COMPANIES ACT
(NO. 17 OF 2015, LAWS OF KENYA)

Memorandum

and

Articles of Association

of

Green Park Water Services Limited

(Adopted by Special Resolutions dated the.....)

ORIGINALLY DRAWN AND PREPARED BY:-
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THE COMPANIES ACT
(NO. 17 OF 2015, LAWS OF KENYA)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GREEN PARK WATER SERVICES LIMITED

(Articles of Association adopted by Special Resolutions
duly passed on the16/12/2017)

EXCLUSION OF THIRD SCHEDULE REGULATIONS

The Regulations contained in the Third Schedule (Model Articles for Public Companies limited by shares) of the Companies (General) Regulations, 2015 shall not apply to the Company except so far as the same are repeated or contained in these Articles.

1. INTERPRETATION

a) In these Articles, the following words and expressions shall have the following meanings, unless excluded by the subject or context, namely:

i) **Act** means the Companies Act (No. 17 of 2015, Laws of Kenya);

ii) **Annual Meeting** and **Extraordinary Meeting** mean respectively an Annual General Meeting and Extraordinary General Meeting of the Company duly called and constituted, or any adjournment thereof;

iii) **Applicable Laws** mean the Act and every other statute or subordinate legislation for the time being in force concerning companies and affecting the Company including

every amendment or re-enactment (with or without amendment) thereof for the time being in force;

iv) **Articles** means these Articles of Association originally framed or as from time to time amended by Special Resolution;

v) **Board** means the Board of Directors of the Company or the directors present at a duly convened meeting of directors at which a quorum is present;

vi) **Company** means "**GREEN PARK WATER SERVICES LIMITED**";

vii) **Directors** means the Directors for the time being of the Company and the alternate Directors appointed by them or, as the case may be, the Directors assembled as a Board;

viii) **Dividend** includes a bonus;

ix) **fully paid** in relation to a share, means the price at which the share was issued has been fully paid;

x) **General Meeting** means an Annual General Meeting and Extraordinary General Meeting of the Company;

xi) **Managing Director** or **Executive Director** means a Director who has been appointed on a full time basis to manage or undertake the Business of the Company;

xii) **Member** means any person whose name has been entered in the Register;

xiii) **Office** means the Registered Office for the time being of the Company;

xiv) **Ordinary Resolution** has the same meaning ascribed to it by the Act;

xv) **partly paid,** in relation to a share, means part of the price at which the share was issued remains unpaid;

xvi) Property means a property or sub-division comprised within title number L.R. Number 420/6 (Original Number 420/4/2);

xvii) **Register** means the Register of Members of the Company required to be kept by Section 93 of the Act;

xviii) **Seal** means the common Seal of the Company;

xix) **Secretary** means the Secretary of the Company for the time being, or any other qualified person appointed by the Board acting in place of such secretary and shall include a temporary or assistant secretary;

xx) **Special Notice** has the meaning ascribed to it by the Act;

xxi) **Special Resolution** has the meaning ascribed to it by the Act;

b) In the interpretation of these Articles, unless contrary to the context:

i) words signifying the singular number shall include the plural and *vice versa*;

ii) words signifying one gender, whether masculine, feminine or neuter, includes the other two;

iii) a **person** includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality);

iv) **writing** includes printing, lithography and other modes of representing or reproducing words in a visible form;

v) **year** means a calendar year and **month** means a calendar month; and

vi) reference to any statute or statutory provision shall be deemed to include reference to any statute regulation or statutory instrument which amends extends consolidates or replaces the same (or shall have done so) and any other regulation statutory instrument or other subordinate legislation made thereunder or pursuant thereto save for an amendment, extension, consolidation, or replacement of the same which has retrospective effect.

2. MODEL ARTICLES

The Model Articles contained in the Third Schedule (Model Articles for Public Companies limited by shares) to the Companies (General) Regulations, 2015 shall not apply to the Company.

3. BUSINESS

3.1 The business of the Company shall, to the extent permitted by the Act and other Applicable Laws be unrestricted, and shall include, without limitation, the following objects and all incidental matters:

i. To construct repair improve and maintain the roads, water distribution system and air strip serving all subdivisions comprised in the parcel of land comprised in title number L.R. Number 420/6 (Original Number 420/4/2);

ii. To construct execute carry out equip improve develop administer manage public works and conveniences of all kinds which expression includes but not restricted to roads railways reservoirs water-courses drainage sanitary water gas and power supply works and all other works or convenience for public utility;

iii. To undertake and execute any contracts for works involving the use of any machinery and to carry out any ancillary or other works comprised in such contracts;

iv. To construct erect and maintain water system, sewers roads streets and all other works erections and things of any description whatsoever either upon the land specified in these Articles or upon other lands and generally to maintain and improve the roads water distribution systems and other property of the Company.

4. MANAGEMENT

4.1 The Board shall have the power to enter into agreements with any person, firm or corporation providing for the management of any or all the Company's business or affairs, and may similarly enter into agreements providing for the management by the Company of any or all of the business or affairs of any person, firm or corporation.

4.2 The Board shall constitute a building and development committee ("Committee") to implement building regulations formulated by the Board. The Committee shall:-

i. be elected yearly at each Annual General Meeting of the Company comprising of not less than four (4) Members and not more than nine (9) Members;

ii. no Director of the Company shall be elected as a member of the Committee;

iii. the Committee shall ensure that there is conformity by all Members of the regulations laid down by the Board from time to time for construction and development of houses, staff quarters and all ancillary facilities relating to houses;

iv. the Board shall from time to time in consultation with the Committee amend or formulate regulations relating to development.

