



CIRCULAR TO SHAREHOLDERS

NOVEMBER 2024

I&M Group PLC

(Incorporated in the Republic of Kenya on 16 August 1950 under the Companies Act (CAP.486))
Registration Number C.7/50

CIRCULAR TO SHAREHOLDERS

In respect of the proposed issuance and allotment of up to 86,500,000 new ordinary shares to East Africa Growth Holding representing approximately up to 4.97% of the enlarged share capital of I&M Group PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action being taken you are recommended to seek your own independent personal advice from your professional advisor.

If you have disposed of your shares please forward this document to your stockbroker, investment bank or other agent through whom you disposed your shares.

If you are a current shareholder but are unable to attend the general meeting that has been convened for **10.00 am** on **10th December 2024**, please complete and return the attached proxy. To be valid, the forms of proxy must be completed, signed and returned in accordance with the instructions printed thereon and returned to the Company Secretary, 1 Park, 1st Parklands Avenue or Company Registrar at 5th Floor, Absa Towers, Loita Street 9287, GPO 00100, Nairobi as soon as possible, but in any event, they must arrive no later than **5.00 pm** on **Day 06th December 2024**.

This Circular is issued by I&M Group PLC (the **Company**) and has been prepared in compliance with the requirements of the Capital Markets Act (CAP. 485A); The Capital Markets (Securities)(Public Offers, Listings and Disclosures) Regulations 2023, and the Nairobi Securities Exchange Listing Rules, 2014.

The Capital Markets Authority (**CMA**) has approved the issuance of this Circular in connection with the issuance and allotment of up to 86,500,000 new ordinary shares of KES 1/- each to East Africa Growth Holdings (**EAGH**) on the terms described herein.

As a matter of policy, neither the CMA nor the Nairobi Securities Exchange Limited (**NSE**) assume any responsibility for the correctness of any statements or opinions made or contained in this Circular.

Dated
20th November 2024

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1. TIMETABLE

EVENT	KEY DATES
Latest time to return proxy forms for the General Meeting	06 th December 2024 (5:00pm)
General Meeting	10 th December 2024
Press Announcement of outcome of the General Meeting	11 th December 2024
Completion of the Subscription	31 st March 2025

2. TRANSACTION ADVISORS AND CORPORATE INFORMATION

<p>Advisor to the Board</p> 	<p>I&M Burbidge Capital Limited 3rd floor, 1 Park Avenue First Parklands Avenue PO Box 51525, 00-100. Nairobi, Kenya</p>
<p>Auditor</p> 	<p>KPMG Kenya Certified Public Accountants 8th Floor, ABC Towers Waiyaki Way P.O. Box 40612-00100 GPO Nairobi, Kenya</p>
<p>Legal advisor to the Company</p> 	<p>Walker Kontos Advocates Hakika House, Bishops Road PO Box 60680- 00200, Nairobi, Kenya Registrars</p>
<p>Image Registrars Limited</p> 	<p>5th Floor Absa Towers Loita Street P.O. Box 9287-00100 GPO Nairobi, Kenya</p>
<p>Company Secretary</p>	<p>Bilha Wanjiru 12th Floor, One Padmore Place P.O. Box 51922 – 00100 GPO Nairobi, Kenya</p> <p>Stella W Gacharia - CS Kenya 1 Park 1st Parklands Avenue P.O. Box 30238-00100 GPO Nairobi, Kenya</p>

Company's Corporate Information

Directors:

Director's Name	Designation
Oliver Fowler	Chairman
Sarit S Raja Shah	Group Executive Director
Christopher Kihara Maina	Regional CEO
Suresh B.R. Shah, MBS	Non-Executive Director
Rose Wanjiru Kinuthia	Independent Director
Risper Genga Ohaga	Independent Director
Naval Sood	Independent Director
Sachit Raja Shah	Non-Executive Director

Registered Office:

1 Park Avenue, First Parklands Avenue
P.O. Box 30238 00100 GPO
Nairobi, Kenya

3. DEFINITIONS

"Articles of Association"	The articles of association of the Company.
"BNR"	National Bank of Rwanda
"BoT"	Bank of Tanzania
"BoU"	Bank of Uganda
"CAK"	Competition Authority of Kenya
"Directors" or "Board"	The Board of Directors of the Company as at 31 st October 2024 whose names have been set out on page 3.
"FCC"	Fair Competition Commission
"I&M" or "the Company"	I&M Group Plc, a non-operating holding company (incorporated in Kenya on 16 th August 1950 under the Companies Act, Registration Number c.7/50), listed on the Main Investment Market Segment on the NSE.
"CBK"	The Central Bank of Kenya
"CMA"	The Capital Markets Authority, established under the Capital Markets Act (Cap 485A) of the Laws of Kenya.
"Circular"	This Circular to the shareholders of the Company.
"Completion"	The date on which the Proposed Subscription will be completed in accordance with the terms of the Subscription Agreement dated 16 th October 2024.
"EAGH"	East Africa Growth Holding, a Mauritian domiciled SPV that, as at the date of this Circular, holds 10.70% of the Ordinary Shares in the Company.
"FMO"	The Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. a development bank based in the Hague, the Netherlands that is 51% owned by the Dutch Government and that is licensed as a bank, under the supervision of the Dutch Central Bank with a mandate to provide long term capital for projects in growth and frontier countries.
General Meeting	The general meeting of the Company to be held on the 10 th December 2024.
'Group'	I&M Group Plc and its subsidiaries
"KES"	Kenya Shillings, the lawful currency of the Republic of Kenya.
"Listing"	Admission of the New Shares issued to EAGH to listing on the Official List of the NSE.
"Long Stop Date"	means the date that is 6 months after the date of the Subscription Agreement of 16 th October 2024.
"New Shares"	Not less than 35,000,000 new ordinary shares and up to 86,500,000 new ordinary shares of KES 1/- each in the Company to be issued fully paid for cash to EAGH at a subscription price of KES 48.42 per share.
"Norfund"	The development finance institution established by the Norwegian Storting (Parliament) in 1997 and owned by the Norwegian Ministry of Foreign Affairs.
"NSE"	The Nairobi Securities Exchange.
"Ordinary Shares"	The 1,653,621,476 existing issued and fully paid-up ordinary shares of KES 1/- each in the Company
"Proposed Subscription"	The issue and allotment of the New Shares to EAGH.
"SPV"	A special purpose vehicle set up for the specific purpose of acquiring the shares in the Company
"Subscription Agreement"	The agreement between the Company and EAGH dated 16 th October 2024 setting out the terms and conditions for the Proposed Subscription.
Subscription Proceeds	Not less than KES 1,694,700,000/- and up to KES 4,188,330,000/-
"USD"	United States Dollars, the lawful currency of the United States of America.

4. LETTER FROM THE CHAIRMAN

To All Shareholders of I&M Group PLC

20th November 2024

Dear Shareholder,

On 16th October 2024, your Company issued an announcement advising that the Company entered into a subscription agreement with EAGH pursuant to which EAGH has agreed to subscribe for not less than thirty-five million (35,000,000) and up to eighty-six million and five hundred thousand (86,500,000) new ordinary shares to be issued by the Company at a subscription price of KES 48.42/- (Kenya Shillings forty-eight and forty-two cents) per share.

EAGH is an existing shareholder and as of the date of this letter holds 176,915,300 ordinary shares in the Company and comprises 10.70% of the Company's 1,653,621,476 issued ordinary shares as at the date of this Circular. The new ordinary shares proposed to be issued to EAGH will supplement EAGH's existing shareholding and, on completion of the Proposed Subscription, EAGH will hold up to a maximum of 263,415,300 ordinary shares, comprising approximately 15.14% of the Company's expanded share capital.

Simultaneously, upon Completion, the Subscription Proceeds will increase the Company's shareholders' funds by a minimum of KES 1,694,700,000/- (Kenya Shillings one billion, six hundred and ninety-four million, seven hundred thousand only) and up to KES 4,188,330,000 (Kenya Shillings four billion, one hundred and eighty-eight million, three hundred and thirty thousand only).

The purpose of this Circular is to provide you with information on the terms of the Proposed Subscription; on EAGH as a strategic partner for the Group and on the positive impact that this will have on the Group's business, prospects, and financial position. As required under the Company's Articles of Association, your Board has called for the GM to give you the opportunity to consider and if, thought fit, approve the Proposed Subscription, in particular by authorizing the issuance and allotment of up to 86,500,000 new ordinary shares to EAGH in return for a cash injection of up to KES 4,188,330,000 (Kenya Shillings Four billion, one hundred and eighty-eight million, three hundred and thirty thousand only) and the subsequent admission of the New Shares to listing on the NSE.

The Proposed Subscription is subject to regulatory approvals which include (i) CMA approval for the issuance and listing of the New Shares, and (ii) NSE approval for the listing of the New Shares.

