

**THE COMPANIES ACT (CAP. 486)
COMPANY LIMITED BY SHARES**

**MEMORANDUM
AND
ARTICLES
OF ASSOCIATION
OF
KENYA INSURANCE CORPORATIVE LIMITED
Incorporated the 13th day of March 1997
AMENDED ON 21ST JUNE 2013**

**Hamilton Harrison & Mathews
Advocates
ICEA Building
Kenyatta Avenue
P. O. Box 30333
NAIROBI**

17/K0029/260

THE COMPANIES ACT (CAP. 486)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
KENYA REINSURANCE CORPORATION LIMITED

1. The name of the Company is “**KENYA REINSURANCE CORPORATION LIMITED**”.
2. The Registered Office of the Company will be situated in Kenya.
- 2 A. The Company is a public company.*
3. The objects for which the company is established are:-
 - (1) To carry on and transact in any manner whatsoever whether in Kenya or elsewhere, reinsurance and insurance business of all kinds, classes, nature and description whatsoever.
 - (2) To carry on any class or classes of insurance business specified in the insurance Act, Chapter 487 Laws of Kenya, as amended from time to time including the reinsurance of any such business.
 - (3) To carry on business as consultants, advisers and managers in relation to insurance, life assurance and pension policies, schemes and trusts and to act as risk managers, risk surveyors and loss adjusters.
 - (4) To carry out the business of insurers and reinsurance brokers insurance and insurance and underwriting agents, in particular for business comprising general, life assurance and pension schemes.
 - (5) To carry out business and to act as manufacturers’ representatives, merchants, factors, brokers, traders and commission agents, and to import, export. Buy, sell and otherwise deal in all kinds of merchandise, live and dead stock and other goods and produce.
 - (6) To carry out the business of lending money and for that purpose to make and negotiate loans, to draw, accept, endorse and discount bills of exchange promissory notes and other securities.
 - (7) To carry on the business of a guarantee company and for these purposes to conduct such ordinary guarantee business as the Company may from time to time think fit to conduct and to reinsure or counter-insure against any of the risks undertaken by the Company.
 - (8) To carry out and transact any other business and operations, commercial, manufacturing, financial, agricultural or otherwise which the Company may think directly or indirectly conducive to any of its objects or capable of being conveniently carried on in connection therewith or calculated, directly or indirectly, to enhance the value of or render profitable any of the Company’s property or rights.
 - (9) To enter into hire, hire purchase and other agreements in respect of goods or articles dealt with and services supplied to or by the Company and to negotiate, assign, mortgage or pledge for cash or otherwise any such agreements or rights accruing thereunder.

**Additional clause adopted by Special Resolution passed at an extraordinary Meeting held on 21st June 2007*

- (10) To purchase, take on lease, or by any other means acquire any movable or immovable property in Kenya or elsewhere for any estate or interest whatsoever, and any rights, privileges or easements over or in respect of any property, and any buildings, factories, mills, machinery, engines, rolling stock, plant, live and dead stock or things whatsoever.
- (11) To acquire, build, maintain, alter, enlarge, pull down, remove or replace any buildings, mills, factories, offices, works, roads, railways, engines, walls, fences, banks, dams, sluices or water courses; to clear sites for the same, and to join with any person, firm or company in doing any of the things aforesaid, and to work, manage and control the same or to join with others in so doing.
- (12) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any contracts, rights, privileges or concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, contracts, rights, privileges and concessions.
- (13) To adopt such means of making known the activities and products of the Company as may seem expedient, and in particular by advertising in the press, on radio, cinema or television, by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (14) To acquire, carry on and undertake all or any part of the business, property and liabilities of any person or company carrying on business similar to that which the Company is authorized to carry on, or possessed of rights or property suitable for any of the purposes of the Company, and to purchase, acquire, sell and deal with the shares and the securities of any such person or company.
- (15) To enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, joint adventure, reciprocal concessions or otherwise, with any person or company carrying on , or engaged in, or about to carry on or engage in, or any business or transaction capable of being conducted so as, directly or indirectly benefit the Company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.
- (16) To sell the property and undertaking of the Company or any part thereof, for such considerations as the Company may think fit, and particular for shares, debentures or securities of any other company having objects altogether or in part similar to the objects of the Company.
- (17) To promote any other company for the purposes of acquiring all or any of the property and liabilities of the Company, or for any other purposes which may seem directly or indirectly calculated to benefit the Company, and to subsidise or otherwise assist any such company.
- (18) To take or otherwise acquire and hold shares in any other company, having objects altogether or in part similar to those of the Company, or carrying on any business capable of being conducted so as to directly or indirectly to benefit the Company.
- (19) To amalgamate with any other company having objects altogether or in part similar to those of the Company.
- (20) To distribute any of the property of the company having objects altogether or in part similar to those of the Company.
- (21) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any property, movable or immovable, or any interests therein or any rights or privileges which the company may think necessary or convenient for the purposes of its business, and in particular any land or buildings, and to pay for such properties, rights and privileges, either in cash or in stock or shares or otherwise.