4.3 The property owners (being Members of the Company) shall pay to the Company on demand such proportionate share for the up keep of roads, airstrip, water distribution systems, security and such other services that the Board may deem a necessity for the general up keep and improvement of the land (generally) and the amenities and to conduct the Company's business.

The Board may, in calculating the charges payable by Members, include in the costs such amount as the Board may deem necessary for and on account of a reserve fund.

The proportionate share payable and the allocation for the reserve fund shall be determined by the Board in its absolute discretion, provided that the amount so chargeable can only be changed or varied by Members by passing of a Special Resolution setting the amount payable. The Special Resolution if adopted shall be limited for the specific demand made by the Directors.

4.4 Any Member wishing to construct on or develop their properties shall be bound by the Green Park Water Service Board Limited Building Regulations 2006, which Regulations may from time to time be amended by the Board. The Regulations applicable to the Member shall be those in force at the time of application for construction.

5. CAPITAL AND SHARES

5.1 Power to issue shares of different classes

The Company shall have no powers to issue different classes of shares.

5.2 Interest in shares

No person shall be admitted as a member of the Company unless he is a registered owner of a property comprised in the development situated within the land comprised in the Title known as L.R. No. 420/6 (Orig. No. 420/4/2) situated in Naivasha in the Republic of Kenya.

5.3 Trusts

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

5.4 Share certificates

a. Subject to the Applicable Laws and Article 5.2, the Company shall issue each Member, free of charge, with one certificate in respect of the shares that the Members hold, within three (3) months after allotment or lodgment of a proper document of transfer or within any other period that the conditions of issue provide. If more than one person holds a share, only one certificate may be issued in respect of it.

b. A certificate is invalid unless it:

   i. it specifies:-

(a) in respect of how many shares and of what class a certificate is issued;

(b) the amount paid up on them; and

(c) any distinguishing numbers assigned to them; and

(d) has affixed to it the Company's common seal or the Company's official seal in accordance with Part IV of the Act.

c. if a member is registered as holder of more than one share (representing different properties), a member will not be entitled to a consolidated certificate.

d. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee (if any) as the Board may from time to time determine and, in the case of loss or destruction, on such terms, if any, as to evidence and indemnity and payment of the out-of-pocket expenses of the Company of investigating such evidence as the Board may think fit and in case of defacement, on delivery of the old certificate to the Company.

5.5 Allotment of Shares

The Director shall not exercise any power conferred on them to allot shares in the Company without the prior authorisation of the Company by resolution if the authorisation is required by Section 329 of the Act (*Power of Directors to allot shares: authorisation by Company*)

5.6 Alteration of Share Capital

The Company is not authorized to alter its share capital in any way.

5.7 Reduction of Share Capital

The Company is not authorized to reduce its share capital.

5.8 Acquisition by Company of its own assets

The Company may not acquire its own shares.

5.9 Transfer of Shares

b) Subject to the Applicable Laws, all transfer of shares shall be in writing in any usual or common form as the Board may as from time to time or at any time approve and shall be lodged with the Company with such documents as may be directed by the Board from time to time.

c) The instrument of transfer of a share shall be executed by or on behalf of the transferor and transferee. The transferor shall be deemed to remain the holder of

the share until the name of the transferee is entered into the Register in respect thereof. All instruments of transfer, when registered, shall be retained by the Company.

d) The Board may, in its absolute discretion, decline to register any instrument of transfer of shares (not being fully paid shares).

e) The Board may also decline to register any instrument of transfer if:-

i) the transfer relates to shares on which the Company has a lien; or

ii) if there are any outstanding payments on account of service charges or any other charges that may be due and payable by the transferor on the Property registered in the name of the transferor and to which the transfer of share relates to; or

iii) the registration fee (of such amount as the Board may from time to time prescribe) is not paid to the Company in respect thereof; or

iv) it is not accompanied with the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the rights of the transferor to make the transfer; or

v) the transferee named therein is :-

(1) an infant person; or

(2) a person incapable of by reason of mental disorder of managing and administering his property and affairs; or

(3) a partnership in its partnership name; or

(4) in the case of a transfer to joint holders, they exceed four in number ; or

(5) the registration of shares would infringe any laws of Kenya.

f) If the Board refuses to register a transfer it shall, within sixty (60)days after the date on which the instrument of transfer was lodged with the Company, send to the transferee notice of the refusal together with a statement specifying the reasons for refusal. Any instrument of transfer which the Board refuses to register shall (except in the case of fraud) be returned to the person lodging it when notice of refusal is given.

g) the Company shall be entitled to charge a fee of such amount, not exceeding such sum as the board may from time to time prescribe having regard to prevailing market conditions and regulatory requirements, on registration of every probate,

letters of administration, certificate of death or marriage, power of attorney or other instrument relating to or affecting the title to any share.

5.10 Transmission of Shares

Subject to Article 5.2:-

a) If a member dies, the Company may only recognise the following person or persons as having any title to a share of the deceased member:—

i) if the deceased member was a joint holder of the share, the surviving holder or holders of the share; and

ii) if the deceased member was a sole holder of the share, the legal personal representative of the deceased member.

b) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share that had been jointly held by the deceased member with other persons.