Background and Reasons for the Proposed Subscription

This Proposed Subscription is the result of the Group's decision to raise equity capital to sustain its growth strategy under iMara 3.0.

The investment of British International Investments (BII) in the Company reached the end of its life after 7 years and the institution was looking to exit its investment. BII and EAGH agreed that EAGH would purchase BII's 10.13% stake in the Company and the transaction was successfully completed on 30th May 2024.

In 2017 – during BII's investment period - the Group commenced its strategy transformation program, dubbed iMara. The second iteration of this strategy, iMara 2.0, commenced in 2021 and culminated in 2023. The implementation of the strategy transformation program saw the Group make significant strides in its business, particularly in redirecting the Group's primary business as largely a wholesale bank, to a more universal retail and wholesale bank. This process included the development of a strong digital proposition, strengthening of the retail strategy, strategic acquisitions such as Giro Commercial Bank Limited, I&M Burbidge Capital Limited, Youjays Insurance Brokers Limited as well as expanding the Group's presence in East Africa with the acquisition of Orient Bank Uganda Ltd. In 2019, the Group's Kenyan banking subsidiary achieved Tier 1 status in Kenya.

At the start of 2024, the Group embarked on its updated strategy dubbed iMara 3.0, set to run until 2026, which aims to leverage on the building blocks put in place under iMara 2.0 to:

- i. develop leadership in core segments (corporate and commercial);
- ii. build relevance in emerging customer segments (retail and SMEs);
- iii. become a leader in ecosystems and
- iv. integrate sustainability into the Group's operations with the aim of positively impacting more than 10 million lives.

The strategy includes increasing the Group's distribution network and physical presence in order to be closer to our customers, while maintaining seamless service via our digital solutions in line with the Group's ambition to be "Eastern Africa's Leading Financial Partner for Growth".

The Group will continue to invest in both its banking and non-banking entities to fulfil the achievement of its iMara 3.0 strategy. Such investment will include but not be limited to support:

- a. growth of its distribution channels – physical as well as alternate banking channels to ensure reaching a much wider customer base;
- b. local and regional expansion and deepening its presence across Eastern Africa;
- c. the development of the Group's human capital as well as IT and operational infrastructure;
- d. provide innovative, relevant and impactful financial and wealth management solutions for its clients;
- e. continued compliance with regulatory requirements for capital adequacy requirements across each of the geographies where the Group is present; and
- f. integration of sustainability into the Group's operations.

Keeping in mind the options available to the Company to fund and support the envisioned projected growth and objectives set out above, your Board believes that an equity investment by a well reputed and professionally managed Africa-focused private equity investor is in the best interests of the Group, its shareholders and other stakeholders. The Board is confident that the Proposed Subscription offers an efficient, value-additive and advantageous way of raising additional capital and meeting the Group's requirements.

Information on East Africa Growth Holding

EAGH is a Mauritian domiciled SPV that currently holds 10.70% of the existing ordinary shares in the Company. EAGH's current shareholders consists of three funds collectively known as "AfricInvest". Alongside AfricInvest, the following entities have expressed interest in subscribing for new capital in EAGH:

- The Norwegian Investment Fund for Developing Countries (Norfund) and
- Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO).

Column A of the table below sets out the percentage shareholding that each EAGH shareholder will own in EAGH following the proposed capital injection by Norfund and FMO in EAGH to facilitate the Proposed Subscription. Column B of the table below sets out the implied proportion of shares in the Company that each EAGH shareholders will hold indirectly by virtue of their shareholding in EAGH assuming all of the New Shares are issued.

EAGH Shareholder	Column A Shareholding in EAGH	Column B Indirect Shareholding in the Company
Africinvest Fund IV, LLC	46.2%	6.99%
AfricInvest Financial Inclusion Vehicle (FIVE)	26.5%	4.02%
AfricInvest Fund IV Netherlands C.V.	6.9%	1.05%
Norfund	10.2%	1.54%
FMO	10.2%	1.54%
Total	100.0%	15.14%

About AfricInvest

AfricInvest is a leading pan-African investment platform active in multiple alternative asset classes, including private equity, venture capital, private credit, blended finance and listed equities. Since inception, the AfricInvest platform has raised over USD 2 billion to finance over 200 companies at various development stages, delivering value and impact for investors, portfolio companies and the communities served.

Norfund

Norfund is the Norwegian Investment Fund for developing countries, investing to create jobs, improve lives and support the transition to net zero. Norfund is owned and funded by

the Norwegian Government and is the Government's most important tool for strengthening businesses that create jobs and reduce poverty in developing countries by providing equity capital and other risk capital.

FMO

FMO is the Dutch entrepreneurial development bank. FMO was founded in 1970 and is a public-private partnership with 51% of the shares held by the Dutch state and 49% held by commercial banks, trade unions and other members of the private sector.

Part 6 of this Circular sets out further information on EAGH.

The Principal Terms of the Investment

EAGH has agreed to subscribe for the New Shares at a price of **KES 48.42**, per ordinary share, making an aggregate investment of up to KES 4,188,330,000. This price represents a premium of KES 21.64 per share representing 81% above the volume weighted average daily price per ordinary share for each trading day on the NSE for the period between 18th September 2024 to 31st October 2024, both dates inclusive. Further, this price per share is the same price per share that EAGH paid to BII on completion of the purchase of 167,526,000 ordinary shares in the Company on 30th May 2024 via a block trade on the NSE. As a result of this investment, EAGH will acquire additional shares representing up 4.97% in the expanded share capital of Company. Combined with its existing shares, EAGH will hold up to 15.14% of the expanded share capital in the Company, making it the fourth largest shareholder.

Key benefits of investment for I&M

The Board expects that the investment by EAGH will bring the following benefits to the Group:

- support to the Board - strategic support to the Group through its participation at the Board and Board Committee levels;
- access to capital – leveraging EAGH's networks and partnerships which are expected to facilitate additional capital, including specialized funding to implement the Group's strategic initiatives;
- additional resourcing - strengthen corporate governance by helping the Group to identify and recruit independent directors and key management personnel, as well as to deepen knowledge in the Group's emerging segments (SME & digital);
- access to opportunities for growth - deepen the Group's presence across Eastern Africa through acquisition opportunities;
- assist in product and segment diversification - deepen financial inclusion in its respective markets & segments through assisting in developing relevant solutions; and
- new partnerships - leverage EAGH's network of past and present portfolio companies to help the Group open up new markets.

Effect of investment on existing shareholders

If the Proposed Subscription is successfully completed, each existing shareholder of the Company will continue to own the same number of ordinary shares that they hold currently.

However, because the aggregate number of ordinary shares in issue will increase from 1,653,621,476 up to 1,740,121,476 (an increase of up to 4.97% of the expanded capital) the shareholding percentage that each shareholder (other than EAGH) owns in the Company will be diluted. For example, if all the 86,500,000 New Shares are issued, a shareholder who owns 16,536,214 shares in the Company (representing a shareholding of 1% in the current issued share capital of the Company) will continue to own the same number of shares but will see his or her shareholding percentage reduce to 0.950% of the expanded share capital of the Company.

Your Board has considered the dilution impact up to 4.97% on shareholders of the Company and believes that this will be offset by the incremental consolidated earnings anticipated as a result of deploying the proceeds of the Proposed Subscription in interest-earning assets in the short-term and in the enhanced growth of the Group's businesses in the medium- to long-term.

Further information on the pro-forma effects of the Proposed Subscription is set out in Part 7 below.

Extraordinary General Meeting

Resolutions to approve the Subscription and authorize the issue of the New Shares to EAGH are set out in the Notice of the GM, issued on 21st November 2024.

A form of proxy for those not able to attend the GM is enclosed. The form of proxy should be returned to the Company Secretary, details of which have been provided on Page 30 of this Circular so as to arrive by no later than 5.00 pm on 06th December 2024.

Recommendations

The Board is satisfied that the Proposed Subscription will support the Group's efforts in achieving its strategic objectives of sustainable growth and geographic expansion. This will be accomplished by leveraging on its existing strengths, rolling out of innovative products and financial solutions to support the growing customer base and continued investments in its people, processes and systems thereby enhancing the value for its shareholders and other stakeholders.

On this basis, the Directors unanimously recommend that the shareholders vote in favour of the resolutions, details of which are contained in the Notice of the EGM.

Yours truly

Mr. Oliver Fowler
Chairman

5. PROPOSED TERMS OF THE INVESTMENT

The Principal Terms of the Investment

EAGH has agreed to subscribe for shares in the Company at a price of **KES 48.42**, per ordinary share of KES 1.00 per share, making an aggregate investment of between KES 1,694,700,000 and KES 4,188,330,000. This price represents a premium of KES 21.64 per share representing 81% above the volume weighted average daily price at which ordinary shares of the Company traded on the NSE in the period from 18th September 2024 to 31st October 2024, both dates inclusive. As a result of this investment, EAGH will acquire additional shares representing up to 4.97% of the expanded share capital in the Company. Along with its existing shares, EAGH will hold 15.14% of the expanded share capital of the Company after Completion of the Proposed Subscription, making it the fourth largest shareholder.

