

THE COMPANIES ACT
(Chapter 486, Laws of Kenya)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CAR & GENERAL (KENYA) plc

(Incorporating proposed amendments at the Annual General Meeting scheduled to be held on 25th
March 2021)

INCORPORATED the 30th day of September 1936

**KAPLAN & STRATTON
ADVOCATES
NAIROBI**

THE COMPANIES ACT (CHAPTER 486)

COMPANY LIMITED BY SHARES

New Articles of Association

OF

**Car and General
(Kenya) Limited**

1. The regulations contained in Table A in the First Schedule to the Act shall not apply to the Company.
2. In these Articles, if not inconsistent with the subject or context:-
The words standing in the first column of the following Table shall bear the meanings set opposite to them respectively in the second column thereof:-

WORDS	MEANINGS
The Act	The Companies Act (Chapter 486).
These Articles	These Articles of Association as now framed or as from time to time altered by Special Resolution.
The Company	Car and General (Kenya) Limited.
The Seal	The Common Seal of the Company.
Kenya	The Republic of Kenya.
Month	Calendar month.
The Board	The Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present.
In writing	Words written, printed, lithographed or represented or reproduced in any other mode in visible form.
Paid up	Paid up or credited as paid up.

Words signifying the singular number only shall include the plural number and vice versa;

Words signifying the masculine gender only shall include the feminine gender;

Words importing persons shall include corporations;

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At the Annual General Meeting held on 26th May 1989, the following Special Resolution was passed:

That the Articles of Association of the Company be altered by the substitution for the existing Article 7 of the following:

"The share capital of the Company is eighty-five million Shillings (Shs. 85,000,000) divided into seventeen million (17,000,000) Ordinary Shares of Shs 5.00 each."

At an Annual General Meeting held on 31st March 1994, the following Special Resolution was passed:

That the Articles of Association of the Company be altered by the substitution for the existing Article 7 of the following:

"The Share Capital of the Company is one hundred and ten million shillings (Shs 110,000,000/-) divisible into twenty two million (22,000,000) ordinary shares of Shs 5/- each."

At an Annual General Meeting held on 12th August 1996, the following Special Resolution was passed:

THAT the Articles of Association of the Company be altered by the substitution for the existing Article 7 of the following:

"The share capital of the Company is one hundred and fifteen million shillings (Shs 115,000,000) divisible into twenty three million (23,000,000) ordinary shares of Shs 5/- each".

At the Annual General Meeting of CAR & GENERAL (KENYA) LIMITED held at New Cargen House, Lusaka Road, L R No 209/6980, Nairobi in the Province of Nairobi on Friday, 23rd March 2012, the following SPECIAL RESOLUTIONS were duly passed:-

- (i) That subject to the approval of the Capital Markets Authority and any other regulatory Authority, the Directors be and are hereby authorized to establish one or more Employee Share Ownership Schemes (ESOS), including prepare, amend, approve and register the Trust Deed(s) and Rules and any other documents pertaining to the establishment of the Scheme(s) and to appoint and remove Trustees of the Employee Share Ownership Scheme(s) pursuant to which the Trustees thereof shall be authorized to issue units representing Ordinary Shares of KShs 5 /- each of the Company to qualifying employees of the Company and its subsidiaries including Executive Directors, the first Scheme to be named Car & General (Kenya) Limited Employee Share Ownership Scheme.
- (ii) That subject to the approval of the Capital Markets Authority, Nairobi Securities Exchange Limited, and Kenya Revenue Authority and notwithstanding provisions of Article 13 of the Company's Articles of Association, the Directors be and are hereby authorized to allot unissued Ordinary Shares in the authorized share capital of the Company from time to time to the Trustees required to be held for the purposes of the ESOS(s) to be established by the Company provided that the number of Ordinary Shares held by the Trustees of the ESOS (s) shall not exceed 1,500,000 Ordinary Shares of KShs 5/- each.
- (iii) That provisions of Article 87(a) shall not apply to any matters relating to the ESOS (s).
- (iv) That the Ordinary Shares allotted to the Trustees of the ESOS(s) shall rank pari passu for all purposes with the issued Ordinary Shares but shall not qualify for the final dividend in respect of the year ended 30th September 2011.
- (v) That Article 7 of the Company's Articles of Association be deleted in its entirety and substituted with the following:
- (vi) The share capital of the Company at the date of the alteration of this Article is Kenya Shillings one hundred and seventy five million (KShs 175,000,000/-) divided into thirty five million (35,000,000) Ordinary Shares of Kenya Shillings five (KShs 5/-) each.

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The expression "debenture" shall include debenture stock;

The expression "Director" shall include an Alternate Director;

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

The expression "dividend" shall include bonus;

Reference in these Articles to any provision of the Act or to any other Act of Parliament shall be construed as a reference to such provision as modified or re-enacted by any Act of Parliament for the time being in force.

3. Subject to the last preceding Article, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

BUSINESS

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

5. The registered office of the Company shall be at such place in Kenya as the Board shall from time to time appoint.

6. No part of the funds of the Company shall be employed in the subscription or purchase of or in loans upon the security of the Company's Shares or those of its holding Company (if any) and the company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with any purchase or subscription by any person of or for shares in the Company or in its holding company (if any) provided that nothing in this Article shall prohibit transactions mentioned in the proviso to Section 56(1) of the Act.