5.11 Transmittees' Rights

a) If a transmittee produces evidence of entitlement to the share as the directors properly require, the transmittee may, subject to these articles, choose to become the holder of the share or to have the share transferred to another person.

b) The directors have the same right to refuse or suspend the registration as they would have had if the holder had transferred the share before the transmission.

c) A transmittee is entitled to the same dividends and other advantages to which the transmittee would be entitled if the transmittee were the holder of the share, except that the transmittee is not, before being registered as a member in respect of the share, entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

d) The directors may at any time give notice requiring a transmittee to choose to become the holder of the share or to have the share transferred to another person.

e) If the notice is not complied with within 90 days after the notice is given, the directors may withhold payment of all dividends, bonuses or other money payable in respect of the share until the requirements of the notice have been complied with.

5.12 Exercise of transmittees' rights

a) If a transmittee chooses to become the holder of a share, the transmittee shall notify the Company in writing of the choice.

b) Within 2 months after receiving the notice, the directors shall:-

i) register the transmittee as the holder of the share; or

ii) send the transmittee a notice of refusal of registration.

c) If the directors refuse registration, the transmittee may request a statement of the reasons for the refusal.

d) If a request is made under sub-article (3), the directors shall, within 28 days after receiving the request— a) send the transmittee a statement of the reasons for the refusal; or b) register the transmittee as the holder of the share.

e) If the transmittee chooses to have the share transferred to another person, the transmittee shall execute a document of transfer in respect of it.

f) All the limitations, restrictions and other provisions of these articles relating to the right to transfer and the registration of transfer of shares apply to the notice under sub-article (1) or the transfer under sub-article (5), as if the transmission had not occurred and the transfer were a transfer made by the holder of the share before the transmission.

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

6. DECISION-TAKING BY MEMBERS

6.1 General Meetings

a) Subject to Division 5 of Part XII of the Act, the Company shall, in respect of each financial year of the Company, hold a general Meeting as its Annual general Meeting in accordance with Section 310 of the Act (*Public Companies: annual general meeting)*.

b) The Directors may, if they consider appropriate, convene a General Meeting.

c) If the Directors are required to convene a General Meeting under Section 277 of the act (*Right of Members to require Directors to convene general meeting*), they shall convene it in accordance with Section 278 of the Act (*Directors duty to convene general meetings required by members*).

d) If the Directors do not convene a General Meeting in accordance with Section 278 of the Act, the Members who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a General Meeting in accordance with Section 279 of the Act (*power of members to convene general meeting at the expense of the company*).

6.2 Notice of General Meetings

a) The Directors may convene an Annual General Meeting only by giving members at least twenty one (21) days' notice of the meeting (exclusive on the day on which it is served or deemed to be served and of the day for which it is given).

b) The Directors may convene a General Meeting other than an Annual General Meeting only by giving its members at least fourteen (14) days meeting (exclusive on the day on which it is served or deemed to be served and of the day for which it is given).

c) The Directors shall ensure that the notice:

i) specifies the date and time of the meeting;

ii) specifies the place of the meeting (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting);

iii) states the general nature of the business to be dealt with at the meeting;

iv) for a notice convening an annual general meeting—states that the meeting is an annual general meeting;

v) if a resolution (whether or not a special resolution) is intended to be moved at the meeting:-

(1) includes notice of the resolution; and

(2) includes or is accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;

f) a special resolution is intended to be moved at the meeting, specifies the intention and include the text of the special resolution; and

g) contains a statement specifying a member's right to appoint a proxy under section 298 of the Act (*Right to appoint proxy*).

g) Sub article (4)(e) does not apply in relation to a resolution of which;

h) notice has been included in the notice of the meeting under section 278(2) or section 279(2) of the Act; or

i) notice has been given under section 289 of the Act (*Members' power to request circulation of resolution for annual general meeting*).

k) Despite the fact that a general meeting is convened by shorter notice than that specified in this article, it is regarded as having been duly convened if it is so agreed, for an annual general meeting, by all the members entitled to attend and

vote at the meeting; and any other case, by a majority in number of the members entitled to attend and vote at the meeting, being a majority together representing at least 95 per cent (95%) of the total voting rights at the meeting of all the members.

l) Each member and each director are entitled to be given notice of a general meeting. For the purposes of this Article, the reference to a Member includes a transmittee, if the company has been notified to a transmittee's entitlement to a share.

m) If notice of a general meeting or any other document relating to the meeting is required to be given to the member, the company shall give a copy of it to its auditor (if more than one auditor, to each of them) at the same time as the notice or the other document is given to the Member.

n) An accidental omission to give notice of a General Meeting to, or any non-receipt of notice of a General Meeting by, any person entitled to receive notice does not invalidate the proceedings at the meeting.

o) The Company shall give a notice of a General Meeting either in hard copy form, in electronic form, by means of a website (in accordance with Section 283 of the Act); or partly by one such means and partly by one or more of the other such means.

p) Subject to Article 6.1(a), if the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting, it may postpone the General Meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in one national newspaper in Kenya and in one national newspaper in any other country where, for the time being, the shares of the Company are listed on a stock exchange. Notice of the business to be transacted at the postponed meeting shall not be required unless it is postponed for thirty (30) days or more.