The EAGH Shares will, when issued, have the same rights and be subject to the same obligations as the existing ordinary shares of the Company.

The terms of the Subscription are contained in the Subscription Agreement, a copy of which is available for inspection by shareholders (refer also Part 10 of this Circular). The key terms of the Subscription Agreement have been set out under Section 5 of this Circular (below).

Background to and reasons for the Proposed Subscription

The Group is seeking to raise fresh equity to:

- grow its distribution channels to ensure reaching a much wider customer base;
- deepen the Group's presence across Eastern Africa;
- support the rollout of innovative, relevant, and impactful solutions; and
- further embed sustainability into the Group.

Grow its distribution channels to ensure reaching a much wider customer base

The Group has been growing its retail and SME proposition since 2021. As part of this growth and feedback from customers, the Group, as part of its new 3-year strategy is looking to increase its physical presence in the countries of presence.

While also increasing the physical network of the Group, the continued investment in digital solutions remains a top priority to ensure customers are served seamlessly at their convenience. Further, consider how to leverage on data to use business intelligence as key driver of growth.

Further, the Group intends to leverage on cross-selling opportunities.

To support these initiatives, the Group will invest part of the proceeds from the Subscription towards this growth.

Deepen the Group's presence across Eastern Africa

The Group's aspiration remains to be "Eastern Africa's Leading Financial Partner for Growth". With the acquisition of I&M Bank Uganda (formerly Orient Bank Ltd), the Group increased its presence within the immediate East Africa region. As part

of the 3-year strategy, the Group intends to consolidate its position and increase market share in each of the markets.

Part of the proceeds from the Subscription will be applied to achieve this growth both through organic growth and through further acquisitions.

Support the rollout of innovative, relevant and impactful solutions

To enhance the customer propositions and ensure they are designed to meet the needs of the customers, there is a strong focus on providing innovative products to support the

growth small and medium sized enterprises. The Group is also considering innovative financing solutions to assist customers transitioning to more sustainable practices.

Further embed sustainability into the Group

Sustainability remains a key focus for the Group. As the region continues to improve its commitments to the UN Sustainable Development Goals (SDGs) and actions towards climate change, the Group intends to position itself at the forefront of being able to provide relevant solutions to its customers. EAGH's network and experience will be beneficial towards implementing the Group's sustainability agenda

Overview of transaction documents

The Salient terms of the Subscription Agreement are as follows:

Date of Subscription Agreement	16 th October 2024
Parties	East African Growth Holding and I&M Group PLC
Number of Shares to be subscribed (the New Shares)	Not less than 35,000,000 and up to 86,500,000 new ordinary shares, to be subscribed for in up to 3 separate subscriptions
Share Subscription Amount	Not less than KES 1,694,700,000/= and up KES 4,188,330,000/=
Conditions precedent	<p>Completion of the Proposed Subscription is conditional upon the satisfaction or waiver of the of the following before the Long Stop Date:</p> <ul style="list-style-type: none"> Shareholders' approval in general meeting (i) increasing the share capital of the Company by the creation of the New Shares (ii) disapplying the pre-emption rights of the shareholders of the Company with respect to allotment of the New Shares to EAGH and (iii) authorising the directors of the Company to allot the New Shares to EAGH; Approval of the Capital Markets Authority of Kenya and the Nairobi Securities Exchange with respect to the listing of the New Shares; a legal opinion addressed to EAGH from EAGH's counsel confirming the validity and enforceability of the obligations of EAGH under the Subscription Agreement; and no suit, action, investigation or proceeding having been instituted or commenced by any person (including a Government Authority) seeking to restrain, prohibit or otherwise challenge the Proposed Subscription or the issuance of the New Shares to EAGH as contemplated in the Subscription Agreement.
Completion of the First Subscription (First Completion)	First Completion is expected to occur on the twentieth (20 th) Business Days following the later of (a) the date on which EAGH issues notice that all of the conditions specified for Subscription have been satisfied or waived by EAGH or (b) if a Material Adverse Change has occurred, the date on which it is determined that there has been no Material Adverse Change, or such other date as may be agreed between EAGH and the Company.
Completion of subscriptions after the First Subscription (Subsequent Subscriptions)	Completion of Subsequent Subscriptions is expected to occur on the 10 th Business Day after EAGH gives notice of its intention to acquire additional New Shares (if the First Subscription is for less than 86,500,000 new ordinary shares).
Termination/ Long Stop Date	If one or more of the Conditions precedent remains unsatisfied as at the Long Stop Date (i.e. the date that is 6 months after the date of the Subscription Agreement or such extended date as is determined or agreed in accordance with the Subscription Agreement) or becomes impossible to satisfy before the Long Stop Date, then the Subscription Agreement (other than the designated surviving clauses therein) shall automatically terminate with immediate effect. Such termination shall not affect the rights and obligations of any party existing before termination.
Costs and expenses	Each party to the Subscription Agreement shall bear its own costs.
Dispute Resolution	Any dispute in connection with the Subscription Agreement that is not resolved by discussions by the 30 days of notification of a dispute shall be referred to arbitration under the London Court of International Arbitration (LCIA) Rules.
Governing Law	Laws of the Republic of Kenya

6. INFORMATION ON EAST AFRICA GROWTH HOLDING

EAGH is a Mauritian domiciled SPV registered under company registration number 201510 GBC as a private company limited by shares. It currently holds 10.70% of the existing ordinary shares in the Company.

EAGH's currently has three shareholders comprising three different funds collectively known as "AfricInvest". The three funds and their respective shareholding in EAGH are set out in the table below. As part of the Proposed Subscription, it is intended that Norfund and FMO will become shareholders of EAGH.

Shareholder	Shareholding in EAGH
Africinvest Fund IV, LLC	58.0%
AfricInvest Financial Inclusion Vehicle (FIVE)	33.3%
AfricInvest Fund IV Netherlands C.V	8.7%
Total	100.0%

AfricInvest is a leading pan-African private equity investor active in multiple alternative asset classes, including private equity, venture capital, private credit, blended finance and listed equities. Since inception, the AfricInvest platform has raised over USD 2 billion to finance over 200 companies across 35 African countries in several high growth sectors. The investee companies have been at various development stages which has helped to deliver value and impact for investors, portfolio companies and the communities served.

Over the course of its operations AfricInvest Group has put in place a well-established platform with strong support from leading development financial institutions (DFIs) including African Development Bank, BII, BIO, DEG, FMO, IFC and PROPARCO among other DFIs; and also strong private commercial investors. Consequently, it benefits from strong, long-term support from both local and international investors and leverages off its extensive strategic, financial, technical and commercial expertise and partnerships both local and international to enhance the businesses it invests in.

The list of shareholders holding more than 5% of the shares in AfricInvest Fund IV, LLC AfricInvest Financial Inclusion Vehicle LLC and AfricInvest IV Netherlands C.V. are set out below:

Shareholders in AfricInvest Fund IV, LLC	Shareholding
British International Investment plc (BII)	13.98 %
International Finance Corporation (IFC)	12.58 %
DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)	11.18 %
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	9.79 %
Cassa Depositi e Prestiti S.p.A	9.71 %
Société de Promotion et de Participation pour la Coopération Économique (Proparco)	8.39 %
Norfund	8.39 %
United States International Development Finance Corporation (DFC)	8.36 %
Finnish Fund for Industrial Cooperation Ltd. (Finnfund)	5.58 %

Shareholders in AfricInvest Financial Inclusion Vehicle LLC	Shareholding
Kreditanstalt für Wiederaufbau	19.80 %
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N. V. (FMO)	19.72 %
Norfund	19.72 %
African Development Bank (ADB)	11.09 %
Belgian Investment Company for Developing Countries SA/NV (BIO)	14.80 %
Investment Fund for Developing Countries	7.40 %

Shareholders in AfricInvest Fund IV, Netherlands C.V.	Shareholding
European Investment Bank	93.00 %
Nunc Gestion: Investment Fund linked to Michelin Family	5.60 %
AfricInvest Capital Partners Management IV	1.40 %

Africinvest Fund IV and AfricInvest Fund Netherlands are limited life private equity funds that collectively boast a capital base of USD 411 million. These funds are dedicated to investing in mature companies across Africa, targeting established businesses with growth potential. Separately, the AfricInvest Financial Inclusive Vehicle operates as a permanent investment entity with a specific focus on African companies that promote financial inclusion. This vehicle aims to support and invest in businesses that are working to expand access to financial services and products across various African market.

All three funds are managed by a General Partner (GP) and are overseen by an Investment Committee (IC) that includes independent members, ensuring robust governance of the investment process. This structure provides checks and balances in decision-making and helps maintain investor confidence. The funds also adhere to strict regulatory compliance and reporting standards, with regular audits in place. Additionally, they typically incorporate Environmental, Social, and Governance (ESG) criteria into their investment strategies, aligning with global best practices in responsible investing.