SHARE CAPITAL AND VARIATION OF RIGHTS

7. The share capital of the Company at the date of adoption of these Articles is Shillings Sixty Five Million Two Hundred and Fifty Thousand (Shs. 65,250,000/-) divided into Twelve Million Six Hundred and Fifty Thousand (12,650,000) Ordinary Shares of Shillings Five (Shs. 5/-) each and One Hundred Thousand (100,000) Employee Shares of Shillings Twenty (Shs. 20/-) each. The said Employee Shares shall have attached thereto the following special rights and conditions:—

- (i) Any permanent employee of the Company shall be entitled to apply for Employee Shares at par and upon payment of the par value thereof the Board may allot at its discretion to such employee the Employee Shares so applied for;
- (ii) Each of the Employee Shares shall whilst it is held by an employee of the Company rank for dividend and in a winding up as if it were an Ordinary Share;
- (iii) An Employee Share shall not confer the right to vote or to attend at General Meetings of the Company;
- (iv) An Employee Share shall not be transferable except as provided by paragraph (v) of this Article;

- (v) Whenever an Employee Share is allotted or pursuant to this paragraph is transferred to any such employee of the Company, such employee shall be entitled to retain and hold the same so long as he remains an employee of the Company, and if by death, resignation, withdrawal, dismissal or otherwise, he ceases to be an employee of the Company, he or his executors or administrators shall be bound, upon the request in writing of the Board, to transfer such share at par to such person as the Board may nominate, and, if such person is not an employee of the Company, such person shall at any time, on the request of the Board, transfer such share at par to any employee of the Company,
- (vi) If any person who ought, in conformity with the preceding paragraph of this Article to transfer any Employee Shares, makes default in transferring the same, the Board may, by writing under the Common Seal of the Company, appoint any person to make the transfer on behalf of the person in default, and a transfer by such appointee shall be as effective as if it were duly executed by the person so in default. A certificate under the Common Seal that such power of appointment has arisen shall be conclusive for all purposes.

8. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine.

9. Subject to the provisions of Section 60 of the Act, any preference shares may, with the sanction of a Special Resolution, be issued upon the terms that they are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company may by Special Resolution determine.

10. If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, all the provisions of these Articles relating to General Meetings of the Company shall, mutatis mutandis, apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

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

12. Subject to the provisions of these Articles, the shares in the capital of the Company shall be at the disposal of the Board which may allot, grant options over or otherwise dispose of them to such persons, for such consideration, on such terms and conditions and at such times as it may determine provided that no shares shall be issued at a discount except in accordance with Section 59 of the Act.

13. Unless otherwise determined by Special Resolution and except in the case of the issue of shares pursuant to any rights previously conferred in accordance with these Articles, whenever the Board proposes to issue any shares it shall offer them in the first instance to Members (other than preference shareholders not specifically entitled to them under the terms of issue of their preference shares) in proportion as nearly as may be to the number of existing shares held by them. Such offer shall be made by notice specifying the number of shares to which the Member is entitled and

At the Annual General Meeting of CAR & GENERAL (KENYA) LIMITED held at the Company's Registered Office, New Cargen House, Lusaka Road, Industrial Area, Nairobi on Friday, 21st March 2003, the following SPECIAL RESOLUTION was duly passed:-

That the Articles of Association of the Company be amended by the insertion of the following new Articles immediately after Article 18 under the sub-title:

Application of Central Depositories Act:

18A – The provisions of the Central Depositories Act 2000 as amended or modified from time to time shall apply to the Company to the extent that any securities of the Company are in part or in whole immobilised or dematerialised or are required by the regulations or rules issued under Central Depositories Act to be immobilised or dematerialised in part or in whole, as the case may be. Any provisions of these articles that are inconsistent with the Central Depositories Act or any regulations or rules issued or made pursuant thereto shall be deemed to be modified to the extent of such inconsistencies in their application to such securities. For the purposes of these Articles of Association, immobilisation and dematerialisation shall be construed in the same way as they are construed in the Central Depositories Act.

18B – Where any securities of the Company are forfeited pursuant to these Articles of Association after being immobilised or dematerialised, the Company shall be entitled to transfer such securities to a securities account designated by the directors for this purpose.

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limiting a time (not less than Twenty-One Days) within which the offer, if not accepted, will be deemed to be declined and after the expiration of that time (if the offer is not accepted) or on the earlier receipt of an intimation from the Member to whom the offer is made that he declines to accept the shares offered the Board may allot or otherwise dispose of those shares to such persons and upon such terms as may be decided by it. The Board may likewise so dispose of any shares which, by reason of the ratio which the number of shares offered bears to the total number of existing issued shares, cannot in the opinion of the Board be conveniently offered under this Article.

14. The Company may exercise the powers of paying commissions conferred by Section 55 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid and the number of shares for which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the said Section and that such commission shall not exceed Ten Per Cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to Ten Per Cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

15. If any shares in the capital of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long time, the Company may, subject to the conditions and restrictions mentioned in Section 67 of the Act, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of plant as the case may be.

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

CERTIFICATES

17. Every person whose name is entered as a Member in the Register of Members shall be entitled, without payment, to one certificate for all his shares of each class and, when part only of the shares comprised in a certificate is sold or transferred, to a new certificate for the remainder of the shares so comprised or, upon payment of such sum, not exceeding Shillings Twenty (Shs. 20/-), for every certificate after the first as the Board shall from time to time determine, several certificates each for one or more of his shares of such class. Every certificate shall be issued within sixty days after allotment or lodgement of the instrument of transfer (or within such other period as the conditions of issue shall provide), shall be under the Seal and shall specify the share or shares to which it relates and the amount paid up thereon. In the case of shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the several joint holders shall be sufficient delivery to all.

18. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding Shillings Twenty (Shs. 20/-) and, in the case of loss or destruction, on such terms, if any, as to evidence and indemnity and payment of the out-of-pocket expenses of the Company of investigating such evidence, as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

LIEN

19. The Company shall have a lien on every share (other than a fully paid share) registered in the name of a Member (whether solely or jointly with others) for all moneys (whether presently payable or not) due by such Member or his estate, either alone or jointly with any other person, to the Company but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends payable thereon.

