

THE STANDARD GROUP PLC
(the “Company”/ “Group”)

SUMMARY OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION:

Background:

The on-going Coronavirus 2019 (Covid-19) pandemic has caused unprecedented challenges and restrictions necessitated by health measures to prevent the spread of the virus. Since the diagnosis of Covid-19 in Kenya, the Government has issued various restrictions and directives (both regulatory and best practice) precluding inter alia public gatherings, to prevent the spread of the virus. This has impacted company operations including holding of shareholder’s meeting in the manner prescribed in Company’s Articles of Association.

The High Court in Miscellaneous Application No. E680 of 2020, being cognizant of this challenge and based on the provisions of Section 280 of the Companies Act, 2015 , issued an order permitting any company listed on the Nairobi Securities Exchange to convene and conduct a virtual general meeting subject to receipt of a ‘No Objection’ from the Capital Markets Authority.

Therefore, to ensure continued business operations during such unforeseen circumstances and embrace modern technologies which eased the way of doing things, the Board of Directors propose amendment of the Company’s Articles of Association to provide for holding of general meetings virtually and voting to be conducted by electronic means.

Summary of key recommended amendments:

1. Article 56 - Amended to provide for holding of general meeting to include by electronic means or a hybrid of both physical and electronic meeting and issuance of respective notices accordingly.
2. Article 59 - Amended to include attendance of general meetings by electronic means or a hybrid of physical and electronic.
3. Article 63 - Amended to provide for determination of quorum to include attendance by electronic means.
4. Article 64 & 67 - Amended to include adjournments/postponement of electronic general meetings and also provide for adjourned/postponed meeting to be held electronically.
5. Article 65 & 66 - Amended to allow the Chairman and other Directors to attend and preside over the general meetings by electronic means.
6. Article 68, 70, 73 & 78 - Amended to provide for voting by shareholders in general meetings by electronic means.
7. Article 80 - Amended to include receipt of proxies by electronic means.

Agenda No. 3: Special Business:

That by way of Special Resolution, the Company’s Articles of Association, be and are hereby amended to allow for attendance, participation and voting by electronic means in general meetings, in the manner summarized above and highlighted in red below:

56. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the 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 the first annual general meeting is held within Eighteen months of the date of incorporation of the Company, it need not be held in the year of incorporation nor in the next following year. Annual and extraordinary general meetings shall be held **as follows**:

- (a) **physical meetings** at such times and places within Kenya as the Directors shall, from time to time appoint;
- (b) **a virtual meeting using electronic means (such as video-conferencing and tele-conferencing) and at such time as the Board shall appoint; or**
- (c) **a hybrid meeting comprising partly a physical meeting and partly a virtual meeting as set out in paragraphs (a) and (b) above.**

59. Every general meeting shall be called by Twenty-one days' 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 **whether the meeting is physical, virtual or a hybrid of both**, the day and the hour of the meeting and, in case of special business, the general nature of that business, and shall be given, in a manner hereinafter mentioned or in such other manner, if any, as 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 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 a right to attend and vote at the meeting, being a majority together holding not less than Ninety-five per cent (95%) in nominal value of the shares given that right.

63. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, ten members present personally **or by electronic means** shall be quorum.
64. 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 (**whether the meeting is physical, virtual or a hybrid of both**) or such other day and at such other time and place (**whether the meeting is physical, virtual or a hybrid of both**) as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present **physically or by electronic means** shall be a quorum.
65. 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 **whether the meeting is physical, virtual or a hybrid of both**, or in the absence of the Deputy Chairman the Directors **present physically or by electronic means** shall choose one of the Directors to preside at the meeting.
66. If there is no such Chairman (or Deputy Chairman) or if at any meeting he is not present **physically or by electronic means**, within Fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the Directors present **physically or by electronic means** 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 **physically or by electronic means** shall choose one of their member to be Chairman of the meeting.

67. 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 **and allow for attendance using all applicable options including electronic means** 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 an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
68. At any general meeting **convened in accordance with Article 56**, a resolution put to the vote of the meeting shall be decided on a show of hands **or by electronic votes** unless a poll is (before or on the declaration of the result of the show of hands **or electronic vote**) demanded:
- (a) by the Chairman; or
 - (b) by any member or members present in person **physically or by electronic** means 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 be so demanded a declaration by the Chairman that a resolution has on a show of hands **or electronic votes** 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 favour of or against such resolution.

Provided that in any general meeting convened in accordance to Article 56, members shall be informed in advance of the vote whether the result of the vote on a resolution shall be based on a simple majority (where one member equals one vote) or by poll under the principle of one share equals one vote, using such means as shall be determined by the Directors.

70. In the case of an equality of votes, whether on a show of hands, **electronic votes** or on a poll, the Chairman of the meeting at which the show of hands, **electronic votes** takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
73. Subject to any rights or restrictions for the time being attached to any class or classes of shares **and in the absence of such notification envisaged in Article 68**, on a show of hands every member present shall have one vote and on a poll **or electronic voter** every member present in person **physically or by electronic means** or by proxy shall have one vote for each share of which he is a holder.
78. On a poll, votes may be given either personally (**physically or by electronic means**) or by proxy.
80. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at such other place **physically or by electronic means** within Kenya as is specified for that purpose in the notice 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.