6.3 Proceedings at General Meeting

a) The business of an Annual General Meeting shall be to receive and consider the statement of profit and loss and the balance sheet, the report of the Board and of the Auditors, to elect Directors, Auditors and other officers in the place of those retiring, to declare dividends, fix the remuneration of the Auditors, and to transact any other business which under these Articles and/or under the Act ought to be transacted at an Annual General Meeting. All other business transacted at any Annual General Meeting and all business transacted at an Extraordinary Meeting shall be deemed special.

b) Ten (10) Members (including corporations present by proxy or by a representative in accordance with Article 6.6) personally present and entitled to vote shall be a

quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

c) The Chairman of the Board, or in his absence the Vice-Chairman of the Board, shall preside at every General Meeting, or if there be no Chairman or Vice-Chairman, or if any Meeting he or the Vice-Chairman shall not be present within ten (10) minutes after the time appointed for holding such Meeting, the Members personally present shall choose another Director as Chairman; and if no Director be present, or if all the Directors present decline to take the chair, then the Members personally present shall choose one of their number to be the Chairman of the Meeting. Nothing in these Articles shall restrict or exclude any of the powers or rights of a chairman of a meeting which have been given by law.

d) If within ten (10) minutes from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon such requisition as aforesaid, 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 if such place be not available, at such other place as the Board may appoint, but should such day be a gazetted holiday, then it shall be adjourned to the first business day next following such public holiday at the same time, and if at such adjourned Meeting a quorum is not present, those Members who are present shall be a quorum, and may transact the business for which the Meeting was called.

e) The Chairman of the General Meeting may, with the consent of the Meeting, adjourn the same 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. Whenever a Meeting is adjourned for thirty (30) days or more, notice of the adjourned Meeting shall be given in the same manner as in the case of an original Meeting.

f) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

g) At any General Meeting a Resolution put to the vote of the Meeting shall be decided by written ballot unless Members holding at least fifty percent (50%) of the paid up and issued capital and present in person or by proxy or, in the case of a corporation, represented in accordance with Article 6.6, decide on voting by show of hands. If a Resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such Resolution.

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

i) If a poll has been duly demanded the result of the poll shall be deemed to be the Resolution of the Meeting at which the poll was demanded.

j) The demand of a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question of which a poll has been demanded.

k) In the case of an equality of votes, the Chairman of the Board shall, either on a show of hands or on a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

l) If any vote shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the Resolution unless it is pointed out at the same Meeting and not in that case unless it shall, in the opinion of the Chairman of the Meeting, be of sufficient magnitude to vitiate the Resolution. The demand for a poll may be withdrawn.

m) Any minutes of Resolutions and proceedings at General meetings made in the minute books of the Company, if signed by any person purporting to be the Chairman of the meeting to which it relates, or by any person present thereat and appointed by the Directors to sign the same in his place, or by the Chairman at the next Board meeting after the Annual General meeting, shall be conclusive evidence of the facts therein stated.

6.4 Amendment of Resolutions

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

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

b) The notice required to be given by a person entitled to vote at the General Meeting at which it is to be proposed is at least forty eight (48) hours before the meeting is to take place (or such later time as the chairman at the meeting determines).

c) A special resolution to be proposed at a General Meeting may be amended by ordinary resolution if:

i) the Chairman proposes the amendment at the meeting at which the special

resolution is to be proposed; and

iii) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.

d) No amendment to a resolution may in any event be considered or voted on unless either at least forty eight (48) hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the registered office or received in electronic form at the electronic address at which the Company has or is deemed to have agreed to receive it or the Chairman in his absolute discretion decides that it may be considered or voted on.

e) If an amendment to any resolution under consideration is proposed but is ruled q out of order by the Chairman in good faith, any error in such ruling shall not invalidate the proceedings on the original resolution unless a Court otherwise determines.

6.5 Votes of Members

a) Voting at any Members meeting shall be conducted in accordance with Articles 6.3 (g).

b) Where there are joint holders of a share, any one of such persons may vote at any Meeting either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any Meeting, personally or by proxy, that one of the said persons whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any shares stand shall for the purpose of this Article be deemed joint holders thereof.

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

d) 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.

6.6 Proxies and Representatives

a) Any corporation which is a Member of the Company may by resolution of its Directors or other governing body or by notification in writing under the hand of some officer of

such corporation duly authorized in that behalf authorize such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of that Company and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

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

c) On a poll, votes may be given either personally or by proxy or attorney or by a representative of a corporation appointed in accordance with Article 6.6 or by his proxy. The instrument appointing a proxy shall be in writing under the hand of the person granting such proxy or his duly authorized attorney, or if the appointer be a company or corporation, shall be either under its common seal or under the hand of an officer or attorney so authorized. A proxy need not be a Member of the Company but shall be entitled to the same right to speak and address a Meeting as the Member appointing him.

d) The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Office of the Company not less than forty eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or, in the case of a poll, the time appointed for the taking of the poll and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution.

e) Subject to the Act, the Board may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as it considers fit provided that:

(i) the proxy is actually received (whether or not it appears to the sender to have been received) at the aforementioned place not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, or the taking of the poll; and

(ii) the Chairman of the meeting or the Secretary or any other person authorised by the Board for the purpose determines in his sole discretion (such determination to be conclusive) that such proxy has been transmitted in an acceptable manner including a determination that such transmission is complete and is in a clear and legible form; and

(iii) the original instrument appointing the proxy and (if required by the Board) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the Board, is delivered to the registered

office or such other place as aforesaid not less than one (1) hour before the time appointed for holding the meeting or adjourned meeting.

f) Every instrument of proxy, whether for a specified Meeting or otherwise shall be in the following form (or a form as near thereto as circumstances admit or in any other form which is usual or which the Board may approve):-

Green Park Water Services Limited

"I/We

of

being a Member/Members of Green Park Water Services Limited, and entitled to votes, hereby appoint

of

or failing him,

of

as my/our proxy to vote for me/us and 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 …… and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-

Resolution No. 1 - *For/*Against

Resolution No. 2 - *For/*Against etc.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from Voting

As witness my/our hands this ……day of ……..