- (22) To lend money to such persons and in such terms as may seem expedient; to guarantee and become surety for the liabilities of, the performance of contracts and the repayment of money by, any persons whether customers and others having dealings with the Company or not, and to secure any liability to be undertaken by the Company in any way and in particular by any legal or equitable mortgage or charge upon any of the Company's property or by the issue of debentures charged upon any of the Company's property present and future (including its uncalled capital) or by issue of any security whether registrable or not..
- (23) To borrow or raise or secure the payment of money in such manner as the Company thinks fit and to secure the same or the repayment or performance of any debt liability contract guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by any legal or equitable mortgage or charge upon any of the Company's property or by the issue of debentures charged upon any of the Company's property present and future (including its uncalled capital) or by the issue of any security whether registrable or not; and to purchase; redeem and pay off any such securities.
- (24) To pay out of the funds of the Company all expenses of and incidental to its formation and registration, and to remunerate any person or company, either in cash or by the allotment of shares credited as fully or partly paid up, for services rendered in the formation of the Company or in placing or assisting to place any of the shares in the Company's capital or in or about the promotion of the Company or the conduct of its business.
- (25) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures, and other negotiable or transferable instruments.
- (26) To purchase or otherwise acquire any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusives or non-exclusive or limited rights to use any invention which may seem capable of being used for any purpose of the Company, or the acquisition for which may seem calculated directly, to benefit the Company and to use, exercise and develop, or grant licenses in respect of, or otherwise turn to account, the property and rights so acquired.
- (27) To sell, improve, manage, develop, lease, mortgage or dispose of the whole or any portion of the property and rights of the Company.
- (28) To invest and deal with money of the Company not immediately required in any manner.
- (29) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit and to grant pensions and allowances to directors and ex-directors and any persons who are or have been at any time employed by or in the service of the Company or of any subsidiary, allied or associated company or of the predecessors of business of any such company or the dependants or connections of such persons, and to make payments towards insurance for the purposes aforesaid and to subscribe or guarantee money for any charitable or benevolent object or for any exhibitions or for any public, general or useful object.
- (30) To do all such things as may be conducive or incidental to the attainment of the above objects.
- (31) To do all or any of the above things in any part of the world, and as principals, managing agents, agents contractors, trustees or otherwise, and by or through trustees, agents, managing agents, or otherwise, and whether alone or in conjunction with others.

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

4. The liability of the Members is limited.
5. The capital of the Company is Kenya Shillings 2,000,000,000/- divided into 800,000,000 shares of Kenya Shillings 2.50/- each,* with power for the Company to increase or reduce the said capital, and to issue any part of its capital, original or increased, with or without any preference, priority, or special privilege, or subject to any postponement of rights, or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preferential or otherwise, shall be subject to the power herein before contained.

** By an ordinary resolution passed on 3rd May 2002 the share capital of the Company was increased from K. Shs. 500,000,000/= divided into 50,000,000 ordinary shares of KShs. 10/= each to K.Shs. 1,000,000,000/= divided into 100,000,000 ordinary shares of K.Shs 10/= each and by an ordinary resolution passed on 29th June 2004 the share capital of the Company was increased to K.Shs. 2,000,000,000/= divided into 200,000,000 ordinary shares of Kenya Shillings 10/= each. By an ordinary resolution passed on 31st May 2007 the share capital was altered by dividing the 200,000,000 ordinary shares of k.Shs 10/= each into 800,000,000 ordinary shares of K.Shs. 2.50/= each.*

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

Names, Postal Addresses and Occupations of Subscribers	Number of Shares taken by each Subscriber	Signatures of Subscribers
ANDREW JOSEPH OMANGA P.O.BOX 30271 NAIROBI – BUSINESSMAN	One	A.J. Omanga
WILLIAM NJOROGE MBOTE P.O.BOX 30271 NAIROBI – ENGINEER	One	W. N. Mbote
SIMEON LESIRMA P.O.BOX 3007, NAIROBI PERMANENT SECRETARY – TRESURY	One	S. Lesirma
FRANCIS MUSILI NTHULI P.O.BOX 30271, NAIROBI CONSULTANT	One	F. M. Nthuli
OSMAN MOHAMED ABDIRAHMAN P.O.BOX 30271, NAIROBI BUSINESSMAN	One	O. M. Abdirahman
GEORGE MEPUKORI PERTET P.O.BOX 30271, NAIROBI BUSINESSMAN	One	G. M. Pertet
PROF. DAVID KIMUTAI ARAP SOME, P.O.BOX 30271, NAIROBI DOCTOR	One	D. K. Arap Some
Total shares taken	Seven	

DATED the Seventeenth day of February, 1997

WITNESS to the above signatures:
RICHARD OMWELA,
P. O. Box 30333,
Nairobi,
Advocate

THE COMPANIES ACT (CHAPTER 486)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KENYA REINSURANCE CORPORATION LIMITED

(Incorporated on the 13th day of March, 1997)

AMENDED ON 21ST JUNE

Drawn by:
HAMILTON HARRISON & MATHEWS
Advocates
Nairobi
Kenya

Revised in May 2007 by:
HAMILTON HARRISON & MATHEWS
Advocates
P. O. Box 30333 – 00100
Nairobi
Kenya

THE COMPANIES ACT (CAP. 486)
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

KENYA REINSURANCE CORPORATION LIMITED

(Adopted by Special Resolution passed at an Extraordinary General Meeting held on 11th May 2007)

PRELIMINARY

1. In these Articles, unless the context otherwise requires, expressions defined in the Companies Act (Cap. 486) or any statutory modification thereof in force at the date which these Articles become binding on the Company, shall have the meanings so defined and the words standing in the first column of the table herein after contained shall bear the meanings set opposite to them respectively in the second column thereof, namely:

Words	Meanings
The Act	The Companies Act (Cap. 486).
The Statutes	The Act, and every statutory modification thereof for the time being in force and every other Act for the time being in force affecting the Company.
These Articles	These Articles of Association as now framed or as from time to time altered by special resolution.
The Office	The Registered Office for the time being of the Company.
The Seal	The Common Seal of the Company.
The Directors	The Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present,
The Board	The Directors or a quorum of them acting as the Board of the Company.
Member	Member of the Company
The Register	The Register of members of the Company.
Paid Up	Paid up or credited as paid up.