20. The Company may sell, in such manner as the Board may determine, any share on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable or before the expiration of Fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default, shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.

21. To give effect to any such sale, the Board may authorise any person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

22. The net proceeds of any such sale, after payment of the cost of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale.

CALLS ON SHARES

23. The Board may, from time to time, make calls upon the Members in respect of any moneys unpaid on their shares and not, by the conditions of allotment thereof, made payable at fixed times and each Member shall (subject to the Company giving to him at least Fourteen Days' notice specifying the time or times and place of payment) pay to the Company, at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed as the Board may determine.

24. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

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 Fifteen per cent per annum, as the Board may determine but the Board may waive payment of such interest wholly or in part.

27. Any sum which, by the terms of issue of a share, becomes payable on allotment or on any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

28. The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

29. The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may until the same would, but for such advance, become presently payable pay interest at such rate, not exceeding Fifteen per cent per annum, as may be agreed upon between the Board and the Member paying such sum in advance.

TRANSFER OF SHARES

30. The transfer of any share in the Company shall be in writing in any usual or common form and shall be signed by the transferor and the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. All instruments of transfer, when registered, shall be retained by the Company.

31. (a) The Board may decline to register any transfer of Ordinary Shares, not being fully paid shares, to a person of whom it does not approve, and may decline to register any transfer of shares on which the Company has a lien. The Board may also decline to register any instrument of transfer unless:-

- (i) a fee of such amount as the Board may from time to time prescribe, not exceeding Shillings Twenty (Shs. 20/-), is paid to the Company in respect thereof; and
- (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of share.

If the Board refuses to register a transfer of any shares, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of refusal.

(b) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine provided always that such registration shall not be suspended for more than thirty days in any year.

32. The Company shall be entitled to charge a fee of such amount as the Board may from time to time prescribe, not exceeding Shillings Twenty (Shs. 20/-) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instrument relating to or affecting the title to any share.

TRANSMISSION OF SHARES

33. In the case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares; provided that nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.

34. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as a Member in respect of the share or, instead of being registered himself to make such transfer of the share as the deceased or bankrupt person could have made but the Board shall, in either case, have the same right to refuse or suspend registration as it would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

35. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to General Meetings of the Company; Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within three months after the date of service thereof, the Board may, thereafter, withhold payment of all dividends and other moneys payable in respect of the share until compliance with the notice has been affected.

FORFEITURE OF SHARES

36. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may, at any time thereafter while any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

37. The notice shall specify a date (being not less than Fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.

38. If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may, at any time after the date specified therein, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

39. When any shares have been forfeited, notice of the forfeiture shall forthwith be given to the holder of the shares or, as the case may be, to the person entitled to the shares by reason of the death or bankruptcy of the holder but no forfeiture shall be invalidated by any omission or neglect to give such notice as aforesaid.

40. Forfeited shares shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board may think fit but, at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board may determine.

41. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from and including the date of forfeiture to and including the date of payment at such rate (not exceeding Fifteen per cent per annum) as the Board may determine.

42. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that shares have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the shares. The certificate for the shares delivered with such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale, re-allotment or disposal thereof delivered to a transferee or allottee thereof shall constitute a good title to the shares. In the case of sale the Company may receive the consideration and the Board may appoint some person to execute a transfer of the shares to the purchaser thereof who shall be registered as the holder thereof and shall not be bound to see to the application of the consideration and whose title to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture or sale of the shares.

CONVERSION OF SHARES INTO STOCK

43. The Company may from time to time, by Ordinary Resolution, convert any paid-up shares into stock and may reconvert any stock into paid-up shares of any denomination.

44. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might, prior to conversion, have been transferred or as near thereto as circumstances admit. The Board may, from time to time, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum but the minimum shall not exceed the nominal value of one of the shares from which the stock arose.

45. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at General Meetings of the Company and other matters as if they held the shares from which the stock arose but no such privilege or advantage, except participation in dividends and in the assets on a winding up, shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

46. All the provisions of these Articles which are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" herein shall include "stock" and "stockholder".

INCREASE OF CAPITAL

47. The Company may from time to time, by Ordinary Resolution, increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

ALTERATION OF CAPITAL

48. The Company may, from time to time, by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of Section 63 (1)(d) of the Act) and the Resolution whereby any share is so sub-divided may determine that one or more of the shares resulting from such sub-division may carry any such preferred, deferred, special or qualified rights over or be subject to any restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

- (c) Cancel any shares which, at the date of the passing of the Resolution, have not been issued or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

REDUCTION OF CAPITAL

49. The Company may from time to time, by Special Resolution, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorized and consent required by law.

GENERAL MEETINGS

50. The Company shall, in each year, hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year and shall specify the Meeting as such in the notices calling it. Not more than Fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Annual and other General Meeting shall be held at such times and places as the Board shall appoint. All general Meetings, other than Annual general Meetings, shall be called Extraordinary General Meetings.

51. The Board may, whenever it thinks fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as is provided by Section 132 of the Act. If, at any time, there are not within Kenya sufficient Directors capable of acting to form a quorum, any Director or any two Members of the Company may convene an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which Meetings may be convened by the Board.

****51A (i)** The Board may, In the case of any General Meeting, resolve to and make arrangements for simultaneous attendance and participation by electronic means allowing persons not present together at the same place to attend, speak and vote at the meeting. The arrangements for simultaneous attendance and participation at the place at which persons are participating, using electronic means may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all members and proxies wishing to attend the meeting are able to attend at one or other of the venues, including venues chosen by such persons individually.