Note: If you wish you may appoint the chairman of the meeting as your proxy.

To be valid the proxy form must be returned to the registered office of the Company/to

_____, not less than forty-eight (48) hours before the time fixed for the meeting."

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

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

i) For the purposes of Articles 6.6 the Board may require such reasonable evidence it considers necessary to determine:

    i) the identity of the Member and the proxy; and

    ii) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.

j) A Member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company. Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to exercise all such rights, as the proxy thinks fit.

k) A Member may appoint more than one proxy in relation to a Meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the Member. When two or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

l) Delivery or receipt of an appointment of proxy does not prevent a Member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.

m) The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for twelve (12) months from the date of execution or, in the case of an appointment of proxy delivered by electronic means, for twelve (12) months from the date of delivery unless otherwise specified by the Board.

n) A proxy does not take effect unless it is received by the Company:

i. for a General Meeting or adjourned General Meeting, at least forty eight (48) hours before the time fixed for holding the meeting or adjourned meeting; and

ii. for a poll taken more than forty eight (48) hours after it was demanded, at least twenty four (24) hours before the time fixed for taking the poll.

o) An appointment under a proxy notice may be revoked by delivering to the Company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given and a notice revoking the appointment only takes effect if it is received by the Company:

i. for a general meeting or adjourned General Meeting, at least forty eight (48) hours before the time fixed for holding the meeting or adjourned meeting; and

ii. for a poll taken more than forty eight (48) hours after it was demanded, at least twenty four (24) hours before the time fixed for taking the poll.

p) A vote given or poll demanded by a proxy shall be valid in the event of the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share for which the instrument of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the registered office, or at such other place as has been appointed for the deposit of instruments of proxy, no later than:

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

ii. for a poll taken more than forty eight (48) hours after it was demanded, at least twenty four (24) hours before the time fixed for taking the poll, in order for it to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

7. DIRECTORS

7.1 **Number**

a) Unless and until otherwise determined by the Company in General Meeting, the number of the Directors shall not be less than four nor more than nine.

b) The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors.

7.2 Remuneration

a) No Director shall be entitled to any remuneration from the Company for holding directorship position.

b) Directors shall be reimbursed the amount of necessary expenses incurred in the exercise of their office provided that such expense is approved by the Company in the General Meeting.

c) A Director shall hold at least one share in the Company and upon a Director ceasing to be a Member of the Company shall be deemed to have vacated the office as a Director.

d) An individual who is a shareholder of a corporate entity, which entity is a shareholder in the Company is permitted to be a director of the Company and remain as a director so long as the director holds shares in the corporate entity.

7.3 Casual Vacancies

a) The continuing Directors may act notwithstanding any vacancy in their body, so long as there remain four Directors duly qualified to act; but if the number falls below four, the remaining Directors shall fill up such casual vacancies, and, except for the purpose of filling such vacancies, such remaining Directors shall not act so long as the number is below four.

b) The Directors shall have power at any time and from time to time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Directors, but so that the total number of the Directors shall not at any time exceed the maximum number fixed by these Articles. Any person appointed to fill a casual vacancy shall retain office only until the next following Annual General Meeting and shall then be eligible for re-election.

7.4 Alternate Directors

No director shall have the right to appoint an alternate director.

7.5 Removal of Directors

a) The office of a Director shall be vacated ipso facto:

i. If he becomes bankrupt, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds with his creditors, or is convicted of any offence involving fraud or moral turpitude;

ii. If he becomes of unsound mind;

iii. If he is absent from meetings of the Directors for three (3) consecutive meetings of the Board, without leave;

iv. If he is removed under Article 7.14 or Article 7.15 of these Articles;

v. If he is removed from office of director by an ordinary resolution passed in

vi. accordance with section 139 of the Act (Resolutions to remove directors from office);

vii. If he becomes prohibited from being a Director by reason of an order made under Part X of the Act;

viii. After he has given notice in writing of his resignation as a Director; or

ix. If he ceases to be or is prohibited from being a Director by virtue of any provision of the Act, the Insolvency Act, 2015.

b) The Company may, by Ordinary Resolution, of which Special Notice has been given, or by Special Resolution, remove any Director from office, notwithstanding any provision of these Articles or of any agreement between the Company and such Director. The removal shall be without prejudice to any claim the Director may have for damages for breach of any such agreement. The Company may, by ordinary resolution, appoint another person in place of a Director so removed from office. In default of such appointment the vacancy so arising may be filled by the Board as a casual vacancy.

c) A Director may before the expiration of his period of office be removed from office by a resolution signed by all his co-Directors. Such resolution may consist of several documents in a like form, each signed by one or more of his co-Directors.

d) If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

e) The Company shall keep at the Office a register containing the names, addresses and occupations of its Directors and the Secretary shall send to the Registrar of Companies a copy of such register and shall from time to time notify to him any change that takes place in such Directors.