Additionally, the following entities have expressed interest in subscribing for new capital in EAGH:

- The Norwegian Investment Fund for Developing Countries ("Norfund")
- Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("FMO")

Column A of the table below sets out the percentage shareholding that each EAGH shareholder will own in EAGH following the proposed Subscription of new capital in EAGH by Norfund and FMO to facilitate the Proposed Subscription. Column B of the table below sets out the implied proportion of shares in the Company that each of the EAGH shareholders hold indirectly by virtue of their shareholding in EAGH as a result of EAGH's direct shareholding of 15.14% of the Company's expanded share capital following Completion of the Proposed Subscription if the maximum number of New Shares are issued.

Shareholder	Column A Shareholding in EAGH	Column B Indirect Shareholding in the Company
Africinvest Fund IV, LLC	46.2%	6.99%
AfricInvest Financial Inclusion Vehicle (FIVE)	26.5%	4.02%
AfricInvest Fund IV Netherlands C.V.	6.9%	1.05%
Norfund	10.2%	1.54%
FMO	10.2%	1.54%
Total	100.0%	15.14%

Norfund

Norfund is the Norwegian Investment Fund for developing countries, investing to create jobs, improve lives and support the transition to net zero. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening businesses that create jobs and reduce poverty in developing countries by providing equity capital and other risk capital.

Norfund focuses on several key areas:

- financial inclusion: supporting inclusive financial systems;
- renewable energy: investing in sustainable energy projects;
- scalable enterprises: backing businesses that can grow and create impact; and
- green infrastructure: promoting environmentally friendly projects.

Norfund's long-term vision centers around fostering sustainable development in developing countries with a focus on economic empowerment through job creation, poverty reduction and positive social impact as well as climate action and sustainability.

FMO

FMO is the Dutch entrepreneurial development bank with a mission to enable entrepreneurs increase inclusive and sustainable prosperity. It is a triple-A bank rated by both Fitch and Standard & Poor's with 50 years of experience investing in the private sector in emerging and frontier markets. FMO was founded in 1970 and is a public-private partnership with 51% of the shares held by the Dutch state and 49% held by commercial banks, trade unions and other members of the private sector. Investing in over 85 countries, it supports jobs, income generation, and improving lives where it matters most with a focus on sectors like energy, financial institutions, and agribusiness, contributing to sustainable development goals.

Post Investment Value Creation Plan

Together with FMO and Norfund, AfricInvest is committed to driving growth enhancing corporate governance, and facilitating access to capital. As part of its post investment value creation plan, EAGH has identified key areas where EAGH can add significant value to the I&M Group:

- Strategy and Governance - EAGH encourages the development of a common vision and strategy between all stakeholders, including the Board and Management for a successful partnership. EAGH is committed to working closely with the Group by actively participating in Board and Board committee meetings to provide strategic support.
- Access to Capital - EAGH can help the Group and its banking subsidiaries to attract long-term funding at competitive terms, including access to specialized funding through its broad network of investors and banking relationships.
- Resourcing - EAGH can assist where required to strengthen corporate governance and help recruit independent directors with the right background such as SME or Digital experts. It will also mobilize its network when needed to help the Group with introductions for the recruitment of key management personnel.
- Inorganic growth opportunities - AfricInvest and its co-investors have invested into different verticals of the financial services industry in Africa for over three decades. Based on this relevant experience, EAGH can provide meaningful input into the Group's strategy to pursue inorganic growth opportunities to help identify new growth markets both geographical and from a product perspective. EAGH can provide input and challenge the Group's screening framework for new growth opportunities, while providing introductions to potential targets that meet the Group's focus and strategy.
- Assist in product and segment diversification - EAGH will be able to mobilize various technical assistance facilities/funds to support specific capacity building and development activities, to explore and launch new products and services that would help the Group enrich its product suite to deepen financial inclusion in its respective markets. Also, the investors in EAGH can provide the Group with guarantee and first-loss structures that would enable the Group's banking subsidiaries to provide financial services to new and often underserved market segments. A relevant example would be to support the feasibility study for and implementation of a green financing strategy to make the Group a pioneer in this segment in the region over time and stand out from its competitors. EAGH would also be able to support the Group's ambitions to increase financing to MSMEs operating within the agricultural sector.
- Partnerships - EAGH will leverage its network of past and present portfolio companies to help the Group access new markets, enhance market intelligence, encourage partner companies in the region to develop mutual relationships and partnerships with the Group. Exchange visits for cross functional teams between banks in different geographies can be organized to explore new models and new ways of approaching opportunities. Through this network, EAGH will also leverage the experience of successful digital transformations to support the Group by aligning strategy with digital projects, selecting priorities through benefit analysis and identifying and structuring partnerships with Fintechs that can deepen the Group's financial inclusion.

7. PROFORMA FINANCIAL STATEMENTS AND IMPACT OF TRANSACTION ON SHAREHOLDING

As set out in the Chairman's letter, your Company will eventually deploy the Subscription Proceeds in subsidiary companies that, in turn, will invest in information technology and growing business activities with the aim of helping the Group increase its market share in the region and to grow shareholder value.

However, until the funds are deployed in this way, the Group companies will invest the additional capital in short-term investments to yield interest and other investment income. Consequently, in the short-term, the impact of the investment will be to enable the Group to increase its investments that will, in turn, increase the level of investment income that the Group earns.

The table below sets out a pro-forma statement of financial position of the Company assuming that the investment of up to a maximum of 86,500,000 new ordinary shares by EAGH had been completed as of 1st January 2024.

Pro-forma impact on I&M Group Financial Position

All Figures in KES '000	BEFORE TRANSACTION Published Financials as at 30 th September 2024 (unaudited)	Allotment of new shares and receipt of cash proceeds	AFTER TRANSACTION I&M Group statement of financial position post transaction
ASSETS			
Cash (both local and foreign)	5,885,792		5,885,792
Balances due from central banks	25,893,706		25,893,706
Kenya Government and other securities held for dealing purposes			
Financial Assets at fair value through profit or loss (FVTPL)	548,458		548,458
Investment Securities:			
a) Held at amortised cost:			
a. Kenyan Government Securities	40,766,131	4,188,330	44,954,461
b. Other securities	50,436,414		50,436,414
b) Fair value through other comprehensive income (FVOCI)			
a. Kenyan Government Securities	55,422,143		55,422,143
b. Other securities	10,067,219		10,067,219
Deposits and Balances due from local banking institutions	4,077,381		4,077,381
Deposits and Balances due from banking institutions abroad	46,906,716		46,906,716
Tax recoverable	193,809		193,809
Loans and advances to customers (net)	281,342,126		281,342,126
Balances due from banking institutions in the Group			
Investment in associates			
Investment in subsidiary companies			
Investment in joint ventures	6,496,974		6,496,974
Investment properties			
Property and Equipment	13,414,823		13,414,823

Prepaid lease rentals			
Intangible assets	6,789,748		6,789,748
Deferred tax asset	11,341,409		11,341,409
Retirement benefit asset			
Other assets	8,136,437		8,136,437
Total Assets	567,719,286	4,188,330	571,907,616
LIABILITIES			
Balances due to central banks	16,023,735		16,023,735
Customer deposits	413,806,089		413,806,089
Deposits and balances due to local banking institutions	5,737,313		5,737,313
Deposits and balances due to foreign banking institutions	11,387,016		11,387,016
Other money market deposits			
Borrowed funds	13,919,016		13,919,016
Balances due to banking institutions in the Group			
Tax payable	1,008,467		1,008,467
Dividends payable			
Deferred tax liability	418,315		418,315
Retirement benefit liability			
Other liabilities	11,308,688		11,308,688
Total Liabilities	473,608,639	-	473,608,639
SHAREHOLDERS' EQUITY			
Paid up/Assigned share capital	1,653,621	86,500	1,740,121
Share premium (discount)	17,561,629	4,101,830	21,663,459
Revaluation reserves - (Buildings)	1,240,170		1,240,170
Retained earnings/(Accumulated loss)	59,976,763		59,976,763
Statutory loan loss reserves	11,979,608		11,979,608
Other reserves	-4,952,419		-4,952,419
Proposed dividends	2,149,708		2,149,708
Translation reserve	1,992,920		1,992,920
TOTAL SHAREHOLDERS' EQUITY	87,616,160	4,188,330	91,804,490
Non-controlling interest	6,494,487		6,494,487
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	567,719,286	4,188,330	571,907,616

Pro-forma impact on I&M Group Income Statement

The Board considers that the dilutive impact of the increase in issued share capital on earnings per ordinary share will not be material. In particular, the Board believes that the dilutive effect will be fully offset by the incremental earnings arising from the returns resulting from the projected expanded scale of business and the entry into high growth markets. Consequently, it is projected that the Proposed Subscription's impact on earnings will be favourable in the medium-term to long-term.