Dividend	Dividend or bonus
Year	Year from the 1 st of January to the 31 st December inclusive.
Month	Calendar month.
In writing	Written or produced by any substitute for writing, or partly written and partly so produced.

Words importing the singular number only shall include the plural number and vice versa, and words importing the masculine gender only shall include the feminine gender, and words importing people shall include corporations, and the expressions “debenture” and “debenture holder” shall include debenture stock and debenture stockholder and the expression “Secretary” shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Reference herein to any provisions of the Act shall, where the context so admits, be construed as a reference to such provision as modified by any statute for the time being in force.

2. The Regulations in Table “A” in the first schedule to the Companies Act (Cap. 486) shall not apply to the Company.

BUSINESS

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

THE OFFICE

4. The Registered office of the Company shall be at such place in Kenya as the Directors shall from time to time appoint.

UNDERWRITING

5. The Company may exercise the powers of paying commissions conferred by the statutes; provided that the commission paid or agreed to be paid shall not exceed ten per cent (10%) of the price at which the shares in respect of which the commission is paid, are issued and shall be disclosed in the manner required by the statutes. Such commission may be satisfied by the payment of cash or the allotment of fully or partly in another. The Company may also on any issue of shares pay such brokerage as may be lawful.

SHARE CAPITAL

6. The share capital of the Company is Kenya Shillings 2,000,000,000/- divided into 200,000,000 shares of Kenya Shillings 10/- each.

SHARES

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

By an ordinary resolution passed on 3rd May 2002 the share capital of the Company was increased from Kshs.500,000,000/= divided into 50,000,000 ordinary shares of Kshs.10/= each to Kshs.1,000,000,000/= divided into 100,000,000 ordinary shares of Kshs.10/= each and by an ordinary resolution passed on 29th June 2004 the share capital of the Company was increase to kshs.2,000,000,000/= divided into 200,000,000 ordinary shares of Kshs.10/= each.

8. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.
9. The Company may by special resolution create and sanction the issue of Preference shares which are, or at the option of the Company are to be, liable to be redeemed, subject to and in accordance with the provisions of the Statutes. The special resolution sanctioning any such issue shall also specify by way of an addition to these Articles the terms in which and the manner in which any such Preference shares shall be redeemed.
10. If, at any time, the capital is divided into different classes of shares, the rights attaché to any shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be Two persons at least holding or representing by proxy one-third of the issued shares of the class present in person or by proxy may demand a poll and if at any adjourned meeting of such holders a quorum is not present, the holders present shall form a quorum.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

CERTIFICATES

12. Every person whose name is entered as a member in the Register shall be entitled without payment to receive within Two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate in respect to each class of shares held by him, or, upon payment of such sum, (if any) not exceeding Kenya Shillings 1000/- for every certificate after the first as the Directors shall from time to time determine, to several certificates, each for one more of his shares, except that shares of different classes may not be included with the same certificate. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon: PROVIDED that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate to a share to one of several joint holders shall be sufficient delivery to all such holders.

13. Where a member has sold some of the shares registered in his name, he shall be entitled to a certificate for the balance without charge.
14. If a share certificate is worn out, defaced, lost or destroyed it may be renewed on payment of such fee, if any, not exceeding Kenya Shillings 1000/- and on such terms, if any, as to evidence the indemnity as the Directors think fit.

PURCHASE OF SHARES

15. No part of the funds of the Company shall be employed in the 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.

LIEN ON SHARES

16. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all the moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (including fully paid shares) standing registered in the name of any person for all moneys presently payable by him or his estate to the Company; but the Director may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
17. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration on Fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.
18. To give effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchase thereof. The purchaser shall be registered as the holder of the share comprised in any such transfer, and he shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall, (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid the person entitled to the shares at the date of the sale.

CALLS ON SHARES

20. The Directors may from time to time make calls upon the members in respect to any monies unpaid on their shares, and each member shall (subject to receiving at least Fourteen days notice specifying the time or times of payment) pay to the Company at the time or times so specified the

amount called on his shares. A call shall be deemed to have made the time when the resolution of the Directors authorizing the call was passed.

21. The joint holders of the shares shall be jointly and severally liable to pay all calls in respect thereof.
22. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of nine percent (9%) per annum for the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payments of such interest wholly or in part.
23. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of share, becomes payable at affixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
24. The Directors may not, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
25. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) Nine per cent (9%) per annum, as may be agreed upon between the Directors and the member paying such sum in advance.

TRANSFER OF SHARES

26. Subject to the provisions hereinafter contained, shares in the Company shall be transferable by written instrument in any common form executed by or, on behalf of the transfer or and the transferee; provided that the Directors may dispense with the execution by the transferee in any case in which they think fit to do so. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof.
27. The Directors may decline to register the transfer of a share (not being fully paid share) to a person to whom they do not approve, and they may also decline to register the transfer of a share on which the Company has a lien.
28. The Directors may also refuse to register any instrument of transfer of shares if:-
 - (a) The registration fee of Kenya Shillings 500/- (or such lesser fee (if any) as the Directors may from time to time may prescribe as the registration fee) is not paid to the Company in respect thereof; or
 - (b) It is not accompanied by the certificate for the shares to which it relates, and such other evidence as the Directors may reasonably require to show the rights of the transferor to make the transfer; or
 - (c) It is of shares of more than one class; or
 - (d) The transferee named therein is:-
 - (i) An infant person; or
 - (ii) A person incapable by reason of mental disorder or managing and administering his property and affairs; or

- (iii) A partnership in its partnership name; or
- (e) In the case of a transfer to joint holders, they exceed Four in number.