7.6 Rotation of Directors

a) At every Annual General Meeting two of the Directors (with the exception of Executive Director) for the time being, or, if their number is not two or a multiple of two, then the number nearest to two, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

b) If the Company, at the Meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the Meeting it is resolved not to fill the vacancy or unless the Resolution for reappointment of the Director is put to the Meeting and lost.

c) A retiring Director shall be eligible for re-election.

d) No person, other than a Director retiring by rotation, shall be eligible for election to the office of Director at any General Meeting unless:-

i) he is recommended by the Directors; and
ii) he, or some Member intending to propose him, has, at least twenty-one (21) days before the Meeting, left at the office a notice in writing, duly signed, signifying his candidature for the office, or the intention of such Member to propose him.

7.7 Authorisation of Directors Conflicts of Interest

a) The Board may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under the Act to avoid conflicts of interest.

b) A Director seeking authorisation in respect of a conflict of interest shall declare to the Board the nature and extent of his interest in a conflict of interest as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict of interest together with such additional information as may be requested by the Board.

c) Any authorisation under this article will be effective only if:

i) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and any other interested Director; and
iii) the matter is agreed to without the Interested Director voting or would be agreed to if the Interested Director's and any other interested Director's vote is not counted.

d) Any authorisation of a conflict of interest under this Article must be recorded in writing (but the authority shall be effective whether or not the terms are so recorded) and may (whether at the time of giving the authorisation or subsequently):

i) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

ii) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the conflict of interest;

iii) impose upon the Interested Director such other terms for the purposes of dealing with the conflict of interest as the Directors think fit;

iv) provide that, where the Interested Director obtains, or has obtained (through his involvement in the conflict of interest and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

v) permit the Interested Director to absent himself from the discussion of matters relating to the conflict of interest at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

e) Where the Directors authorise a conflict of interest, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the conflict of interest.

f) The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

g) A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict of interest which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

h) If a question arises at a Board meeting about whether a Director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest, or whether he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman's ruling about the relevant Director is final and conclusive, unless the nature and extent of the Director's interests have not been fairly disclosed to the Directors. If the question arises about the chairman of the meeting, the question must be directed to the Directors. The chairman cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairman is final and conclusive, unless the nature and extent of the chairman's interests have not been fairly disclosed to the Directors.

i) For the purposes of Articles 7.7:

i) an interest of a person who is connected (which word shall have the meaning given to it by section 122 of the Act) with a Director shall be treated as an interest of the Director;

ii) a contract includes references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not consulting a contract;
iii) a conflict of interest includes a conflict of interest and duty and a conflict of duties.

j) Subject to the Statutes, the Company may by ordinary resolution suspend or relax the provisions of Articles 7.7 to any extent or ratify any contract not properly authorised by reason of a contravention of any of the provisions of Articles 7.7.

7.8 Managing Director and Executive Director

a) Subject to Article 7.1, the Directors may from time to time appoint one or more of their body to be Managing Director or Executive Director of the Company, and other Executive Directors for a fixed term to be determined by the Board, and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

b) An Executive Director shall, while he continues to hold that office be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold the office of Director for any cause he shall ipso facto and immediately cease to be Managing Director or Executive Director. Provided that the Managing Director or Executive Director shall not be subject to retirement by rotation.

c) The Directors may from time to time entrust to and confer upon the Managing Director or Executive Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

7.9 Proceedings of Directors

a) The Directors may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business. A Director may at any time, and the Secretary upon the request of a Director shall, convene a meeting of the Directors.

b) The Directors may elect a Chairman and Vice- Chairman for their meetings and determine the period for which they are each to hold office, but if no such Chairman or Vice- Chairman is elected, or if at any meeting neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for holding the same, the Directors shall choose one of their number to be Chairman of such meeting.

b) Subject to the provisions of Article 7.5(b), questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

d) right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

e) The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be more than one half of the number of Directors for the time being holding office, present either personally.

f) A Meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the regulations of the Company for the time being vested in or exercisable by the Directors generally.

g) A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or of the committee (as the case may be) duly called and constituted. Such resolutions may consist of several documents in a like form, each signed by one or more of the Directors.

h) The Directors may delegate any of their powers to committees consisting of such members or member of their body as they think fit, and may vote any such committee such special remuneration (in addition to the remuneration to which the members of the committee are entitled as Directors) as they may deem fit and proper. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors.

i) The meetings and proceedings of any such committee, consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

j) All acts done at any meeting of the Directors or of a committee of the Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons 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.

7.10 Minutes

a) The Directors shall cause minutes to be duly entered in books provided for the purpose of all appointments of officers made by the Directors; of the names of the Directors present at each meeting of the Directors and of any Committees of Directors; of all orders made by the Directors and Committees of Directors; and of all Resolutions and proceedings of General Meetings; and of all meetings of the Directors and Committees.

b) Any such minutes of any meetings of the Directors, or of any Committee, or of the Company and any extracts there from if purporting to be signed by the Chairman of such meeting or by some person present thereat and appointed by the Directors to sign the same in his place, or by the Chairman of the next succeeding meeting, shall be receivable as evidence of the matters stated in such minutes or extracts.