The following is the pro-forma consolidated income statement for the Group for the 9-month period ended 30th September 2024 assuming that the Proposed Subscription had been completed on 1st January 2024 and the proceeds invested in Government of Kenya securities at yield of 16.10% (this was the yield to maturity on a 364-day Government of Kenya treasury bill number 2485 issued on 1st January 2024).

The Board would like to highlight and caution its shareholders that, because of their very nature, proforma financial information address a hypothetical situation and therefore do not necessarily represent the financial position or results in future. In particular, the actual impact on earnings per share in future financial periods will depend on how the proceeds from the share capital are deployed by the Group and yield achieved in those future periods could differ materially from those anticipated in the statements.

All Figures in KES '000	BEFORE TRANSACTION I&M Group published income statement as at 30 th September 2024 (unaudited)	Illustrative incremental income assuming proceeds had been in Government Securities	AFTER TRANSACTION I&M Group income statement post transaction
Summarized Income Statement			
Net Interest Income	26,280,050	428,305	26,708,355
Non-Interest Income	9,484,800		9,484,800
Total Operating Income	35,764,850	428,305	36,193,155
Provisions	5,499,721		5,499,721
Net Operating Income	30,265,129	428,305	30,693,434
Total Expenses	16,862,303		16,862,303
Profit before tax and Exceptional Items	13,402,826	428,305	13,831,131
Share of profit of Joint Venture	711,980		711,980
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS	14,114,806	428,305	14,543,111
Tax	(4,168,421)	(126,488)	(4,294,909)
PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	9,946,385	301,817	10,248,202
Non controlling interest	(778,093)		(778,093)
PROFIT/ (LOSS) AFTER TAX , EXCEPTIONAL ITEMS AND NON CONTROLLING INTEREST	9,168,292	301,817	9,470,109
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,734,570	301,817	3,036,387
Earnings per share - BASIC (KSHS)	5.54		5.44
<i>Weighted Average Shares</i>	<i>1,653,621,476</i>		<i>1,740,121,476</i>

Pro-forma impact on I&M's current shareholders

The table below illustrates the pro-forma impact of the Subscription on the Group's existing shareholders in terms of the number of ordinary shares they hold and their respective shareholding percentages as at 30th September 2024.

Current Shareholders	Current Number of Shares	Current % Shareholding	Post Transaction Number of Shares	Post Transaction % Shareholding
Minard Holdings Limited	357,035,864	21.6%	357,035,864	20.5%
Tecoma Limited	304,179,232	18.4%	304,179,232	17.5%
Ziyungi Limited	294,662,000	17.8%	294,662,000	16.9%
EAGH	176,915,300	10.7%	263,415,300	15.1%
Bhagwanji Raja Charitable Trust Foundation The Registered Trustees	42,270,120	2.6%	42,270,120	2.4%
Investments & Mortgages Nominees Ltd A/c 0001229	34,024,744	2.1%	34,024,744	2.0%
Investments & Mortgages Nominees Ltd A/c 0004047	33,581,872	2.0%	33,581,872	1.9%
Blanford Investments Limited	18,314,408	1.1%	18,314,408	1.1%
Lombard Holdings Limited	14,745,448	0.9%	14,745,448	0.8%
Sentinel Investments Limited	13,847,972	0.8%	13,847,972	0.8%
Others	364,044,516	22.0%	364,044,516	20.9%
Total	1,653,621,476	100.0%	1,740,121,476	100.0%

8. SHARE PRICE MOVEMENT

As set out earlier, Africinvest has agreed to subscribe for additional shares of up to 86,500,000 ordinary shares at a price of KES 48.42 per ordinary shares, making an aggregate investment of approximately KES 4,188,330,000/-

The graph below shows the average daily price at which ordinary shares traded at the NSE over the 180-day trading period from 13th February 2024 to 31st October 2024 and the volumes traded on each trading day.

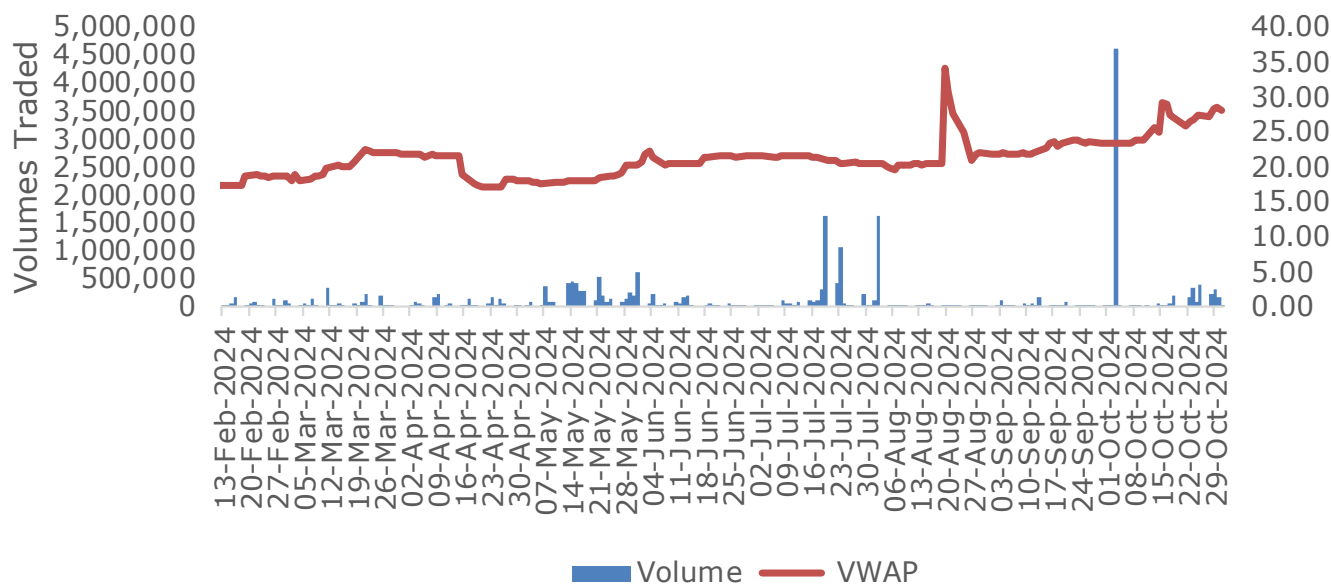
The data used to compute the volume weighted average price for the period excludes the 167,526,000 ordinary shares of the Company that were transferred by way of block trade on 30th May 2024. In accordance with the NSE rules, the NSE reports the number of shares traded by way of block trade as part of the number of shares traded but does not include the value of shares traded as part of the value of shares traded on that day.

This block trade was the mechanism by which BII transferred 167,526,000 ordinary shares in the Company to EAGH pursuant to a share transfer agreement signed by the two parties. The price per share specified in the share transfer agreement was KES 48.42 per share.

An analysis of this information shows that the price per ordinary share that Africinvest is paying to subscribe for the shares represents a premium over the average price at which the ordinary shares have been trading at the NSE in the recent past.

Period of Trading Days	Past 30 days	Past 90 Days	Past 180 Days
		For Information Only	
Period start date	18-Sep-24	26-Jun-24	13-Feb-24
Period end date	31-Oct-24	31-Oct-24	31-Oct-24
Number of trading days in the period	30	90	180
Sum of the number of shares traded in the period	3,786,800	12,136,200	26,700,300
Sum of the value of shares traded in the period	101,413,930	340,811,665	643,640,592
Volume weighted average (KES/Share)	26.78	28.08	24.11
Price per share	48.42	48.42	48.42
Premium over the VWAP (Kes/Share)	21.64	20.34	24.31
% of Premium over VWAP	81%	72%	101%

VWAP Price Movement
13 February 2024-31 October 2024



9. FORWARD LOOKING STATEMENTS

This Circular contains forward-looking statements relating to the Company. These forward-looking statements can be identified by use of forward-looking terminology such as expects, may, is expected to, believes, is optimistic that, will, will continue, should, would be, seeks or anticipates or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions.

These statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Several issues could cause the actual results of the Company to be materially different from the projected results, performance or achievements that may be expressed or implied by such forward-looking statements or pro forma financial information.

If any one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Circular as anticipated, believed or expected.

The Company does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set out in this Circular.

10. DISCLOSURES

Responsibility Statement

- 1) The directors mentioned in part 2 of this Circular accept responsibility for the information contained in this circular. To the best of the knowledge and belief of directors (who have all taken reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 2) The Directors are the persons responsible for the application made to the CMA.