(ii) The members or proxies at the place or places at which persons are participating via electronic means shall be counted in the quorum for, and be entitled to vote at the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the Chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the members or proxies attending at the place or places at which persons are participating via electronic means are able to:

- (a) participate in the business for which the meeting has been convened, and.
- (b) see and hear all persons who speak (whether through the use of microphones, loudspeakers, computer, audio – visual communication equipment or otherwise, whether in use when these Articles are adopted (or developed subsequently) in the place at which persons are participating and any other place at which persons are participating via electronic means.

NOTICE OF GENERAL MEETINGS

52. Every General Meeting shall be called by at least Twenty-one days' notice in writing (exclusive of the day on which it is served or deemed to be served and of the day for which it is given). The notice shall specify the place, the date and the time of such General Meeting and, in case of special business, the nature of that business and shall be given, in manner hereinafter mentioned or any such other manner, if any, as may be prescribed by the Company in General Meeting to such persons as are, under these Articles, entitled to receive such notices from the Company; provided that a meeting of the Company shall, notwithstanding that it has been called by notice shorter than that specified in this Article, be deemed to have been duly called if it is so agreed:-

- (a) In the case of a meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat and;
- (b) In the case of any other Meeting of the Company, by a majority of the Members having the right to attend and vote thereat, being a majority together holding not less than Ninety-five per cent (95%) in nominal value of the shares giving that right.

53. In every notice calling a Meeting there shall appear, with reasonable prominence, a statement that a Member entitled to attend and vote thereat is entitled to appoint one or more proxies to attend and vote in his stead and that a proxy need not be a Member.

54. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a Meeting by, any person entitled to receive such notice shall not invalidate the proceedings at that Meeting.

PROCEEDINGS AT GENERAL MEETINGS

55. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the declaration of dividends, the consideration of the accounts and balance sheets and any documents accompanying or annexed thereto, the reports of the Directors and Auditors, the election of Directors, the appointment of Auditors and the fixing of the remuneration of the Directors and Auditors.

56. No business shall be transacted at any General Meeting unless a quorum is present when the Meeting proceeds to business. Save as otherwise provided by these Articles, five Members present in person or separately represented by proxy or by attorney or, in the case of a corporation, duly represented in accordance with the provisions of these Articles, shall be a quorum.

57. If, within Thirty minutes from the time appointed for the Meeting, a quorum is not present, the Meeting, if convened upon the requisition of Members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine and if, at such adjourned Meeting, a quorum is not present within Thirty minutes of the time appointed for the Meeting, the Members present (being not less than two) shall be a quorum.

58. The Chairman (if any) or, in his absence, the Deputy-Chairman (if any) of the Board shall preside at every General Meeting. If there is no such Chairman or Deputy-Chairman or if, at any Meeting, neither is present within Fifteen minutes after the time appointed for the same, or if neither is willing to act as Chairman, the Members present shall choose some Director or, if no Director is present or if none of the Directors present is willing to act as Chairman, they shall choose some Member present to be Chairman of the Meeting.

59. The Chairman of any Meeting at which a quorum is present may, with the consent of the Meeting and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place as the Meeting determines but no business shall be transacted at any adjourned Meeting other than the business which might have been transacted at the Meeting from which the adjournment took place. Whenever a Meeting is adjourned for Thirty days or more, notice of the adjourned Meeting shall be given in the same manner as in the case of an original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

60. At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman of the Meeting or by any Member present in person or by proxy or, in the case of a corporation, duly represented in accordance with the provisions of these Articles. Unless a poll is so demanded, a declaration by the Chairman of the Meeting that a Resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. Any resolution which is not a special resolution shall be decided by a simple majority.

61. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place and in such manner as the Chairman of the Meeting shall direct.

62. If a poll has been duly demanded, the result of the poll shall be deemed to be a resolution of the Meeting at which the poll was demanded.

63. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which a poll has been demanded and such demand may be withdrawn at any time.

64. On a poll votes may be given personally or by proxy or by Attorney or by a representative of a corporation appointed in accordance with the provisions of these Articles.

65. In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the Meeting shall be entitled to a second or casting vote.

66. If any vote shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the Resolution unless it is pointed out at the same Meeting and not, in that case, unless it shall, in the opinion of the Chairman of the Meeting, be of sufficient magnitude to vitiate the Resolution.

67. Subject to the provisions of the Act, a Resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings or, being corporations, by their representatives duly appointed in accordance with the provisions of these Articles, shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Members or by their representatives as aforesaid.

VOTES OF MEMBERS

68. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person or by proxy or, being a corporation, is present by a representative duly appointed in accordance with the provisions of these Articles shall have one vote. On a poll every Member shall have one vote for each share of which he is the holder.

69. No Member shall be entitled to be present at any General Meeting or to vote on any question, either personally or by proxy, at any General Meeting or on a poll or to be reckoned in a quorum whilst any call or other sum is due and payable to the Company in respect of any of the shares held by him, whether alone or jointly with any other person.

70. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

71. A Member of unsound mind in respect of whose estate a manager has been appointed under Section 38 of the Mental Treatment Act (Cap. 248) may vote, whether on a show of hands or on a poll, by such manager who may, on a poll, vote by proxy.

72. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive.

73. The instrument appointing a proxy shall be in writing under the hand of the Appointor or of his Attorney duly authorised in writing or, if the Appointor is a corporation, either under its common seal or under the hand of an officer or duly authorised attorney or such corporation. A proxy need not be a Member of the Company but shall be entitled to the same right to address a Meeting as the Member appointing him.

74. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company or at such other place in Kenya as may be specified for that purpose in the notice convening the Meeting, not less than Twenty-four hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or, in the case of a poll, the time appointed for the taking of the poll and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of Twelve months from the date of its execution.