7.11 The Register

The Directors shall cause to be kept a Register of the Members, and there shall be entered therein:

i) the names and addresses of the Members with a statement of the shares held by each Member, distinguishing each share by its class or kind and of the amount paid, or agreed to be considered as paid on the shares of each Member;
ii) the date at which the name of any person was entered in the register as a Member;
iii) the date at which any person ceased to be a Member.

And the Register shall be kept at the Office or at such other place in Kenya as the Directors may from time to time determine, and shall be open to the inspection of the Members during business hours, subject to reasonable restriction from time to time imposed by the Company in General Meeting. No notice of any trust shall be entered in the Register.

7.12 Borrowing Powers

a) The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

b) The Directors may exercise all the powers of the Company to guarantee and become surety for the liabilities, the performance of contracts and the repayment of monies by any person, firm or company and to issue charges, mortgages, debentures or lien to secure performance by the Company of any such guarantee or surety.

7.13 Powers of Directors

a) The management of the business and the control of the Company shall be vested in the Directors, who, in addition to the powers and authorities by these Articles expressly conferred upon them, may, subject to the proviso hereinafter mentioned, exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and

are not hereby or by the Act expressly directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to such management not being inconsistent with these Articles nor with any Resolution passed at any Meeting of the shareholders in accordance therewith; but no Resolution passed by 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: Provided however that although the Directors shall have power to enter into a provisional contract for the sale and/or alienation of all of the major portion of the property and assets of the Company or the absolute alienation of the whole of the movable and immovable property of the Company and the rights belonging thereto or connected therewith such provisional contract shall only become binding on the Company in the event of the same being ratified and confirmed by a Special Resolution of the Company in General Meeting. All the provisions of these Articles as to General Meetings shall apply mutatis mutandis to meetings convened under this Article.

b) Without prejudice to the general powers conferred by the last preceding Article, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers, that is to say:-

i) To demand and collect from Members the charges payable by the Members in terms of Article 4.3 and to take such steps and enforce on provisions on recovery of any unpaid charges.

ii) To pay the costs, charges and expenses preliminary and incidental to the raising of any share or loan capital for the Company.

iii) To pay for any property, rights or privileges acquired by or service rendered to the Company, either wholly or partially in cash or with the sanction of the Company in General Meeting, in shares, or in bonds, debentures, debenture stock or other securities of the Company, and any such shares, may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

c) To secure the fulfillment of any contracts or engagements entered into by the Company, by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being, or in such other manner as they may think fit.

d) Subject to the provisions of these Articles, to sell, lease, alienate, abandon or otherwise dispose of part or parts of the moveable and immoveable property of the Company as the Directors may think most beneficial to the Members of the Company, and to apply the consideration arising there from either by dividing the same as a bonus among the Members or as they may think most advantageous for the Company.

e) To appoint and at their discretion remove or suspend such Managing Agents, Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their duties and powers

and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit.

f) To appoint any person or persons (whether incorporated or not incorporated) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustees.

g) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company.

h) To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.

i) To determine who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents on behalf of the Company.

j) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction, or a share in the general profits of the Company.

k) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

l) To delegate to any person or persons any of their powers and discretions and to give to any such person or persons power of sub-delegation and, by power of attorney or otherwise, to appoint any person to be agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

m) Members' reserve power

i) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

ii) The special resolution does not invalidate anything that the directors have done before the passing of the resolution.

8. **SECRETARY**

a) 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. The provisions of Sections 244 to 251 inclusive of the Act shall be observed.

b) No person shall be appointed or hold office as Secretary who is:
   i) the sole Director of the Company; or
   ii) a Corporation, the sole Director of which is the sole Director of the Company; or
   iii) the sole Director of a Corporation which is the sole Director of the Company; or
   iv) not the holder of the qualification required by law for that office.

c) A provision of the Act or these Articles requiring or authorising a thing to be done by or to 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.

9. **SEAL**

The Company shall be provided with a Common Seal on which its name shall be engraved in legible characters, and the Company may from time to time exercise the powers given by Section 42 of the Act with respect of official seals in foreign countries and such powers shall be vested in the Directors. The Common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Directors. Every instrument to which the seal shall be affixed shall be signed by a Director or by as many Directors as that the Directors may by resolution determine. Every instrument to which the seal of the Company is so affixed and which is so signed shall be binding on the Company.

10. **DIVIDENDS**

a) The Company in General Meeting or the Directors may declare a dividend to be paid to the Members according to their rights and interests in the profits.

b) No larger dividend shall be declared by the Company in General Meeting than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

c) No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company. Dividends may be declared either free or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

d) The declaration of the Board as to the amount of the profits of the Company available for dividend shall be conclusive.

e) The Directors may from time to time pay to the Members on account of the next forthcoming dividend such interim dividends as in their judgment the position of the Company justifies.

f) The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respects of which the lien exists.

g) In case several persons are registered as the joint holders of any share, anyone of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

h) Each dividend may be paid by cheque, warrant, coupon or otherwise, as the Directors may from time to time determine, and may, if paid otherwise than by coupon, be sent by post to the last registered address of the Member entitled thereto, or any other address requested by him, or in the case of joint registered holders to that one of them first named in the Register in respect of such joint holding, and the payment of such cheque or warrant, if purporting to be duly endorsed, or the surrender of any coupon shall be a good discharge of the Company in respect thereof.

i) The Company shall not be responsible for any loss, expense or damage whatsoever, whether direct or consequential, caused by the loss in transmission of any cheque, warrant or other document sent through the post to the registered address of any Member, whether or not at his request.

j) All dividends, interest or other sum payable and unclaimed for twelve (12) months after having become payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. If cheques, warrants or orders for dividends or other monies payable in respect of a share sent by the Company to the person entitled to it are returned to the Company or left uncashed on two consecutive occasions, the Company shall not be obliged to send any dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose provided that in particular cases the Board may accommodate any member who applies for several dividend payments to be consolidated into a single payment.