Share Capital and Shareholding

The Company's share capital

- a. The authorized and issued share capital as at the date of this Circular (before the general meeting), is KES 1,653,621,476 divided into 1,653,621,476 Ordinary Shares of nominal value KES 1.00 each of which 1,653,621,476 Ordinary shares are issued, fully paid and listed on the NSE. The share capital of the Company is not divided into different classes of shares and all the ordinary shares carry equal rights as to dividends, votes, rateable distribution in times of liquidation and other matters.
- b. The New Shares, when issued, shall rank pari passu with the existing ordinary shares.
- c. The articles of association describe all the rights attached to ordinary shares with respect to such matters as voting, dividends, liquidation proceeds and other matters. A copy of the article of association is available for inspection at the Company's registered office.

Pre-subscription Shareholding Information

As at 30th September 2024, the top 10 shareholders were:

Current Shareholders	Number of Shares	% Shareholding
Minard Holdings Limited	357,035,864	21.6%
Tecoma Limited	304,179,232	18.4%
Ziyungi Limited	294,662,000	17.8%
EAGH	176,915,300	10.7%
Bhagwanji Raja Charitable Trust Foundation The Registered Trustees	42,270,120	2.6%
Investments & Mortgages Nominees Ltd A/c 0001229	34,024,744	2.1%
Investments & Mortgages Nominees Ltd A/c 0004047	33,581,872	2.0%
Blanford Investments Limited	18,314,408	1.1%
Lombard Holdings Limited	14,745,448	0.9%
Sentinel Investments Limited	13,847,972	0.8%
Others	364,044,516	22.0%
Total	1,653,621,476	100.0%

Pro-forma Post Subscription Shareholding Information

Current Shareholders	Number of Shares	% Shareholding
Minard Holdings Limited	357,035,864	20.5%
Tecoma Limited	304,179,232	17.5%
Ziyungi Limited	294,662,000	16.9%
EAGH	263,415,300	15.1%
Bhagwanji Raja Charitable Trust Foundation The Registered Trustees	42,270,120	2.4%
Investments & Mortgages Nominees Ltd A/c 0001229	34,024,744	2.0%
Investments & Mortgages Nominees Ltd A/c 0004047	33,581,872	1.9%
Blanford Investments Limited	18,314,408	1.1%
Lombard Holdings Limited	14,745,448	0.8%
Sentinel Investments Limited	13,847,972	0.8%
Others	364,044,516	20.9%
Total	1,740,121,476	100.0%

The ten largest shareholders pre completion hold, in aggregate, 77.99% of the entire capital issued, while post Completion, the ten largest shareholders will hold, in aggregate, 79.08% of the issued share capital of the Company.

The total number of shareholders as of 30th September 2024 were 5,255.

Interest of Directors

- a) At the date of this Circular, the following directors had direct/indirect beneficial interests in the ordinary shares of the Company as follows:

Director	Number of shares	Shareholding %
Suresh Bhagwanji Raja Shah, MBS	174,947,573	10.58%
Sarit S Raja Shah	37,595,103	2.27%
Sachit S Raja Shah	37,152,231	2.25%
Christopher Kihara Maina	448,112	0.03%

*as at 30th September 2024

- b) Other than employment contracts for directors who work for the Group as employees in the regular course of business, and contracts for financing and insurance products issued by the Company or its subsidiaries in the regular course of business, there were no contracts in place between any of the directors and the Company as of the date of this Circular.
- c) No options to purchase any securities of the Company have been granted to or exercised by any director of the Company.
- d) None of the directors has or has had any direct or indirect beneficial interest in property acquired by the Company during the two years preceding this circular.
- e) Except as disclosed in this Circular, no officer, director or major shareholder of the Company (nor a related company) has any direct or indirect interest in shares or business of AfricInvest.

Consents

I&M Burbidge Capital Limited (Advisor to the Board) and Walker Kontos Advocates (Legal Advisors) have given and not withdrawn their respective consents to the issue of this Circular with the inclusion herein of their names and the references thereto, in the form and context in which they appear respectively.

Audited Accounts

The consolidated audited annual accounts of the Company [and its subsidiary undertakings] for each of the five years up to the year ended 31st December 2023 have been audited in compliance with the International Auditing Standards (ISA) and are available for inspection at the registered office of the Company.

Documents Available for Inspection

Copies of the following documents will be made available for inspection by shareholders, free of charge, at the Company's offices at 1 Park Avenue, 1st Parklands Avenue, Nairobi between 9:00a.m and 5:00pm, Monday to Friday (except public holidays) from the date hereof until the date of the general meeting:

1. The Company's audited financial statements for the five financial years ended 31st December 2023;
2. The Subscription Agreement;
3. The proposed Amended articles of association of the Company; and
4. The resolution of the Board of 15th October 2024, authorizing the entry into and signature of the Share Subscription Agreement by the Company.

11. NOTICE OF General Meeting

I&M GROUP PLC

Notice of General Meeting

NOTICE IS HEREBY GIVEN to the shareholders of I&M Group PLC ("the Company") that in accordance with the Company's Articles of Association a **General Meeting** of the Company will be held via electronic communication on Tuesday, **10th December 2024 at 10:00 a.m.** for the purposes of transacting the business set out below.

The Company will conduct the virtual General Meeting in accordance with Article 56 of its Articles of Association. Shareholders will be able to register for, access information pertaining to the proposed resolutions, follow the meeting in the manner detailed below and vote electronically or by proxy. Shareholders may ask questions in advance of the meeting as detailed below.

AGENDA

1. To table the proxies and note presence of a quorum.
2. To read the notice convening the meeting.
3. **SPECIAL BUSINESS**

To pass the following resolutions as **ORDINARY RESOLUTIONS**:

1. Authority to allot shares

THAT in accordance with Section 329 of the Companies Act, 2015, the directors of the Company be generally and unconditionally authorised, to allot up to 86,500,000 new ordinary shares of KES 1.00 each in the Company **provided that** this authority shall, unless renewed, varied, or revoked by the Company, expire on 31st December, 2025.

2. Increase in share capital

THAT pursuant to the authority to allot shares granted by resolution 1 above (Authority to allot shares) the nominal share capital of the Company be increased by the issue and allotment of such number of additional shares not to exceed 86,500,000 new ordinary shares of KES 1.00 each in the Company to rank pari passu in all respects with the existing ordinary shares of the Company.

3. Subscription of up to Eighty Six Million Five Hundred Thousand (86,500,000) new ordinary shares in the Company by East Africa Growth Holding

THAT subject to and conditional upon the receipt of the requisite regulatory approvals from the Capital Markets Authority and the Nairobi Securities Exchange, the subscription by East Africa Growth Holding of up to 86,500,000 new ordinary shares of KES 1.00 each in the Company, in accordance to the terms and conditions set out in the share subscription agreement dated 16th October 2024 ("the **Share Subscription Agreement**") be and is hereby approved.

A circular providing shareholders with detailed information of the share subscription is available on the Company's website.

SPECIAL RESOLUTIONS

To consider and if thought fit to pass the following resolutions as **SPECIAL RESOLUTIONS**

4. Disapplication of preemption rights

THAT the directors be generally empowered to allot shares pursuant to the authority conferred by resolution 1 above (Authority to allot shares) as if the pre-emption rights under Article 75 of the Company's Articles of Association, or by law, did not apply to such allotment provided that this power shall be limited to the allotment of up to 86,500,000 new ordinary shares in the Company of KES 1.00 each, to East Africa Growth Holding in accordance with the Share Subscription Agreement provided that this authority shall, unless renewed, varied, or revoked by the Company, expire on 31st December, 2025.

5. Amendment of the Company's Articles of Association -:

- a) **THAT**, the Articles of Association of the Company be amended by deleting the definition of "**BII**" set out in Article 2.1(g) in its entirety and replacing it with:
"Investor" means East Africa Growth Holding (company number 201510 GBL), a limited liability company incorporated in Mauritius whose registered office is at 5th Floor, Nexsky Building, Ebene, Cybercity, 72201, Mauritius.
- b) **THAT**, the Articles of Association of the Company be amended by deleting Article 25.1 in its entirety and replacing it with:
The Directors shall ensure that the Company keeps a written record of every decision taken by the Directors under Article 9.
- c) **THAT**, the Articles of Association of the Company be amended by deleting Article 112 in its entirety and replacing it with the following new Article 112:

112. Investor Rights

112.1 Subject to the Statutes, the provisions of Articles 112.2 to 113.3 inclusive shall apply notwithstanding any other provision of these Articles to the contrary.