- 29. If the Directors refuse to register a transfer they shall within Two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 30. The registration transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided always that such registration shall not be suspended for more than Thirty days in any year.
- 31. The Company shall be entitled to charge a fee not exceeding Kenya Shillings 500/- on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, or other instruments.

IMMOBILIZATION OF SHARES

- 32. Pursuant to and subject to the central Depositories Act 2000, title to immobilized and dematerialized shares will be evidenced otherwise by a certificate and title to such shares shall be transferred by means of a book-entry transfer in accordance with the provisions of the Central Depositories Act 2000.
- 33. No provisions of these Articles shall apply or have effect in relation to any shares which have been immobilized or dematerialized under the Central Depositories Act 2000 to the extent that is inconsistent with any respect with:
 - i. The holding of such shares in uncertified form;
 - ii. The transfer of title to such shares by means of a book-entry transfer; and
 - iii. Any provision of the Central Depositories Act 2000
- 34. Transfer of securities which have been immobilized or dematerialized under the Central Depositories Act 2000 shall be affected in the manner prescribed thereunder.
- 35. Where the Company refuses to register the transfer of Securities required to be registered under Section 14 and 15 of the Central Depositories Act 2000, it shall serve the transferor and transferee with written notice of the reasons of such refusal in accordance with Section 14(5) of the Central Depositories Act 2000.
- 36. An instrument of transfer lodged with the Company pursuant to section 14(1) of the Central Depositories Act 2000 shall be capable of registration in the name of a central depository or its nominee company if such instrument has been certified by a central depository agent instead of being executed by the central depository or its nominee Company.
- 37. With effect from the Dematerialization Date, any reference to a transfer of share or debentures shall be a reference to a book entry transfer performed by the central depository in accordance with section 27(1) (b) of the Central Depositories Act 2000.
- 38. Any provisions in the Articles inconsistent with the requirements of the Central Depositories Act 2000 or as prescribed by the Authority under Regulation in respect of registration, transfer, immobilization or dematerialization of securities shall be deemed to be modified to the extent of such inconsistency in their application to securities which are in part or in whole immobilized or

dematerialized or are required by the Central Depository Act 2000 or Regulations and Rules issued thereunder to be immobilized or dematerialized in part or whole as the case may be.

TRANSMISSION OF SHARES

39. In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was the a sole holder, shall be the only persons recognized by the Company as having any title to his interests in the shares; but nothing herein contained shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
40. Any person becoming entitled to a share In consequence of the death or bankruptcy of a member may, upon such evidence being produced as from may time to time properly required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered by him as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.
41. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify this election by executing to that person a transfer of the share. All the limitations, restrictions, provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as in the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
42. 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'll be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied within Ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

43. If a member fails to pay any call or installment of a call in the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as in unpaid, together with any interests which may have accrued.
44. The notice shall name a further day (not earlier than the expiration of Fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice may be given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.
46. A forfeited share may be sold or otherwise disposed of on such terms or in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
47. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect to the shares.
48. A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited on the date stated on the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration, if any, given for the share of any sale or disposition thereof and may execute or authorize any person to execute a transfer of the share in favor of the person to whom the share is sold or disposed of and the transferee named therein shall thereupon be registered as the holder of the share, and he shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
49. The provisions of these Articles as to the forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at affixed time, whether on account of the nominal value of the share or by way of premium, as if the same has been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

50. The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
51. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
52. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
53. All the provisions of these Articles applicable to fully paid up shares shall apply to stock, and the words "Share", "Shareholder" and "Member" shall be construed accordingly.

ALTERATION OF CAPITAL

54. The Company may, from time to time by ordinary resolution, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall direct, or, in default of such direction, as the directors shall determine.
55. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of the general meetings in proportion, as nearly as the circumstances specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such a manner as they think most beneficial to the Company. The Directors may likewise so dispose any of new shares which, by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares which, by reason of the ratio which the new shares bare to shares held by persons entitled to an offer of new shares, cannot, in the opinion of the Directors, be conveniently offered under this Article. Notwithstanding the foregoing, the provisions of this regulation shall not apply to the issues of unallotted shares by the Company for the purposes of acquisition of another Company's shares or business for which the Directors shall have the general authority to issue un allotted shares for that purpose, except where such issues of shares would result in a shareholder (as a result of being issued shares for the acquisition) gaining control of the Company in which case such issue will require the approval by the Members by way of a special resolution of a general meeting.
56. Any new shares may be offered at par, at a premium or (subject to the provisions of the Act) at a discount as the Directors may decide.
57. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
58. The Company may, by ordinary resolution:
- (a) Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares;
 - (b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Act;
 - (c) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any persons;
And may, by special resolutions:
 - (d) Reduce its share capital, any capital redemption reserve fund and any share premium account in any manner and with, and subject to, any incident authorized and consent required, by law.

GENERAL MEETINGS

59. The Company should 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 matter 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. Provided that if the first annual general meeting is held within Eighteen months of the date of incorporation of the Company, it not need be held in the year of incorporation nor in the next following year. Annual and extraordinary general meetings shall be held at such times and places within Kenya as the Directors shall, from time to time, appoint.