11. **RESERVES**

The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as it thinks proper which shall at the discretion of the Board be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the roads works plant and machinery and generally for the business of the Company or for special dividends or bonuses or for equalizing dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think

fit. The Board may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

12. **ACCOUNTS**

a) The Directors shall cause true accounts to be kept of all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place and of the assets, credits and liabilities of the Company. The books of account shall be kept at the office or at such other place or places as the Directors think fit.

b) 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 the Members, and no Member shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorized by the Directors or by a Resolution of the Company in General Meeting.

c) At the Annual General Meeting in every year the Directors shall lay before the Company in accordance with the relevant provisions of Part XXV of the Act, a Statement of the Profit and Loss and a Balance Sheet, containing a summary of the property and liabilities of the Company, made up to a date not earlier than six (6) months before such Meeting.

d) Every such Statement and Balance Sheet shall be accompanied by a Report of the Board as to the state and condition of the Company and as to the amount (if any) which has been paid or which they recommend to be paid out of the profits by way of dividend to the Members, and the amount (if any) which they have carried or propose to carry to the Reserve Fund according to the provisions in that behalf hereinbefore contained, and the Report, Statement and Balance Sheet shall be signed by two Directors or otherwise as required under the Act.

e) A printed copy of the Report, accompanied by the Balance Sheet and Statement of Profit and Loss and by the Auditor's Report shall at least Twenty-one (21) days previous to the General Meeting be delivered or sent by post or by electronic mail to the address of every member.

13. **AUDIT**

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

14. **NOTICES**

a) A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address or by sending it by electronic means to an address for the time being notified to the Company by the Member or otherwise in accordance with the Act. In the case of the

Member resident outside Kenya, notices shall be sent by airmail or electronic means as the Company may decide.

b) Subject to these Articles and the Applicable Laws, the Company may give any notice or send or supply any other document or information to any Member by making it available on an official Company website or such other website as may be prescribed by the Board or pursuant to the Applicable Laws for such purpose.

c) Any notice required to be given by the Company to the Members, or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement shall subject to the provisions of the Act be advertised in such newspaper or newspapers circulating in the district in which the registered office or any branch register is situate as the Directors may determine. Any notice given by advertisement shall be deemed to have been served on the first day when the newspaper containing such advertisement shall be published.

d) All notices may, with respect to any registered shares, to which persons are jointly entitled, be given to whichever of such persons is named first in the register and notice so given shall be sufficient notice to all the holders of such shares.

e) Any notice sent by post shall be deemed to have been served on the third day after the day on which it was posted, and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly addressed stamped and put in the post office.

f) Any notice and/or any document if sent by electronic mail shall be deemed to have been received twelve (12) hours after time of dispatch provided.

g) Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which, previously to his name and address being entered on the register, shall have been given to the person from whom he derives his title to such share.

h) Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member be then deceased, and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares either held solely or jointly with other persons by such Member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall, for all purposes of these Articles be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons (if any) jointly interested with him in any such shares.

i) Where a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be counted in such number of days or other period unless it is otherwise provided in such notice.

j) A notice 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 the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the registered 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.

k) The signature to any notice given by the Company may be written, printed, or impressed with a rubber or other stamp.

15. **WINDING UP**

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 and/or the Insolvency Act, 2015, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon the property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability. If the Company shall be wound-up , either voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution, divide among the contributories in specie any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit, and if thought expedient any such division may be otherwise than in accordance with the legal rights of the Members of the Company and in particular any class may be given preferential or special rights, or may be excluded altogether or in part; but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to the Act.

16. **INDEMNITY AND INSURANCE**

a) Subject to the provisions of the Act every Director, Manager, Secretary and other officer or servant of the Company shall be indemnified by the Company and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses which any such officer or servant may incur, or become liable to pay, by reason of any contract entered into or act or deed done by him as such officer or servant, or in any way in the discharge of his duties including traveling expenses.

b) Subject to the provisions of the Act no Director, Manager, Secretary or other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant, or for joining in any receipt or other act for conformity, or for loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effects shall be deposited, or for any loss or damage occasioned by any error or judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

c) Articles 16(a) and (b) shall only have effect in so far as their provisions are not avoided by section 194 of the Act. Notwithstanding the above, those Articles do not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or any Applicable Laws.

d) The Directors may decide to purchase and maintain insurance, at the expense of the Company, for a Director of the Company, or a Director of an associated company of the Company against:

e) Any liability to any person attaching to the Director in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the Company or associated company (as the case may be); or

f) Any liability incurred by the Director in defending any proceedings (whether civil or criminal) taken against the Director for negligence, default, breach of duty or breach of trust (including fraud) in relation to the Company or associated company.