112.2 In Articles 112.2 to 113.3, if not inconsistent with the subject or context:

- (a) **"Annual Business Plan"** means the business plan of the Company (including the members of the Group) for a particular financial year which shall include, without limitation, the anticipated amount of the working capital required to carry on the business of the Company (including members of the Group) in that financial year, detailed quarterly revenue forecasts, operating and capital expenditure projections and proposed financing plans for the Company (including members of the Group);
- (b) **"Control"** means in the context of the relationship between any person "B" and any person "A" when:
 - (i) B holds a majority of the voting rights in A; or
 - (ii) B is a member of A and has the right to appoint or remove a majority of A's board of directors; or
 - (iii) B has the right to exercise a dominant influence over A:
 - a) by virtue of provisions contained in A's memorandum and articles of association or (as the case may be) analogous constitutional or incorporation documents; or
 - b) by virtue of a control contract; or
 - (iv) B is a Member of A and holds alone (directly or indirectly), or pursuant to an agreement with other shareholders or Members, a majority of the voting rights of A; and the terms "Controlling" and "Controlled by" of any entity shall be construed accordingly and for the purposes of this definition the expression "voting rights" means rights conferred on shareholders in respect of their shares or, in the case of a person not having a share capital, on Members, to vote at general meetings on all, or substantially all matters and the expression "control contract" means a contract in writing conferring such a right which:
 - a) is of a kind authorised by the memorandum and articles of association or (as the case may be) analogous constitutional or incorporation documents of a person in relation to which the right is exercisable; and
 - b) is permitted by law under which that person is established.A person shall not be regarded as having the right to exercise a dominant influence over another unless it has a right whether direct or indirect to give directions with respect to the operating and financial policies of that other person which its directors are obliged to comply with whether or not such directions are for the benefit of that other person.
- (c) **"Encumbrance"** includes any mortgage, charge (whether legal or equitable), lien, option, security interest, restrictive covenant, pledge, hypothecation, assignment, title retention, trust arrangement or other restriction or equity of any kind or any right conferring a priority of payment in respect of any obligation of any person;
- (d) **"Equity"** means, in the case of the Company, the amount equivalent to the total assets of the Company less its total liabilities as appearing in the Company's most recent audited consolidated accounts, and in the case of any other Member of the Group, the amount equivalent to the total assets of that Member of the Group less its total liabilities appearing in its most recent audited accounts;
- (e) **"Group"** means the Company and its subsidiaries;
- (f) **"I&M Kenya"** means I&M Bank Limited a wholly owned subsidiary of the Company incorporated under the laws of Kenya and licensed to carry on banking business;
- (g) **"Investor"** means East Africa Growth Holding;
- (h) **"Investor Nominee Director"** means a director appointed by the Investor under the provisions of Article 112.4;
- (i) **"Investor Observer"** means an observer appointed by the Investor under the provisions of Article 112.4;
- (j) **"Investor Representative"** means the Investor Nominee Director or, if there is no such Investor Nominee Director or that Investor Nominee Director is absent or unable to act, , an authorised representative of the Investor; and
- (k) **"Related Party"** means any Member, its Associates and Associated Companies or any person Controlled by a Member or Controlling a Member or any Associate of a Director or any person Controlled by a Director.

112.3 For so long as the Investor is a Member, it may call an extraordinary General Meeting.

112.4 The Investor shall be entitled to appoint one Director (**"Investor Nominee Director"**) and one observer to the Board (**"Investor Observer"**) in accordance with the provisions of this Article 112.4. The Investor Director shall have full voting rights. An Investor Observer shall be entitled to receive all notices convening Board meetings issued to the Directors and shall have the right to attend all Board meetings but shall not have the right to vote at such meetings.

- (a) *If the Investor holds four per cent (4%) or more of the issued ordinary share capital of the Company, the Investor shall be entitled to:*
 - (i) *nominate and appoint one Investor Nominee Director who shall have full voting rights; and*
 - (ii) *nominate and appoint one Investor Observer who shall have the right to attend all meetings of the Board but shall not have the right to vote at such meetings.*
- (b) *If the Investor holds less than four per cent (4%) of the issued ordinary share capital of the Company, it shall only be entitled to appoint the Investor Observer provided that for as long as the Investor is a Member and holds less than four percent (4%) of the issued ordinary share capital, it may appoint one Investor Observer but not both an Investor Nominee Director and one Investor Observer;*
- (c) *The Investor Nominee Director or the Investor Observer may be removed or replaced by the Investor. The Investor Nominee Director shall cease to hold office automatically if the Investor's shareholding in the Company falls below the threshold set out in Article 112.4(a) and the appointment of the Investor Observer shall automatically lapse when the Investor ceases to be a Member.*
- (d) *The appointment, removal or replacement of the Investor Nominee Director or the Investor Observer shall be effected by notice in writing to the Board signed on behalf of the Investor and shall, in the case of an appointment or replacement, take effect on the later of date stated in the notice and the date of receipt by the Company of any regulatory approvals necessary in order for such appointment to be valid, and in the case of removal, on the date stated in the notice.*
- (e) *If the Investor Nominee Director or the Investor Observer (as the case may be) is removed at any time, the Investor is entitled to nominate another person as the Investor Nominee Director or the Investor Observer (as the case may be) in place of any Investor Nominee Director or the Investor Observer (as the case may be) so removed.*
- (f) *In the event of the resignation, retirement or vacation of office of the Investor Nominee Director or the Investee Observer (as the case may be), the Investor shall be entitled to nominate another person as the Investor Nominee Director or the Investee Observer (as the case may be) in place of such Investor Nominee Director or Investee Observer (as the case may be).*
- 112.5 *The Investor Nominee Director may appoint an alternate in accordance with Article 35 save that any person appointed as an alternate by the Investor Nominee Director shall not be subject to approval by the Board.*
- 112.6 *The Investor Nominee Director may be removed in accordance with the Act but shall not otherwise be subject to removal under the provisions of Article 32. Where the Investor Nominee Director is required to retire by rotation under Article 28, his/her/its replacement shall be appointed in accordance with the provisions of Article 112.4. For avoidance of doubt, the Investor Nominee Director who is required to retire by rotation will be eligible for re-appointment.*
- 112.7 *The Company shall provide for Directors & Officers insurance from a reputable insurance company for each of the Directors to the maximum extent permitted under applicable law for any costs, expenses or liabilities incurred by each such Director in the course of, or in any way related to, his or her activities or his or her position as a Director ("D&O Insurance"). The amount insured under the D&O Insurance and the coverage of the D&O Insurance will be subject to the approval of the Investor.*
- 112.8 **Reserved Matters**
The matters set out in paragraphs (a) to (s) of this Article 112.8 ('Reserved Matters') will require the approval of an Investor Representative so long as the Investor holds not less than four per cent (4%) of the current share capital of the Company such approval not to be unreasonably withheld or delayed. For the avoidance of doubt, the Investor Representative will not be deemed to be acting unreasonably if approval for any Reserved Matter is withheld on the grounds that if the Investor Representative approves the Reserved Matter, he or she may be acting contrary to any law applicable to the Investor or in contravention of any of the constitutive documents of the Investor. The Reserved Matters comprise:
 - (a) *any merger or amalgamation of the Company or any Member of the Group with any other company;*
 - (b) *any increase or reduction of the share capital of the Company or any Member of the Group and the method and terms of any such increase or reduction, save for where such increase is necessary to meet regulatory requirements;*
 - (c) *any issue or allotment of shares of any class of shares in the share capital of the Company or any Member of the Group, save for where such issuance or allotment is necessary to meet regulatory requirements;*
 - (d) *any redemption or purchase by the Company or any Member of the Group of its own shares or granting by the Company or any Member of the Group of any option over shares in the Company or any Member of the Group or any other reorganization of the share capital of the Company or any Member of the Group;*
 - (e) *any declaration or distribution of dividends by the Company or any Member of the Group which is not in accordance with the dividend policy approved by the Board from time to time;*