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

"CAR AND GENERAL (KENYA) LIMITED"

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

Signed this _____ day of _____ 19 _____

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

***Strike out whichever is not desired.**

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

77. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which it was executed or the transfer of the share in respect of which the instrument of proxy was given, if no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company before the commencement of the Meeting or adjourned Meeting or the taking of the poll at which the instrument of proxy is used.

78. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body or by notification in writing under the hand of some officer of such corporation duly authorised in that behalf authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of the holders of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

DIRECTORS

79. The number of Directors shall be not less than two and, unless and until otherwise determined by the Company in General Meeting, shall not exceed ten.

80. The Directors (other than those Directors whose remuneration is determined by agreement between the Company and such Directors) shall be entitled to such remuneration for their services as the Company may, from time to time, in General Meeting determine and such remuneration shall be divided among the Directors in

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such proportions and manner as they may determine or, failing such determination, equally, except that in such event any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year. The Directors, including Alternate Directors, shall also be entitled to be reimbursed by the Company in respect of their travelling, hotel and incidental expenses reasonably incurred while engaged on the business of the Company including attending and returning from Board Meetings. Any Director who, by request, performs special or extraordinary services or goes or resides abroad on behalf of the Company, may be paid such extra remuneration (whether by way of lump sum, salary, commission, percentage of profits or otherwise) as the Board may determine.

****81** The Shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.

- 82. (a)** Any Director may appoint another Director or any other person who is approved by the Board to be his Alternate to act in his place at any Meetings of the Board at which he is unable to be present. An Alternate Director shall not be required to hold any share qualification but shall be entitled, in the absence of his appointor, to exercise all the rights and powers of a Director and to attend and vote at Meetings of the Board at which his appointor is not personally present and, where he is a Director, to have a separate vote on behalf of his appointor in addition to his own vote. A Director may, at any time, revoke the appointment of an Alternate appointed by him. The appointment of an Alternate shall be revoked, ipso facto, if his appointor ceases for any reason to be a Director. Every appointment and revocation under this Article shall be effected by notice in writing under the hand of the appointor served on the Company and on such Alternate;
- (b)** The remuneration of an Alternate shall be payable out of the remuneration of his appointor and shall be such proportion thereof as shall be agreed between them;
- (c)** An Alternate whose appointor is a Member of the Company shall, in the absence of a direction to the contrary in the instrument appointing him, be entitled to receive notice of and to vote at General Meetings of the Company as if he had been appointed a proxy of his appointor under the provisions of these Articles.

83. The Office of a Director shall be vacated if the Director:-

- (a)** is removed from office pursuant to Section 185 of the Act or by a Special Resolution of the Company in General Meeting;
- (b)** ceases to be a Director by virtue of Section 186 of the Act;
- (c)** becomes bankrupt or makes an arrangement or composition with his creditors generally;
- (d)** becomes prohibited from being a Director by reason of any order made under Section 189 of the Act;
- (e)** becomes of unsound mind; or
- (f)** resigns his office by giving at least one month's notice in writing to the Company;
- (g)** absents himself from Meetings of the Directors for a period of at least six months without special leave of absence from the other Directors;

- (h) ceases to hold the necessary share qualifications or does not obtain the same within one month from the date of his appointment.

4. The Company may, by Ordinary Resolution, appoint another person in place of a Director who has ceased to be a Director under the preceding Article and, without prejudice to the powers of the Directors under Article 86, the Company may, by Ordinary Resolution, appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

ROTATION OF DIRECTORS

5. (a) At the Annual General Meeting of the Company in every year one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office;
- (b) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot;
- (c) A retiring Director shall be eligible for re-election.
- (d) The Company at the Meeting at which a Director retires by rotation may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected, unless at such a Meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost;
- (e) No person other than a Director retiring by rotation shall unless recommended by the Board be eligible for election to the office of Director at any General Meeting unless not less than three nor more than twenty-one days before the date appointed for the Meeting there shall have been left at the registered office of the Company notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
6. The Board may, at any time and from time to time, appoint a person to be a Director to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such Meeting.

DIRECTORS' CONTRACTS

87. (a) A Director may contract with and be interested in any way, whether directly or indirectly, in any actual or proposed contract or arrangement with the Company, either as a vendor, purchaser or otherwise, and shall not be liable to account for any profit made by him by reason of any such contract or arrangement, provided that the nature of the interest of the Director in such contract or arrangement is declared at the Meeting of the Board at which the question is first taken into consideration if his interest then exists or, in any other case, at the next meeting of the Board held after he became interested and it shall be the duty of the Director so to declare his interest. No Director shall vote as

22 At an Extraordinary General Meeting held on 16th March 1993, the following Special Resolution was passed:

THAT the Articles of Association of the Company be amended by substituting the following new Article for Article 88:-

"The Directors may exercise all the powers of the Company to borrow or raise money or to guarantee and to mortgage or charge its undertaking, property, assets, rights and revenues and uncalled capital or any part thereof and to issue and create debentures, debenture stock, mortgages, charges and other securities as security for any debt, liability or obligation of the Company or of any third party."

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a Director in respect of any contract of arrangement in which he is interested and, if he does vote, his vote shall not be counted but he shall, nevertheless, be counted in the quorum present at the Meeting. These prohibitions shall not apply:-

- (i) to any arrangement for giving a Director any security for advances or by way of indemnity or to any allotment to or any contract or arrangement for the underwriting or subscription by a Director of shares or securities of the Company; or
- (ii) to any contract or dealing in which the Director is interested by reason only of his being a director or other officer, employee or nominee of any government or corporation or company, which, being a Member of the Company or holding shares in a corporation or company which is a Member of the Company, is interested in such contract or dealing whether directly or indirectly and this exception shall not cease to have effect merely by reason of the fact that the Director is also a shareholder or creditor of any such government, corporation or company or of any corporation or company in which it is interested;

Provided that these provisions may at any time be suspended or relaxed to any extent by the Company in General Meeting.