60. All general meetings other than annual general meetings shall be called extraordinary general meetings.
61. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by 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 meeting may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

62. Any general meeting shall be called by Twenty-one day's notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, and may be prescribed by the Company in general meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company.
Provided that a meeting of the Company shall, notwithstanding that it is called by a shorter notice 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 members entitled to attend and vote thereat; and
 - (b) In the case of any other meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than Ninety-five per cent (95%) in nominal value of the shares giving that right.
Provided always that if the Company shall then be listed on the Nairobi Stock Exchange a copy of such a notice be sent to the Nairobi Stock Exchange at the same time as notices are sent to the shareholders.
63. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead and that a proxy need not be a member.
64. 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 notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

65. 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 declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, the election of Directors in the place of those retiring (if any), and the appointment and the fixing of the remuneration of the Auditors.
67. No business shall be transacted at any annual general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, three members personally present, together holding aggregate not less than 40% of the issued share capital of the Company shall be a quorum. For the process of this Article, a corporation being a member shall be deemed to be personally present if represented by proxy, provided that any one person shall only be counted as one member for the purposes of the quorum regardless of the number of proxies held by that person.

68. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and to such other time and place as the Directors may determine, and if at the adjourned meeting the quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
69. The Chairman, if any, of the Board of Directors (or in his absence the Deputy-Chairman, if any) shall preside as Chairman at every general meeting of the company.
70. If there is no such Chairman (or Deputy-Chairman) or if any meeting he is not present within Fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as a Chairman, the Directors present shall choose someone of their number to be Chairman. If no Director is willing to act as Chairman or no Director is present within Fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of the meeting.
71. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for Thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.
72. At any general meeting a resolution put to the vote of the meeting shall be decided on the show of hands unless a poll (before or on the declaration of the result of the show of hands) demanded
- (a) By the Chairman; or
 - (b) By any member or members present in person or by proxy and representing not less than One-tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll to be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.
- The demand for a poll may be withdrawn.
73. Except as provided in Article 75, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be demanded, shall not be entitled to a second or casting vote.
74. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote.
75. A poll demanded on the election of a chairman on on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

76. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
77. In the case of joint holders the vote of the senior who tends a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register.
78. A member incapable by the reason of mental disorder of managing and administering his property and affairs may vote, whether on the show of hands or on a poll, by his receiver, or other person authorized by any Court of competent jurisdiction to act on his behalf, and such a person may on a poll vote by proxy.
79. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
80. No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive,
81. On a poll votes may be given either personally or by proxy.
82. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, if the appointor is a Corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.
83. The instrument appointing a proxy and the power of the attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority shall be deposited at that Office or at such other place within Kenya as is specified for that purpose in the meeting convening the meeting, not less than Forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than Twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

84. An instrument appointing a proxy shall be in the following form, or in any other form of which the Directors shall approve:- **KENYA REINSURANCE CORPORATION LIMITED**

I/We, _____, of _____, being a member /members of the above named Company, hereby appoint _____, of _____, as my/our proxy to vote for me/us on my/our behalf at the Annual (or Extraordinary, as the case may be) General Meeting of the Company to be held on the _____ day of _____, 19____, and at any adjournment thereof.
As witness my/our hand this _____ day of _____, 19____.
This Form is to be used *in favor of the resolution.

*against

Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out whichever is not desired.

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

86. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal, revocation of the proxy, of the authority under which the proxy was executed, of the transfer of the share in respect to which the proxy is given, provided that no intimation in writing of such death, incapacity, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS

87. Any Corporation which is a member of the Company may, by resolution of its Directors or other governing body, appoint such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The production at a meeting of a copy of a resolution certified by one Director (other than the appointee if he himself shall be a Director) and the Secretary, if any, of such Corporation to be true copy of the resolution, shall be accepted by the Company as sufficient evidence of the validity of his appointment. The person so appointed shall be entitled to exercise the same powers on behalf of such Corporation as it could exercise if it were an individual member of the Company.

UNTRACED MEMBERS

88. (a) The Company may sell (in such manner and for such price as the Directors think fit) any shares or stock of a member or any share or stock to which a person is entitled by transmission if:

- i. For a period of 7 years no cheque or warrant sent by the Company in the manner authorized by these Articles has been cashed; and
- ii. No communication has been received by the Company from the member, or any other person entitled, and during such period at least 7 dividends in respect of the shares or stock in question have been declared payable by the Company; and
- iii. The Company has the expiration of the said period of 7 years by advertisement in a newspaper having national circulation given notice of its intention to sell such share or stocks; and
- iv. The Company has not during the period of 7 years preceding and 6 months after the advertisement received any information reasonably satisfactory to the Directors as to whether of the actual whereabouts or the actual existence of the member or entitled person; and

- v. The Company (if then listed in the Securities Exchange) has given notice to the Security Exchange on which it is listed and the Capital Markets Authority of its intentions to make the sale and such Security Exchange and the Capital Markets Authority have approved the sale.

(b) To give effect to any such sale the Directors may appoint any person to execute as transfer an instrument of transfer of such shares or stock.

- i. The instrument of transfer shall be as effective as if it had been executed by the registered holder of, or the person entitled by transmission to such shares or stock and the title of the transferee shall not be affected by any irregularity or invalidity of the proceedings.
- ii. The net proceeds of the sale shall belong to the Company which shall be obliged to account to the member or other person entitled to an amount equal to the net proceeds (after deducting the expenses of the advertisement and transaction cost of the Company properly incurred) and the Company shall enter the name of the former member or other person in the book of the Company as a creditor for that amount.
- iii. No trust shall be created in respect to the debt, no interest shall accrue or be payable in respect of it and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested on such investments as the Directors think fit.
- iv. If after a further period of seven years from the date of the instrument of transfer referred to above no claim has been made by the former member or person previously entitled to the net proceeds, the net proceeds shall become the absolute property of the Company and no person shall have any claim whatsoever against the Company arising there from.