- (f) *the winding-up or dissolution of the Company or any Member of the Group or the passing of any resolution for the winding up or dissolution of the Company or any Member of the Group;*
 - (g) *any amendment to the Articles of Association of the Company or any Member of the Group;*
 - (h) *any proposal by the Board to the Members on the appointment of Auditors or any appointment of Auditors by the Board to fill a casual vacancy;*
 - (i) *the entering into by the Company or (to the extent that the Company has any voting authority over the same) any Member of the Group with a Related Party of any contracts for a consideration of more than United States Dollars 1 million or equivalent in any other currency;*
 - (j) *the entering into by the Company or any Member of the Group of any contract which is not at arm's length;*
 - (k) *the adoption of the Annual Business Plan of the Company;*
 - (l) *the hiring and dismissal of the Senior Management including any review of their compensation and performance review. For purposes of this Article 112.8(l), Senior Management is defined as the Regional Chief Executive Officer, Chief Executive Officer of I&M Bank Kenya and the Group Chief Operations Officer;*
 - (m) *the provision of loans by shareholders to the Company or by the Group to any Member of the Group which are not provided on an arm's length basis;*
 - (n) *any acquisition by the Company of the whole or any part of any business or any interest in any joint venture where the consideration for the acquisition is equal to or greater in value than ten per cent (10%) of its total Equity at the relevant time, and in the case of any other Member of the Group (and to the extent that the Company has any voting authority over the same), any acquisition by that Member of the Group of the whole or any part of any business or any interest in any joint venture where the consideration for the acquisition is equal to or greater in value than ten per cent (10%) of its total Equity;*
 - (o) *any disposal of the whole or substantially the whole of the undertaking or all or any part of the assets of the Company (including shares held by the Company in any Member of the Group) where the consideration for the disposal is equal to or greater in value than ten per cent (10%) of the Company's total Equity at the relevant time, and in the case of any other Member of the Group (and to the extent that the Company has any voting authority over the same), any disposal of the whole or substantially the whole of the undertaking or all or any part of the assets of that Member of the Group where the consideration for the disposal is equal to or greater in value than ten per cent (10%) of its total Equity at the relevant time;*
 - (p) *any purchase or sale of capital goods or the incurring of any other financial commitment by the Company where the consideration for the purchase or sale or the commitment is equal to or greater than ten per cent (10%) of its total Equity at the relevant time, and in the case of any other Member of the Group to the extent that the Company has any voting authority over the same), any purchase or sale of capital goods, or the incurring of any other financial commitment by that Member of the Group where the consideration for the purchase or sale or the commitment is equal to or greater than ten per cent (10%) of its total Equity at the relevant time;*
 - (q) *any borrowing or the obtaining of any advance or credit in any form by the Company where the amount of such borrowing, advance or credit is equal to or greater than ten per cent (10%) of its total Equity at the relevant time, and in the case of any other Member of the Group (and to the extent that the Company has any voting authority over the same), any borrowing or the obtaining of any advance or credit in any form by such Member of the Group (other than in the nature of customer deposit or inter-bank overnight lending incurred in the ordinary course of business) where the amount of such borrowing, advance or credit is equal to or greater than ten per cent (10%) of its total Equity at the relevant time;*
 - (r) *the creation of any Encumbrance over any assets, rights, revenues, undertaking or goodwill of the Company or (and to the extent that the Company has any voting authority over the same) any Member of the Group, other than those Encumbrances which arise under operation of law or in the ordinary course of business;*
 - (s) *any material change in the nature of the business of the Group as carried on for the time being including any activities in countries that are not on the list of Official Development Assistance (ODA) countries published from time to time by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD); and*
 - (t) *any resolution of the Company to list or delist the Company or any of the companies in the Group on any exchange.*
- 112.9 *The Reserved Matters set out in paragraphs (f), (g), (i), (j), (m) and (s) of Article 112.8 will require the approval of the Investor (to be communicated by the Investor Representative if one is in place) so long as the Investor is a Member (such approval not to be unreasonably withheld or delayed).*

- 112.10 *For so long as the Investor is entitled to appoint the Investor Nominee Director but has not done so, the Investor may call a meeting of the Board.*
- 112.11 *For so long as the Investor is a Member, it shall be entitled to receive all notices and other documents in hard copy notwithstanding the delivery of such notices and documents by any other means that may have been provided for under the provisions of Articles 102 and 103.1.*

BY ORDER OF THE BOARD

Bilha Wanjiru Mwangi
Company Secretary,
P.O. Box 51922-00100,
Nairobi.

20th November, 2024

Notes

1. I&M Group PLC has convened and is conducting this virtual General Meeting in accordance with Article 56 of its Articles of Association. Shareholders wishing to participate in the meeting should register using either of the following:
 - a. **Through the web portal**
By logging onto <https://imbank.vimeet.live> and filling in the registration form. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC or Share Account Number at hand. For assistance shareholders should dial the following helpline number: +254 709 170 000/+254 735 565 666 between 9:00 a.m. to 4:00 p.m. from Monday to Friday.
 - b. **Unstructured Supplementary Service Data (USSD)**
By dialing *483*816# and following the prompts. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC or Share Account Number at hand. For assistance shareholders should dial the following helpline number +254 709 170 000/+254 735 565 666 between 9:00 a.m. to 4:00 p.m. from Monday to Friday. The USSD service cost will be borne by the Company.
2. Registration for the General Meeting opens on Thursday 21st November 2024 at 8.00 am and shall remain open to any Shareholder wishing to participate in the meeting.
3. In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website at <https://www.imbank.com/about-us/i-and-m-holdings/investor-relations>
 - i. a copy of this Notice and the proxy form;
 - ii. a Circular to Shareholders;
 - iii. the Company's audited financial statements for the five financial years ended 31st December 2023;
 - iv. the proposed Amended articles of association of the Company.

Copies of the following documents will be made available for inspection by shareholders, free of charge, at the Company's offices at 1 Park Avenue, 1st Parklands Avenue, Nairobi between 9:00a.m and 5:00pm, Monday to Friday (except public holidays) from the date hereof until the date of the general meeting:

- i. a copy of this Notice and the proxy form;
 - ii. a Circular to Shareholders;
 - iii. the Company's audited financial statements for the five financial years ended 31st December 2023;
 - iv. the proposed Amended articles of association of the Company
 - v. the Share Subscription Agreement and;
 - vi. the resolution of the Board of 15th October 2024, authorizing the entry into and signature of the Share Subscription Agreement by the Company
4. Shareholders wishing to raise any questions or clarifications regarding the General Meeting may do so by:
 - a. sending their written questions by email to invest@imbank.co.ke; or IMBankAgm@image.co.ke to the extent possible, physically delivering their written questions with a return physical address or email address to the registered office of the Company at 1 Park Avenue, First Parklands Avenue, P.O. Box 30238-00100, Nairobi or to Image Registrars Ltd, 5th; Floor, Absa Towers, Loita Street P. O. Box 9287-00100 Nairobi; or
 - b. sending their written questions with a return physical address or email address by registered post to the Company's address at P.O. Box 30238 -00100 Nairobi.

- c. Shareholders must provide their full details (full names, ID/Passport Number/CDSC or Share Account Number) when submitting their questions and clarifications.
 - d. All questions and clarification must reach the Company on or before 5th December 2024 at 5:00pm.
 - e. Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Shareholder no later than 24 hours before the start of the general meeting. A full list of all questions received and the answers thereto will be published on the Company's website not later than 24 hours before the start of the general meeting.
5. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the General Meeting are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company but if not the Chairman of the General Meeting, the appointed proxy will need access to a mobile telephone.

A proxy form is available on the Company's website via this link:

<https://www.imbank.com/about-us/i-and-m-holdings/investor-relations>. Physical copies of the proxy form are also available at the following address: Image Registrars Ltd, 5th Floor, Absa Towers, Loita Street P. O. Box 9287-00100 Nairobi.

A proxy must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to IMBankAgm@image.co.ke or delivered to Image Registrars Ltd, 5th Floor, Absa Towers, Loita Street P. O. Box 9287-00100 Nairobi, so as to be received not later than 6th December 2024 at 5.00 p.m. Any shareholder appointing a proxy must provide the phone number, Identity Card Number and e-mail address of the proxy on the proxy form. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 8th December 2024 to allow time to address any issues.

- 6. All proxies should register using either the web portal or USSD. When registering, the proxy will be required to use their identity card/Passport Number. For further assistance, Proxies may call Image Registrars Ltd +254 709 170 000/+254 709 170 060.
- 7. The General Meeting will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the extraordinary general meeting. Duly registered shareholders and proxies shall be able to join the meeting either by logging into the system using their registration credentials or following proceedings on the link to be shared.
- 8. Duly registered shareholders and proxies may follow the proceedings of the General Meeting using the live stream platform. Duly registered shareholders and proxies may vote (when prompted by the Chairman) for resolutions on a panel provided next to the live stream screen or via the USSD prompts.
- 9. Results of the General Meeting shall be published within 24 hours following conclusion of the General Meeting. The results will also be available on the web portal and summarized results on the USSD menu.

12. PROXY FORM

I&M GROUP PLC

CDSC A/c No:
Shareholder No:
ID No:

THE COMPANY SECRETARY
P.O BOX 51922 -00100
NAIROBI

PROXY FORM

I/WE.....
of
Being a shareholder of I&M Group PLC hereby appoint the Chairman of the Meeting or (see note 7)
..... (Name of proxy) of (Mobile number of proxy) and
..... (email address of the proxy) in respect of my/our (Number of
shares). Please indicate here if you are appointing more than one proxy as my/our proxy to attend, represent and vote
for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held electronically on 10th December,
2024 at 10:00 am and at any adjournment thereof.
Signed this..... day of, 2024

Signature(s) (i) (ii)

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If
no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy
to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

Please clearly mark the box below to instruct your proxy how to vote.

RESOLUTION	FOR	AGAINST	WITHHELD
1. Approval for the directors to allot up to 86,500,000 new ordinary shares of KES 1.00 each in the Company to East Africa Growth Holding			
2. Approval of the subscription of up to 86,500,000 new ordinary shares of KES 1.00 each in the Company by East Africa Growth Holding			
3. Approval of the increase of share capital of the Company by creation and allotment of up to 86,500,000 new ordinary shares of KES 1.00 each			
4. Approval of the disapplication of the preemption rights of the shareholders of the Company with respect to allotment of up to 86,500,000 new shares of KES 1.00 each to East Africa Growth Holding			
5. Approval of the amendment of the Company's articles of association			