- (b) A Director may hold office as a Director or Manager of or be otherwise interested in any other corporation or company in which the Company is in any way interested and shall not (unless it is otherwise agreed) be liable to account to the Company for any remuneration or other benefits receivable by him from such other corporation or company;
- (c) A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and on such terms as to remuneration and otherwise as the Board shall arrange;
- (d) A Director may act by himself or his firm in a professional capacity for the Company (except as Auditor of the Company) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) For the purpose of this Article, a general notice given to the Board by a Director at any meeting of the Board to the effect that he is a member of a specified corporation, company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that corporation, company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

POWERS AND DUTIES OF THE BOARD

88. The Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital of any part thereof and to issue income notes, bonds, debentures and other securities.

89. The business of the Company shall be managed by the Board which may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in General Meeting (subject nevertheless to the provisions of these Articles and of the Act) and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in General

Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

90. The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in Kenya or elsewhere, and may appoint any persons to be members of such local boards or managers or agents and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local Board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

91. The Board may, by power of attorney, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these Articles, and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

92. The Company may exercise the powers conferred by Section 37 of the Act with regard to having an Official Seal for use outside Kenya and such powers shall be vested in the Board.

93. The Company may exercise the power conferred by Section 121 of the Act with regard to the keeping of a Branch Register and the Board may, subject to the provisions of Section 122 of the Act make and vary such regulations as it may think fit regarding the keeping of any such Branch Register.

94. All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Board shall from time to time determine.

95. The Board shall cause Minutes to be made, in books provided for the purpose, recording in respect of every Meeting of the Company, of the Board and of Committees of the Board the names of all persons present and all resolutions and proceedings at such Meeting. The Minutes of every such Meeting shall be read at the next Meeting of the Company, of the Board or of the Committee of Directors, as the case may be, and, after being amended or corrected, if necessary, and approved by the Meeting, shall be signed by the Chairman of the Meeting and, once so signed, shall be prima facie evidence of the matters stated therein.

96. The Board may grant pensions, annuities, gratuities or other allowances on death, sickness, disability or retirement to any person who is or has been employed by or in the service of the Company or any subsidiary company of the Company or of its holding company (if any) or to any person who is or has been a Director or other officer of the Company or any such subsidiary company or holding company (if any) and to the widow, family or dependants of such person. The Board may establish and maintain or concur with such subsidiary company or holding company (if any) as aforesaid in establishing and maintaining any schemes or funds for providing such benefits as aforesaid and may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such schemes or funds.

PROCEEDINGS OF THE BOARD

97. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its Meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. The Secretary, on the instructions of the Chairman or the requisition of a Director, shall at any time summon a Board meeting. Notice of all Board meetings shall, unless waived by all Directors or their respective Alternates, be given in manner hereinafter mentioned to all Directors and Alternates.
98. The quorum necessary for the transaction of the business of the Board shall be two Directors present either personally or by Alternate, provided that one person whether a Director or not, although a duly appointed Alternate for any number of Directors, shall not constitute a quorum.
99. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the minimum number fixed by these Articles as the necessary quorum for Board Meetings, the continuing Directors may act for the purposes of increasing the number of Directors to that number or of summoning General Meetings of the Company but not for any other purpose.
100. The board may elect a Chairman and Deputy-Chairman of its meetings and determine the periods for which they, respectively, are to hold office. If no such Chairman or Deputy Chairman is elected or if at any meeting neither the Chairman nor the Deputy Chairman is present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
101. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
102. The Board may delegate any of its powers to committees, whether consisting of a member or members of its body or not, as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
103. The meetings and proceedings of any committee consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
- **103A The Board, or any committee of the Board, may hold meetings by telephone or video conference, either by a conference telephone or video connection or by a series of telephone conversations, or by any communication equipment which allows all persons participating in the meeting to speak and hear each other. The views of the Board, or any committee of the Board, as ascertained by such telephone conversations or other means and communicated to the Chairman of the meeting shall be treated as votes in favour of or against a particular resolution. A resolution passed at any meeting held in this manner, and signed by the Chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or, as the case may be, of that committee) duly convened and held.
104. A resolution in writing signed or approved by letter, telegram or telex by all the Directors or their Alternates or by all the members of a Committee of the Board shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such Committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.
105. All acts done by the Board or any Committee of the Board or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid or that they or any of them had vacated office or were not entitled to vote, shall be as valid as if every such person had been duly appointed and had continued to be a Director or to act as aforesaid.

MANAGING DIRECTOR

106. The Board may from time to time appoint one or more of its body to the office of Managing Director for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall not, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation or retirement of Directors. The appointment of a Director holding such office shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) ipso facto determine if he ceases from any cause to be a Director.
107. A Managing Director 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.
108. The Board may entrust to and confer upon a Managing Director any of the powers exercisable by it (other than the powers to borrow money, charge the property and assets of the Company and pay dividends) upon such terms and conditions and with such restrictions as it thinks fit and either collaterally with or to the exclusion of its own powers and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

109. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and the appointment of any Secretary may be terminated by the Board. The provisions of Sections 178 to 180 inclusive of the Act shall be observed.

THE SEAL

110. ****110 (a)** Where the Company elects to maintain the Seal, the Directors shall provide for safe custody of the Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and every instrument to which the Seal shall be affixed shall be signed by two Directors or one Director and the Secretary or one Director and such other person as the Directors may appoint for the purpose.

****110 (b)** Unless a contract specifically requires to be affixed the seal, a contract may be made by the Company in writing and on behalf of the Company by a person acting under its authority, express or implied; and a document may be validly executed by the Company if it is signed on behalf of the Company either by two authorized signatories or by a director of the Company in the presence of a witness who attests the signature."