DIRECTORS

- 89. Unless and until otherwise from time to time determined by an ordinary resolution of the Company, the number of Directors (excluding alternates) shall not be less than Five (5) nor more than Eleven (11) in number. The first Directors shall be appointed by the Subscribers to the Memorandum of Association, or a majority thereof, by notice in writing. If at any time the number of Directors fall below the minimum number fixed by or in accordance with these Articles, the remaining Directors may act for the purpose of convening a general meeting or for the purpose of bringing the number of Directors to such minimum, and for no other purpose.
- 90. The Board shall cause to be kept a Register of the Directors' holdings of shares and debentures of the Company and of its subsidiaries or holding Company (if any) required by the Act, and shall cause the same to be available for inspection during the period and by the persons prescribed, and shall produce the same at every annual general meeting as required by the Act.
- 91. The Directors shall be paid out of the funds of the Company by way of remunerations for their services such sums as the Company may from time to time by ordinary resolution determine and such remuneration shall be divided among them in such proportion and manner as the Directors may determine and, in default of such determination within a reasonable period, equally. Subjects as aforesaid, a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The Directors shall also be entitled to repaid by the Company all such reasonable travelling (including the Board, or general meeting, or which they may otherwise properly incur in or about the business of the Company.

92. Any Director who by request performs special services or goes or resides abroad for any purpose of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.
93. Directors shall not be required to hold any share qualification but shall be entitled to receive notice of or to attend and speak at all General Meetings of the Company or at any separate meetings of the holders of any class of shares of the Company.

ALTERNATE DIRECTORS

94. Any Director may with the consent of the Board (such consent not to be unreasonably withheld), appoint any person to be an Alternate Director of the Company, and may at any time remove any Alternate Director so appointed by him from office. An Alternate Director so appointed shall not be entitled to appoint an alternate to himself and shall not as such be entitled to receive any remuneration from the Company. Every person acting as the Alternate Director shall be an officer of the Company, and he shall not be deemed to be the agent of the Director by whom he was appointed.
95. An Alternate Director shall be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all functions of his appointor as a Director in his absence, including that of being counted as part of a quorum at any such meeting.
96. An Alternate director shall ipso facto cease to be an Alternate Director if his appointor ceases from any reason to be a Director or if of his own volition he resigns.
97. Every appointment and removal of an Alternate Director shall be effected by notice in writing to the Company under the hand of the Director making or revoking such appointments.
98. A Director or any other person duly appointed as an Alternate Director may act to represent more than One Director, and a Director appointed as an Alternate Director shall be entitled at Board meetings to One vote for every Director whom he represents in addition to his own vote (if any) as a Director.

POWERS AND DUTIES OF DIRECTORS

99. The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, and the exercise of the said powers shall be subject also to the control and regulation of any general meeting of the Company, but no resolution of the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been passed.
100. The Directors may from time to time appoint one or more of their body to the office of Managing Director or Manager for such period and on such terms and which such powers, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way, and partly in another), as they may think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. Without prejudice to any right to treat such determination as a breach of any such agreement as aforesaid the appointment of such a Director to office as aforesaid shall be subject to determination ipso facto if he ceases

from any cause to be a Director, or if the Company in general meeting resolves that his tenure of the office of Managing Director or Manager be determined. The Managing Director shall not, while holding that office be subject to retirement by rotation or taken into account in determining the rotation of retirement of Directors.

101. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock, legal and equitable mortgages and charges and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.
102. The Directors shall duly comply with the provisions of the Statutes, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company, or created by it, and to keeping a register of the Directors and Secretaries, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions, and a copy of the register of Directors and notification of any change therein.
103. The Directors may from time to time and at any time by the power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
104. The Company may exercise the powers conferred by the act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
105. (1) A Director who is any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 200 of the Act.

(2) A Director may hold any other office or place of profit under the Company (other than the office of the Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, or otherwise, or from being interested whether directly or indirectly in any contract or arrangement proposed to be entered into or in fact entered into by or on behalf of the Company; nor shall any such contract or arrangement in which any Director shall be interested be avoided, nor shall any realized by him from such contract or arrangement in which he shall be so interested by reason of such Director holding that office or the fiduciary relation thereby established.

(3) No Director shall vote as a Director in respect of any contract or 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 may, at any time, be suspended or relaxed, to any extent, by the Company in general meeting and they shall not apply;-

- (a) 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 any of its subsidiaries; or
- (b) To any contract or dealing in which the Director is interested by reason only of his being a Director or that officer, employee or nominee of any government or corporation or company which, being 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 in which it is interested.

(4) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director s appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointments are arranged and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

(5) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorize a Director or his firm to act as Auditor to the Company.

(6) A general notice given by the Director to any Director to the effect that he is a member of any specified Company or firm and is to be regarded as interested in any contract which may thereafter be made with that Company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made but no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

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

107. The Directors shall cause minutes to be made in books provided for the purpose

- a) Of all appointments of officers made by the directors;
- b) Of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.

108. The Directors may grant retirement pensions or annuities or other gratuities or allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company whether as Managing Director or in any other office or employment under the Company or indirectly as an officer or employee of any subsidiary company of the Company, notwithstanding that he may be or may have been a director of the Company and may have make payments towards insurances or trusts for such purposes in respect to such persons and may include rights in respect of such pensions, annuities and allowances in terms of engagement of any such person.

