



Head Office • NIC House, Masaba Rd • P.O. Box 44599 - 00100 GPO-Nairobi, Kenya • Tel: +254-020-2888000 Fax: +254-020-2888505/2888513
Swift Address: NINCKENA • Email: info@nic-bank.com • Website: www.nic-bank.com

27th May, 2011

The Chief Executive
Nairobi Stock Exchange
Nation Centre
1st Floor, Kimathi Street
Nairobi.



Dear Madam,

RE: RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING HELD ON 25TH MAY 2011

Pursuant to regulation E.05 (b) Fifth Schedule – Continuing Obligations of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, below are the resolutions passed unanimously by the shareholders at the Company's Annual General Meeting, which was held on 25th May, 2011.

1. Adoption of the Financial Statements for the year ended 31st December 2010 and the Directors' and Auditors' Reports thereon.
2. Confirmed payment of the interim dividend of 5% (Shs 0.25 per share) paid on 5 October, 2010 and approved the payment of a final dividend of Shs 0.25 (2009 Shs 0.25 per share) on the paid up capital of Shs 1,794,988,918.
3. Approved the payment of fees to the Directors for the year ended 31st December 2010.
4. Deloitte & Touche, having expressed their willingness, will continue in office as the Auditors by virtue of section 159(2) of the Companies Act (Cap.486) subject to Central Bank of Kenya approval in accordance with section 24(1) of the Banking Act (Cap.488) and the Directors were authorized to fix their remuneration.
5. In accordance with Articles 108, 109 and 110 of the Company's Articles of Association, the following directors retiring by rotation, be and are hereby, re-elected:
 - i.) A S M Ndegwa
 - ii.) G A Maina
 - iii.) I Ochola – Wilson
6. Special business:
 - I. Bonus issue

The following resolution was proposed and passed as an ORDINARY RESOLUTION:

'That it is desirable in pursuance of Article 152 of the Article of Association to capitalize the sum of Shs 179,498,890 being the amount standing to the credit of the share premium reserve and

part of the revenue reserves of the company and accordingly that such sum be capitalized and that the Directors be and are hereby authorized and directed to appropriate such sum to the holders of ordinary shares registered at the close of business on 7th April, 2011 subject to receipt by the Company of the necessary consent from the relevant authorities, from whom permission has been sought, in proportion to the number of ordinary shares held by them respectively on 7th April, 2011 and to apply such sum on behalf of such holders in paying up in full at par 35,899,778 of the unissued shares of the capital of the company, such shares to be allotted, distributed and credited as fully paid up to and amongst such holders in the proportion of one new ordinary share for every ten ordinary shares then held, and that such new shares shall rank for all purposes pari passu with the existing issued ordinary shares of the Company and that the Directors be and are hereby also authorized generally to do and effect all acts and things required to give effect to this Resolution and to deal with fractions in such manner as they think fit subject always to the Articles of Association of the Company’.

II. Miscellaneous amendments to the Articles of Association regarding payment of dividends, unclaimed dividends and notices

In view of the emerging trends and the transformation in the Information and Communication Technology (ICT) sector, it has become necessary to amend the Articles of Association to cater for electronic delivery of information to shareholders and payment of dividends to shareholders using various means, including electronic means.

The Articles of Association of the Company shall therefore be amended by deleting the existing Articles 146,147,149,160,161 and 163 in their entirety and substituting them with new Articles 146,147,149,160,161 and 163 as follows:-

a) Article 146:

Any dividend or other money payable in cash on or in respect of shares may be paid by electronic funds transfer or other automated system of bank transfer, electronic or mobile money transfer system, transmitted to such bank or electronic or mobile telephone address as shown in the share register of the Company or by cheque or warrant payable at such place of business as the Company shall specify in writing, sent through the post to the address of the member or person entitled to it as shown in the share register of the Company or if two or more persons are registered as joint holders of the shares, to the registered address of the joint holder who is first named in the share register of the Company or in the case of two or more persons being entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons at such address as the persons being entitled to receive payment may in writing direct.

b) Article 147:

Every such cheque or warrant or funds transfer shall be made payable to or to the order of the person to whom it is sent or to such person who may be entitled to the same (as described in Article 146 aforesaid). Payment of the cheque or warrant, if purporting to be endorsed or enfacéd, by the addressee or as the case may be, confirmation of payment having been made by the transmitting entity to the addressee of a direct debit, bank transfer or other automated system of bank transfer or via a mobile money transfer system, shall in each case be a good discharge to the Company. Every such payment whether by cheque or warrant or electronic funds transfer or mobile money payments system shall be sent at the risk of the person entitled to the money represented by it.”

c) Article 149:

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Directors for the benefit of the

Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 7 years after having been declared or become due for payment shall be forfeited and be paid by the Company to the Investor Compensation Fund in accordance with Section 18(ee) of the Capital Markets Act (Cap 485A) and shall cease to remain owing by the Company.”

d) Article 160:

‘Any notice or other document may be served by the Company on any member or Director either personally or by sending it through the post (by airmail where service is available) in a prepaid letter, or by facsimile or through electronic media addressed to such Member or Director at his registered address as appearing in the Register of Members or the Company’s other records, whether such address shall be within or outside Kenya.

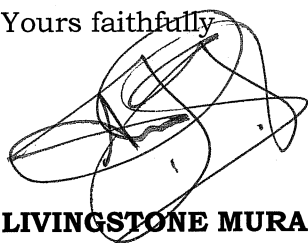
e) Article 161:

Any notice required to be given by the Company to the Members, or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement. Provided that in the case of an Annual General Meeting, such notice may also be given by:(a) Publishing a notice containing a summary of both the annual financial statements and auditors’ report, in at least two daily newspapers with national circulation for at least two days drawing attention to the website on which the accounts in full may be read; or (b) sending to every member, a notice through the electronic media containing a summary of both the annual financial statement and auditors’ report.”

f) Article 163:

Where a notice or other document is sent by post it shall be deemed to have been served on the third day after the day on which it was posted, if addressed within Kenya, and on the fifth day after the day on which it was posted, if addressed outside Kenya. In proving such service or sending, it shall be sufficient to prove that the cover containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter. Where a notice is sent by facsimile or electronic media it shall be deemed to have been served at the expiration of twenty-four hours after the time at which it was sent. Where notice is published in a daily newspaper, it shall be deemed to be served on the day on which it is first published.”

Yours faithfully



**LIVINGSTONE MURAGE
GROUP COMPANY SECRETARY**

**CC: The Chief Executive
Capital Markets Authority
Re-insurance Plaza
5th Floor
Nairobi.**