DIVIDEND RESERVES

111. The Company may, in General Meeting, declare dividends but no dividend shall exceed the amount recommended by the Board.
112. The Board may, from time to time, pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company.
113. No dividends shall be paid otherwise than out of profits.
114. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends are paid but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but, if any share be issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

At a duly convened Annual general meeting of the company held on 29/03/2016 the meeting passed a special resolution a copy of which is required by the Companies Act, 2015, to be lodged with the Registrar of Companies. Details of the resolution are as follows:

<i>Date and place of meeting at which resolution was passed</i>	<i>Copy or contents of the resolution</i>
<u>29/03/2016</u> LR No 209/80/1 and, 2 Southern Sun, Mayfair Hotel, Parklands Road, Parklands, Nairobi	*see below _____ _____ _____ _____

* That the Articles of Association of the Company be altered in the following manner, namely:-

(a) By deleting Article 119 in toto and substituting therefor the following Article 119:

119 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by electronic funds transfer or other automated system of bank, electronic or transfer transmitted to the bank or of the holder of shares recorded in the Register or by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares. Every such funds transfer, cheque or warrant shall, unless the holder otherwise directs, be made payable to the order of the registered holder or, joint holders, in respect of such shares and shall be sent at his or their risk. Any one of two or more joint holders may give an effectual receipt for any dividend or other money payable in respect of the shares held by such joint holders.

(b) By deleting Article 120 in toto and substituting therefor the following Article 120

120 All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed or paid to the relevant authority as unclaimed assets.

(c) By adding the following Article as Article 121A:

121A The Company may, if and as required by law, deliver or pay to any prescribed authority any unclaimed assets including but not limited to shares in the Company presumed to be abandoned or unclaimed in law and any dividends or interest thereon remaining unclaimed beyond the relevant prescribed statutory periods. 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 owner or holder or his or her estate or successors or assigns for the relevant unclaimed assets.

(d) By deleting Articles 130,131,132 and 133, in toto and substituting therefor the following Articles 130,131,132 and 133:

130 Any notice or other document may be served by the Company on any Member or Director either personally or by sending it through the post (by airmail where such service is available) in a prepaid letter or by fax, e-mail or other electronic means addressed to such Member or Director at his registered address as appearing in the Register or the Company's other records, whether such address shall be within or outside Kenya. In the case of joint holders of a share, all notices shall be given to one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

131 Where a notice or other document is sent by post it shall be deemed to have been served on the third day after the day on which it was posted, if addressed within Kenya, and on the fifth day after the day on which it was posted if addressed outside Kenya. In proving such service or sending, it shall be sufficient to prove that the cover containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter. Where a notice is sent by fax, e-mail or other electronic means it shall be deemed to have been served at the expiration of twenty-four hours after the time at which it was sent. The failure of any person to receive any notice served pursuant to these Articles shall not in any way invalidate any proceedings or actions taken by the Company for which the notice was given.

Notwithstanding anything in these Articles to the contrary, any notice, document or information to be given, sent, supplied, delivered or provided to any person (including any Member) by the Company, whether pursuant to these Articles, the Act or otherwise, is also to be treated as given, sent, supplied, delivered or provided where:

-) it is sent in electronic form or on a compact disc or any such device
-) to the extent permitted by law, it is made available on a website of the Company or its subsidiary, provided that, in the case of any notice to Members or any documents to be sent to Members under the provisions of the Act and these Articles the Company shall simultaneously publish the notice or (as the case may be) an abridged set of financial statements comprising the balance sheet and income statement or as known by any other name in two daily newspapers with nationwide circulation drawing attention to the website on which the notice and the full text of any other documents may be read, and the address to which a request for a hard copy of such documents may be submitted. To the extent permitted by law, upon such publication in the daily newspapers, the documents in question shall be deemed to have been sent to every Member or other person entitled to receive a copy of the documents.

Any notice or other document may be served by the Company on any person entitled to a share in consequence of the death or bankruptcy of a Member either personally or by sending it through the post (by airmail where such service is available) in a prepaid letter or by fax, e-mail or other electronic means addressed to them by name or by the title of a representative of the deceased or trustees of the bankrupt or by any like description at the relevant address which has been supplied for the purpose of receiving any document or notice or in the event such address has not been provided by giving notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

115. The Board may deduct from any dividend payable to any Member on or in respect of a share any sums of money presently payable by him to the Company on account of calls or otherwise.

116. The Board may retain any dividend or other money payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

117. No dividend shall bear interest against the Company.

118. With the sanction of a General Meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and, in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees upon trust for the Members entitled to the dividend as may seem expedient to the Board.

119. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to each holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the Register of Members in respect of the shares. Every such cheque or warrant shall, unless the holder otherwise directs, be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register of Members in respect of such shares and shall be sent at his or their risk. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.

120. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the Board for the benefit of the Company.

121. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied 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 or its holding company, if any, as the Board may from time to time think fit. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to divide.

CAPITALISATION OF PROFITS

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

the credit of a share premium account or a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

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

ACCOUNTS

124. The Board shall cause proper books of account to be kept with respect to:—

- (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

125. The books of account shall be kept at the office or at such other place or places in Kenya as the Board thinks fit and shall always be open to the inspection of the Directors.

126. The Board may, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member, not being a Director, shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board or by the Company in General Meeting.

127. The Directors shall from time to time, in accordance with Sections 148, 150, 156 and 157 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets and reports as are referred to in those Sections.

128. 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 days before the date of the Meeting, be sent to every Member of and every holder of income notes or debentures of the Company.