DISQUALIFICATION OF DIRECTORS

109. The office of the Director shall be vacated if the Director:

- (a) Ceases to be or is prohibited from being a Director by virtue of any provision of the Act; or

- (b) Ceases or is prohibited from being a Director by virtue of any provisions of the Anti-Corruption and Economic Crimes Act, 2003; or
 - (c) Becomes bankrupt; or
 - (d) Becomes incapable by reason of mental disorder of exercising his functions as Director; or
 - (e) Resigns his office by notice in writing to the Company; or
 - (f) Is absent, without the previous sanction of the Directors, for a period of more than Six months from meeting of the Directors held during such period and the Directors resolve that his office be vacated accordingly.
110. Subject to Article 100 at each Annual General Meeting one third of the Directors for the time being other than the Managing Director and any other Director being at the time in the employment of the Company or any of its Subsidiaries for the time being, or, if their number is not a multiple of three, the number nearest to and not greater than one-third shall retire from office. A Director retiring from a meeting shall retain office until the close of the meeting, whether adjourned or not.
111. The Directors to retire in every year shall be those who, being subject to retiring by rotation, have been the longest in office since their election or appointment, but as to persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
112. A retiring Director shall be eligible for re-election
113. The Company, at the meeting which the Director retires under any provision of these Articles, may, by Ordinary Resolution, fill the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless
- (a) At such meeting it is expressly resolved not to fill such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost.
 - (b) Such Director has given notice in writing to the Company that he is unwilling to be re-elected, or
 - (c) Such director has attained any retiring age applicable to him as Director.
114. No person, other than a Director retiring at the meeting, shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting, not less than seven or more than Twenty-one days before the day of appointed for the meeting, there shall have been delivered to the Secretary notice in writing signed by a member duly qualified to attend and vote at the meeting for which notice has been given, of his intention to propose such person for election and notice in writing, signed by the person to be proposed, of his willingness to be elected.
115. The Directors shall have power at any time, and from time to time, to appoint a person as an additional Director either to fill a casual vacancy or as an additional to the existing Directors but so that the total number of Directors shall not exceed the maximum authorized by these Articles; but any person so appointed shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the Company at that meeting as an additional Director, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

116. The Company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to leave office.
117. The Company may by ordinary resolution, of which special notice has been given in accordance with the Act remove any Director before the expiration of his period of office, and, without prejudice to the powers of the Directors under Article 115 hereof, may by ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. Such power of removal may be exercised notwithstanding anything in these Articles or in any agreement between the Company and such Director but without prejudice to any claim such Director may have for damages for breach of contract of service between him and the Company.

PROCEEDINGS OF DIRECTORS

118. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall be necessary to give notice of a meeting of Directors to any Director for the time being absent from Kenya.
119. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be five 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.
120. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
121. The Directors may elect a Chairman and Deputy-Chairman for their meeting and determine the period for which they are each to hold office, but if no such Chairman or Deputy-Chairman is elected, or if at any meeting neither the Chairman nor the Deputy-Chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
122. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any such committee shall conform to any regulation that may be imposed on it by the Directors.
123. A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within Fifteen minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

124. A committee may meet and adjourn as it thinks proper. Questions arising from any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or a casting vote.
125. All acts done by any meeting of the Directors or of a committee of Directors by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there were some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
126. A resolution in writing signed by a majority of the Directors, or of all the members of a committee, shall be as valid and effectual as if it had been passed at a meeting of the Director of the Committee (as the case may be) duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed or approved by all the Directors or all the members of the committee concerned.

SECRETARY

127. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
128. No person shall be appointed or hold office as Secretary who is
 - (a) The sole Director of the Company; or
 - (b) A Corporation, the sole Director of which is the sole Director of the Company; or
 - (c) The sole director of a Corporation which is the sole Director of the Company; or
 - (d) Not the holder of the qualification required by law for that office.
129. A provision of the Act of these articles requiring or authorizing a thing to be done by or to be a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

THE SEAL

130. The Seal shall not be affixed to any instrument except by the authority of the resolution of the Board of Directors or of a committee of the Directors authorized by the Directors in that behalf, and in the presence of Two Directors, or One Director and the Secretary or One Director and such other person as the Directors may appoint for the person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence either autographically or mechanically by a system of application controlled by the Auditors or Bankers of the Company.
131. All forms of certificate for shares shall be issued under the Seal without the necessity of the signature of any Director, the Secretary or any other person.

DIVIDENDS AND RESERVE

132. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

133. The Directors may from time to time pay to the members such interim dividends (including therein the fixed dividends payable upon any preference or other shares and stated times) as appear to the Directors to be justified by the profits of the Company.
134. No dividend shall be paid otherwise than out of profits.
135. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or certified as paid on the shares, and if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited to be paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the share during any portion of the period in respect of which the dividend is paid; but if any share is issued on terms provided that it shall rank for dividend as from a particular date such shall rank for dividend accordingly.
136. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute.
137. Notice if any dividend that may have been declared shall be given in a manner hereinafter mentioned to the persons entitled to the share therein.
138. The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
139. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in specific of paid up shares, debentures or debenture stock of any other company or in any one or more of such distribution, the directors may settle the same as they think expedient, and in particular issue fractional certificates and for the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
140. (a) Any dividend or other money payable in cash on or in respect of shares may be paid by electronic funds transfer or other automated systems of bank transfer, electronic or mobile bank transfer system, transmitted to such bank and electronic or mobile telephone address as shown in the Register of Members or by cheque or warrant payable at such place of business as the Company shall specify in writing, sent through the post to the address of the member or person entitled to it as shown in the Register of Members or of two or more persons are registered as joint holders of the shares to the registered address of the joint holders of the shares, to the registered address of the joint holder who is first named in the Register of Members or in the case of two or more persons being entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons at such address as the persons being entitled to receive payment in writing direct.

