



## STANBIC HOLDINGS PLC

### PROPOSED AMENDMENTS TO THE MEMORANDUM & ARTICLES OF ASSOCIATION

#### FOR TABLING AT THE 70<sup>TH</sup> ANNUAL GENERAL MEETING ON 15<sup>TH</sup> MAY 2025

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## 1. Background

The existing Company's Articles were originally adopted under the repealed Companies Act, Cap 486, and subsequently amended to align with the Companies Act, 2015 and regulations thereunder (**Companies Act, 2015**) in 2021. Consequently, numerous provisions within the current Articles are now outdated and inconsistent with the current legislative framework.

The objective of the review of the Company's Articles was to ensure compliance with the Companies Act, 2015 by:

- (a) removing inconsistencies and references to the repealed Companies Act, 2015;
- (b) updating definitions, references, and terminology to align with current legislation;
- (c) removing obsolete provisions and addressing any administrative burdens imposed by the Companies Act, 2015.
- (d) reviewing and revising governance structures and procedures to align with statutory requirements.

The review also sought to ensure compliance with the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.

The table highlights the key proposed amendments to the Memorandum and Articles of Association.

**2. Key amendments to the Company's Articles**

Item	Article	Subject Matter	Changes made	Rationale
1.	1.	Model articles	Article 1 amended to exclude the model articles under the Companies (General) Regulations, 2015 and any other statutory regulations or articles from previous company law enactments.	To align with the Companies Act, 2015
2.	17	Share certificates	The provision on share certificates has been deleted as all shares at the Nairobi Securities Exchange have been dematerialized.	To align with existing regulatory framework for trading of shares of listed companies.
3.	48	Increase of Capital	Article 48 amended to allow the directors of the company to increase share capital by allotting new shares in accordance with the Companies Act, 2015. This article now provides that directors may exercise these powers only if they are authorised to do so by a resolution of the Company.	To align with the Companies Act, 2015
4.	88	Composition of the Board	A new Article 88 introduced which requires the Board to have a balance of Executive Director and Non-executive Directors with the latter being the majority and that the Board should comprise at least one third, being independent directors. In addition, the minimum number of directors has been reduced from 7 to 5.	To align with the regulatory framework and best practice
5.	92	Alternate directors	Article 92 amended to provide that the qualification and procedure for nomination and appointment of alternate board directors shall be the same as that required in the appointment of a substantive board director.	To align with the regulatory framework.
6.	94	Alternate directors	A new Article 94 introduced which provides that a body corporate cannot be appointed as an alternate director to the principal director.	To align with the regulatory framework.

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7.	98	Board Audit Committee	We have aligned the Company's Articles to ensure that they are at par with applicable law at any point. We have removed the specific requirements on the composition of the committee as these may change from time to time.	To align with regulatory framework.
8.	105	Directors' contracts	Provisions relating to Director's Contracts amended to include the requirement that the relevant director. discloses any interest to the Company in compliance with the provisions of the relevant statutes including the Companies Act, 2015.	To align with the Companies Act, 2015.
9.	134, 135 and new 130	Conflict of interest	Clauses relating to the process of declaring conflicts by board members have been aligned to ensure consistency with applicable regulation. A new Article 130 added to align conflict of interest declaration with regulation.	To align with the company's conflict of interest framework with applicable regulation.
10.	131	Proceedings of the Board	The Article has been amended to cover quorum requirements based on the total number of board members. The amendment seeks to ensure that quorum requirements are pegged on the total number of Board members.	To align with best practice.
11.	General	General edits	General edits and formatting have been done on the Memorandum & Articles of Association to clean up the numbering and correct typographical errors.	General clean-up and formatting of the document.

### 3. Shareholder consideration and approval

The proposed amendments shall be tabled for consideration, and if deemed fit, approval by the Company's shareholders during the AGM to be held on 15<sup>th</sup> May 2025. The full amended Memorandum and Articles of Association are available on the Company's website on <https://www.stanbicbank.co.ke/kenya/personal/about-us/investor-relations>

**Company Secretary**

**Stanbic Holdings Plc**