At a duly convened Annual general meeting of the company held on 29/03/2016 the meeting passed a special resolution a copy of which is required by the Companies Act, 2015, to be lodged with the Registrar of Companies. Details of the resolution are as follows:

<i>Date and place of meeting at which resolution was passed</i>	<i>Copy or contents of the resolution</i>
<u>29/03/2016</u> LR No 209/80/1 and, 2 Southern Sun, Mayfair Hotel, Parklands Road, Parklands, Nairobi	*see below

* That the Articles of Association of the Company be altered in the following manner, namely:-

(a) By deleting Article 119 in toto and substituting therefor the following Article 119:

119 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by electronic funds transfer or other automated system of bank, electronic or transfer transmitted to the bank or of the holder of shares recorded in the Register or by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares. Every such funds transfer, cheque or warrant shall, unless the holder otherwise directs, be made payable to the order of the registered holder or, joint holders, in respect of such shares and shall be sent at his or their risk. Any one of two or more joint holders may give an effectual receipt for any dividend or other money payable in respect of the shares held by such joint holders.

(b) By deleting Article 120 in toto and substituting therefor the following Article 120

120 All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed or paid to the relevant authority as unclaimed assets.

(c) By adding the following Article as Article 121A:

121A The Company may, if and as required by law, deliver or pay to any prescribed authority any unclaimed assets including but not limited to shares in the Company presumed to be abandoned or unclaimed in law and any dividends or interest thereon remaining unclaimed beyond the relevant prescribed statutory periods. 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 owner or holder or his or her estate or successors or assigns for the relevant unclaimed assets.

(d) By deleting Articles 130,131,132 and 133, in toto and substituting therefor the following Articles 130,131,132 and 133:

130 Any notice or other document may be served by the Company on any Member or Director either personally or by sending it through the post (by airmail where such service is available) in a prepaid letter or by fax, e-mail or other electronic means addressed to such Member or Director at his registered address as appearing in the Register or the Company's other records, whether such address shall be within or outside Kenya. In the case of joint holders of a share, all notices shall be given to one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

131 Where a notice or other document is sent by post it shall be deemed to have been served on the third day after the day on which it was posted, if addressed within Kenya, and on the fifth day after the day on which it was posted if addressed outside Kenya. In proving such service or sending, it shall be sufficient to prove that the cover containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter. Where a notice is sent by fax, e-mail or other electronic means it shall be deemed to have been served at the expiration of twenty-four hours after the time at which it was sent. The failure of any person to receive any notice served pursuant to these Articles shall not in any way invalidate any proceedings or actions taken by the Company for which the notice was given.

2 Notwithstanding anything in these Articles to the contrary, any notice, document or information to be given, sent, supplied, delivered or provided to any person (including any Member) by the Company, whether pursuant to these Articles, the Act or otherwise, is also to be treated as given, sent, supplied, delivered or provided where:

(a) it is sent in electronic form or on a compact disc or any such device

(b) to the extent permitted by law, it is made available on a website of the Company or its subsidiary, provided that, in the case of any notice to Members or any documents to be sent to Members under the provisions of the Act and these Articles the Company shall simultaneously publish the notice or (as the case may be) an abridged set of financial statements comprising the balance sheet and income statement or as known by any other name in two daily newspapers with nationwide circulation drawing attention to the website on which the notice and the full text of any other documents may be read, and the address to which a request for a hard copy of such documents may be submitted. To the extent permitted by law, upon such publication in the daily newspapers, the documents in question shall be deemed to have been sent to every Member or other person entitled to receive a copy of the documents.

Any notice or other document may be served by the Company on any person entitled to a share in consequence of the death or bankruptcy of a Member either personally or by sending it through the post (by airmail where such service is available) in a prepaid letter or by fax, e-mail or other electronic means addressed to them by name or by the title of the representative of the deceased or trustees of the bankrupt or by any like description at the relevant address which has been supplied for the purpose of receiving any document or notice or in the event such address has not been provided by giving notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

AUDIT

129. Auditors shall be appointed and their duties regulated in accordance with Sections 159 to 162 of the Act.

NOTICES

130. Any notice or other document may be served by the Company on any Member or Director either personally or by sending it through the post, by airmail where such service is available, in a prepaid letter addressed to such Member or Director at his registered address as appearing in the Register of Members or the Company's other records whether such address shall be within or outside Kenya or by telex or by telegram addressed as aforesaid. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register or Members and notice so given shall be sufficient notice to all the joint holders.

131. Where a notice or other document is sent by post it shall be deemed to have been served on the third day after the day on which it was posted if addressed within Kenya and on the seventh day after the day on which it was posted if addressed outside Kenya. In proving such service or sending, it shall be sufficient to prove that the cover containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter. Where a notice is sent by telegram or telex it shall be deemed to have been served at the expiration of twenty-four hours after the time at which it was sent.

132. A notice may be given by the Company to the person entitled to any share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid cover addressed to him by name or by the title of representative or trustee of such deceased or bankrupt member or any like description at the address supplied for the purpose by the person claiming to be so entitled or by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.

133. Notice of every General Meeting shall be given in some manner hereinbefore authorised to every Member, to every person upon whom the ownership of a share devolves by reason of his being a personal representative or trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the Meeting, to the Directors of the Company and also to the Auditors for the time being of the Company.

WINDING UP

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

INDEMNITY

135. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, relating to anything done or not done by him on behalf of the Company in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 402 of the Act in which relief is granted to him by the Court and he shall not be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. This Article shall however only have effect in so far as its provisions are not avoided by Section 206 of the Act.

NOTE These Articles were adopted by a Special Resolution of the Company duly passed at a General Meeting of the Company held on the 9th day of May 1985 in substitution for and to the exclusion of the existing Articles of the Company.