

YOUR REFERENCE:

OUR REFERENCE:

DATE:

KNK/VNM/HO/139/1

2nd June 2016

I&M Holdings Limited

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the Sarova Panafric Hotel, Nairobi on Monday 27th June 2016 at 10.00 a.m. for the following purposes:

AGENDA

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

AS ORDINARY RESOLUTIONS:

1. Acquisition of Giro Commercial Bank Limited

(a) Acquisition of Shareholding

THAT subject to and conditional upon the receipt of any required regulatory approval including but not limited to those from the Central Bank of Kenya, the Competition Authority of Kenya, the Capital Markets Authority and the Nairobi Securities Exchange (the "Regulatory Approvals") the acquisition by the Company of all the issued share capital of Giro Commercial Bank Limited ("GCBL"), in accordance to the terms and conditions set out in the Share Purchase Agreement dated 5th September, 2015 (the "SPA") be and is hereby approved;

(b) Issue of Consideration Shares

THAT in part consideration of the transfer of the issued shares of GCBL to the Company and subject to the Regulatory Approvals, the Directors of the Company be and are hereby authorized to allot and issue 21,043,330 (twenty one million forty three thousand three hundred and thirty) new ordinary shares of KES 1.00 each in the capital of the Company (being the "Consideration Shares") to the Vendors under the SPA or their assignees;

(c) Transfer of Banking Business

THAT subject to and conditional upon the receipt of the Regulatory Approvals and upon GCBL becoming a wholly owned subsidiary of the Company, the whole of the banking business and all associated assets and the liabilities thereof as carried on by GCBL prior to the effective date of this resolution be transferred to I&M Bank Limited.

2. Increase in Share Capital

THAT the share capital of the Company be increased from the current Kenya Shillings Five Hundred Million (KES 500,000,000) to Kenya Shillings One Billion Five Hundred Million (KES 1,500,000,000) by the creation of One Billion (1,000,000,000) ordinary shares of Kenya Shillings One (KES 1) each which shall rank *pari passu* with the existing shares.

3. Capital Raise

THAT subject to the Company receiving all regulatory approvals including, but not limited to, the approval of the Capital Markets Authority, the Board of Directors be and are hereby authorized to raise a maximum of Kenya Shillings One Billion Five Hundred Million (KES 1,500,000,000) only by way of a combination of:

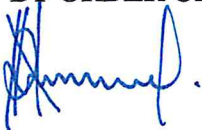
- (i) A rights issue (the “Rights Issue”) to holders of ordinary shares of the Company in such proportion to the existing shares held by them at the close of business on such date to be fixed by the Directors and at such price as shall be determined by the Directors for up to an amount not exceeding 50% being KES 750 million of the entire proposed capital raise amount and that the Directors are hereby authorized to do all such things as may be necessary to undertake the Rights Issue;
- (ii) Issue of new shares to DFI shareholder/(s) on such terms and conditions as may be determined by the Directors for up to an amount not exceeding 40% being KES 600 million of the entire proposed capital raise amount.
- (iii) Issue of new shares to the Trustees of the existing I&M Bank Employee Share Ownership Plan (the “Scheme”) for an amount not exceeding 10% being KES 150 million of the entire proposed capital raise amount subject to the provisions of the Memorandum and Articles of Association of the Company and the terms of the Scheme.

All such shares shall be ordinary shares ranking *pari passu* with all the existing ordinary shares in the Company.

4. General approval for Investment Opportunities

THAT subject to all relevant regulatory approvals being obtained, the Board of Directors be authorised to approve an acquisition, a merger, a joint venture agreement or a new (greenfield) venture where the value of such a transaction shall not exceed 15% of the value of the total assets of the Company as at the end of the most recent calendar quarter and in line with the financials of the Company made available to the public by way of disclosure on the Group’s website or by way of publication in the local dailies.

BY ORDER OF THE BOARD



Virginia Ndunge
Company Secretary
P.O Box 40111 -00100 GPO
Nairobi
2nd June, 2016



Note:

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf and such a proxy need not be a member of the Company. To be valid, proxy forms must be deposited at the Registered Office of the Company not less than 48 hours before the appointed time of the meeting.

I&M HOLDINGS IMITED

**TO: The Company Secretary,
P.O. Box 40111-00100 GPO
NAIROBI**

PROXY FORM

I/We

of

being a member/members of the above Company,.....

hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us on my/our behalf at an Extraordinary General Meeting of the Company to be held on **27th June 2016** and at any adjournment thereof.

Signed/Sealed this day of, 2016

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NOTE:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.
2. In case of a member being a limited Company this proxy form should be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. Proxies must be in the hands of the Secretary not later than 48 hours before the meeting.