may be, subject to the applicable law, in the form of cash, shares or script or partially in one form and partially in another.

211. The Directors may from time to time pay to the members such interim dividends (including therein the fixed dividends payable upon any preference or other shares at stated times) as appear to the Directors to be justified by the profits of the Company.

212. No dividend shall be paid otherwise than out of profits of the Company available for that purpose.

213. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the number of the shares held, PROVIDED THAT if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

214. The directors may, before recommending any dividend, set aside out of 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.

215. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

216. The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by the member to the Company on account of calls or otherwise in relation to the shares of the Company.
217. The directors may retain any dividend or other money payable on or in respect of a share on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
218. Any general meeting declaring a dividend or bonus may, to the extent permitted under the Act and any other applicable law, 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 member 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.
219. Any dividend, interest or other moneys payable in respect of shares may be paid in such manner as the Company may deem convenient. Every such payment 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.
220. No dividends shall bear interest against the Company.
221. Any dividend or bonus share or other right unclaimed for such period as may be prescribed under any applicable law shall be dealt with by the Company in accordance with the provisions of the law relating to unclaimed financial assets.
222. A distribution recipient may waive their entitlement to a dividend or other distribution payable in respect of a share by executing and delivering to the Company a deed to that effect. Provided that if the share has more than one holder or more than one person is entitled to the share (whether because of the death or bankruptcy of one or more joint holders, or otherwise), the deed is not effective unless it is expressed to be executed by all the holders or other persons entitled to the share.

Capitalization of profits

223. The Company may decide to capitalize any portion of its profits by ordinary resolution on the recommendation of the directors.
224. If the capitalization is to be accompanied by the issue of shares or debentures, the directors may apply the sum capitalized in the proportions in which the members would be entitled if the sum was distributed by way of dividend.
225. To the extent necessary to adjust the rights of the members among themselves if shares or debentures become issuable in fractions, the directors may make any arrangements they consider appropriate, including the issuing of fractional certificates or the making of cash payments or adopting a rounding policy.

ACCOUNTS

226. The Company shall appoint and retain external auditors in accordance with the provisions of sections 159 to 162 of Part XXVII (Auditing of Company Financial Statements) of the Act as well as any relevant provisions of any other applicable law.
227. The directors shall cause proper books of account to be prepared and kept in accordance with the applicable law 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 by the Company; and
 - (3) the assets and liabilities of the Company.
228. 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.
229. The books of account shall be kept at the Company's registered office, or subject to the Act and any other applicable law, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
230. Subject to the Act, 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 opened to the inspection of members, 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.

231. The directors shall from time to time, in accordance with the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Act.
232. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall, not less than twenty-one (21) days before the date of the meeting, be sent to every member and every holder of debentures of the Company, and every person who is entitled to receive notice of general meetings of the Company but this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, nor to more than one (1) of joint holders of any shares or debentures, and such documents may be sent using any mode available to the Company, including by electronic means.

UNCLAIMED ASSETS

233. The Company shall, as required by the Unclaimed Financial Assets Act, deliver or pay to the Unclaimed Financial Assets Authority any unclaimed assets including but not limited to shares and dividends in the Company presumed to be abandoned or unclaimed in law and any dividends remaining unclaimed beyond prescribed statutory periods and the Board may perform such acts as may be necessary to effect such delivery or payment. Upon such delivery or payment, the unclaimed assets shall cease to remain owing by the Company and the Company shall no longer be responsible to the Member or his or her estate, for the relevant unclaimed assets.
234. To give effect to any sale of shares under this Article, the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register even if no share certificate (if any) has been lodged for such shares and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The buyer shall not be bound to see to the application of the purchase monies, nor shall his title to the shares be affected by any irregularity or invalidity in the

proceedings in reference to the sale. If the shares are in uncertificated form, in accordance with the uncertificated securities rules, the Board may issue a written notification to the operator of the Relevant System requiring the conversion of the share to certificated form.

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

236. Whenever the shares of the Company are or are to be listed on a securities exchange outside Kenya the provisions of any legislation or regulation then in force in such country, in relation to the immobilisation or dematerialisation of securities or to the procedures for dealings in such securities or for their immobilisation or dematerialisation, shall apply to the Company except in so far as the same may be inconsistent with these Articles or with the provisions of the Act or any other legislation for the time being in force affecting the Company.

SUPPLEMENTARY PROVISIONS

Means of communication to be used

237. Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any such way as Part XL of the Act provides for documents or information to be sent or supplied by or to the Company for the purposes of the Act.

238. Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such a notice or document for the time being.

239. A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Restrictions on right to inspect accounts and other records of the Company

240. A person's entitlement to inspect the Company's records is subject to authorization by:

- (1) a written law;
- (2) an order of the Court under section 320 of the Act or under regulations in force under section 1008 of the Act;
- (3) the directors; or
- (4) an ordinary resolution of the Company.

Distribution of surplus on liquidation of Company

241. If the Company is liquidated and a surplus remains after the payment of debts proved in the winding up, the liquidator:

- (1) may, with the required sanction, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be so divided; and
- (2) may determine how the division is to be carried out between the members or different classes of members.

242. The liquidator may, with the required sanction, vest the whole or part of those assets in trustees on trust for the benefit of the contributories that the liquidator, with the required sanction, thinks fit, but a member must not be compelled to accept any shares or other securities on which there is any liability.

243. In this Article, required sanction means the sanction of a special resolution of the Company and any other sanction required by the Act.

Indemnity

244. Subject to the provisions of the Act and all other applicable laws, but without prejudice to any other indemnity to which a director, officer or agent of the Company may otherwise be entitled, every director, auditor, secretary, other officer and agent 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, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application under section 763 of the Act in which relief is granted to him by the Court (as defined under the Act), or in any other case where he has acted in good faith, honestly and reasonably.

Destruction of documents

245. The Company shall be entitled to destroy in such manner as the Board approves:

- (1) all instruments of transfer of shares and all other documents on the faith of which entries are made in the Register at any time after the expiry of seven (7) years from the date of registration;
- (2) all dividend mandates and notifications of change of name or address at any time after the expiry of seven (7) years from the date of recording;
- (3) all share certificates (if any) which have been cancelled at any time after the expiry of seven (7) years from the date of cancellation; and

- (4) any other document on the basis of which an entry in the Register is made at any time after the expiry of seven (7) years from the date an entry in the Register was first made in respect of it.

246. It shall be conclusively presumed in favour of the Company that every:

- (1) entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made;
- (2) instrument of transfer so destroyed was duly registered;

- (3) other document so destroyed had been properly dealt with under its terms and was valid and effective according to the particulars in the records of the Company.

247. This Article shall only apply to the destruction of a document in good faith and without Notice of any claim (regardless of the parties to it) to which the document might be relevant. Nothing in this Article shall be construed as imposing any liability on the Company in respect of the destruction of any such document other than as provided for in this Article which would not attach to the Company in the absence of this Article. References in this Article to the destruction of any document include references to the disposal of it in any manner.