(b) Every such cheque or warrant or funds transfer shall be made payable to or to the order of the persons to whom it is sent or to such person who may be entitled to the same (as described in article 140(a) aforesaid). Payment of the cheque or warrant, if purporting to be endorsed or enfacéd, by the addressee or as the case may be, confirmation of payment having been made by the transmitting entity to the addressee of a direct debit, bank transfer or other automated system of bank transfer or via a mobile money transfer system, shall in each case be a good discharge to the Company. Every such payment whether by cheque or warrant or electric funds transfer or mobile money payments systems shall be sent at the risk of the person entitled to the money represented to it.

141. No dividend shall bear interest against the Company.
142. The company may, if required by law, deliver or pay to any prescribed regulatory 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 interests thereon remaining unclaimed beyond 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 of his or her estate, for the relevant unclaimed assets.

ACCOUNTS

143. The Directors 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 the receipt and expenditure takes place;
 - b) All sales and purchases of goods by the company; and
 - c) The assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are no kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

144. The books of accounts shall be kept at the registered office of the Company, or subject to the Act, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
145. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members 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 authorized by the Directors or by the Company in general meeting.
146. The Directors shall from time to time, in accordance to the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Act.
147. 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 be less than Twenty-one days before the date of the meeting be sent to every

member of, and every holder of debentures of, the Company and to every person registered under Article 40 but this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, nor to more than One of the joint holders of any shares or debentures.

CAPITALISATION OF PROFITS

148. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution: Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
149. Whenever such a resolution as aforesaid shall be passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full powers to the Directors to make such provision by the issue of debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

AUDIT

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

NOTICES

151. A notice and/or document may be served by the Company upon any member either personally or by sending it through the post or by electronic mail addresses to such member at his registered postal address as shall be notified by such member to the Company from time to time. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

Provided that in the case of a notice of an annual general meeting, such notice may also be given by:

- a) Publishing a notice containing a summary of both annual financial statements and auditors' report, in atleast any two local daily newspapers with national circulation for atleast two consecutive days; or

- b) Sending to every member, a notice through electronic media containing a summary of both the annual financial statements and the auditors' report.
152. Any members whose registered address is not within Kenya may by notice in writing require the Company to register an address within Kenya, which, for the purpose of the service of notices, shall be deemed to be his registered address. A member who has no registered address within Kenya, and who has not given notice as aforesaid, shall be entitled to receive notices from the Company at his address outside Kenya.
153. Any notice or other document sent by post shall be deemed to have been served at the expiration of Twenty-two hours after posting and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped, and posted. Notices sent outside Kenya shall be sent by express airmail service. Any notice and/or document if sent by electronic mail shall be deemed to have been received Twelve (12) hours after the time of dispatch provided no error message indicating failure has been received by the Company. Any document not sent by post or electronic mail but left at a registered address or address for service in Kenya shall be deemed to have been served or delivered on the day it was so left.
154. A notice or other document may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending it through by post or by electronic mail in a letter addressed to him by name, or by the title of representative or the deceased, or trustee of the bankrupt, or by any like description, at the postal address, of the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
155. In this Article if not consistent with the subject or context the terms "Local Investor" and "Foreign Investor" shall have the same meaning as that defined in The Capital Markets (Foreign Investors) Regulation 2002 as from time to time amended.
156. For the purpose of enabling the Directors to determine whether or any share is held by a Foreign Investor the Directors shall maintain a register of shareholders pursuant to Section 4(1) of the Capital Markets (Foreign Investors) Regulation 2002 which register shall be available for inspection by any persons as as if it were a part of the Register of Members.
157. For the purpose of enabling the Directors to determine whether or not any share is to be transferred to a Foreign Investor every share transfer shall contain a declaration as to whether or not the transferee shall be a Local Investor and the Directors may require such further evidence as they may properly require to establish that the transferee shall be a Local Investor and in default the transferee may be deemed by the Directors to be a Foreign Investor.

WINDING UP

158. 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 among the member in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) And may, for such purpose set such value as he seems fair upon any property to be divided as aforesaid and may determine how such divisions shall be carried out as between the members of 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 form the benefit of the

contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

159. Every Director, Managing Director, Auditor, Secretary other officer and agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted in connection with any application under Section 402 of the Act in which relief is granted on him by the court.

Names, Postal Addresses and Occupations of Subscribers	Signatures of Subscribers
ANDREW JOSEPH OMANGA P.O.BOX 30271 NAIROBI BUSINESSMAN	SIGNED
WILLIAM NJOROGE MBOTE P.O.BOX 30271 NAIROBI ENGINEER	SIGNED
SIMEON LESIRMA P.O.BOX 3007 NAIROBI PERMANENT SECRETARY – TREASURY	SIGNED
FRANCIS MUSILI NTHULI P.O.BOX 30271 NAIROBI CONSULTANT	SIGNED
OSMAN MOHAMED ABDIRAHMAN P.O.BOX 30271 NAIROBI BUSINESSMAN	SIGNED
GEORGE MEPUKORI PERTET P.O.BOX 30271 NAIROBI BUSINESSMAN	SIGNED
PROF. DAVID KIMUTAI ARAP SOME P.O.BOX 30271 NAIROBI DOCTOR	SIGNED

DATED THE 17th day of February 1997

WITNESS to the above Signatures:-

Certified this document is produced by the process of
Xerography.
Hamilton Harrison & Mathews,
Advocates,
ICEA Building,
Kenyatta Avenue,
P. O. Box 30333, NAIROBI

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