

CIC INSURANCE GROUP PLC
(Incorporated in Kenya - Registration Number C.22/2010)

CIRCULAR TO SHAREHOLDERS

In respect of the Sale of L.R No. 28800/1022 measuring approximately two hundred (200) acres divided into Four (4) equal parcels of 50 acres each situate in Kiambu County and Notice of Annual General Meeting

A Notice of the Annual General Meeting of the Company to be held via electronic means, on **Friday 5th May 2023 at 10.00am** is set out.

Dated at Nairobi this 12th day of April 2023

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS RESOLUTIONS TO BE PASSED AND OR RATIFIED IN CONNECTION WITH THE SALE OF L. R NO. 28800/1022 MEASURING APPROXIMATELY TWO HUNDRED (200) ACRES DIVIDED INTO FOUR (4) EQUAL PARCELS OF 50 ACRES EACH SITUATE IN KIAMBU COUNTY WHICH YOU ARE BEING ASKED TO APPROVE.

To enable you make an informed decision and or better understanding about the action to be taken, you may seek independent professional advice.

If you have disposed of all your shares in CIC Insurance Group Plc (the "Company"), please forward this document to the stockbroker, banker or other agent through whom you disposed of your shares. This Circular is issued by CIC Insurance Group Plc and has been prepared in compliance with the requirements of the Capital Markets Act (chapter 485A of the Laws of Kenya), and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002.

Approval has been obtained from the Capital Markets Authority ("CMA") in respect of the compliance of this Circular. As a matter of policy, the CMA assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Circular. Approval of the Circular by the CMA is not to be taken as an indication of the merits of the Transaction contemplated by this Circular or as a recommendation by CMA to the shareholders of CIC Insurance Group Plc.

1. LETTER FROM THE CHAIRMAN

Date: 12th April 2023

Dear Shareholder

Proposed Sale of Land Reference No. 28800/1022 (Measuring Approximately 200 Acres) ("the Property")

1.1. Introduction

On behalf of the Board, I am pleased to invite you to consider and approve the proposed Sale of Land Reference No. 28800/1022 (Measuring Approximately 200 Acres) ("the Property").

The purpose of this Circular is to provide you with information on:

- The nature of the Project and the Justification for the Sale of the Property;
- The approval being sought from shareholders of the Company in respect of the Project; and
- The recommendation of the Board.

Paragraph G.06 of the Fifth Schedule (Continuing Obligations) to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 requires the Company to obtain approval of shareholders for any substantial sale of assets involving **25%** or more of the value of its total assets. As per the **2022 audited accounts**, the total asset portfolio is at **Kshs 9,666,000,000/=** The estimated value of the entire Property is **Kshs 4,046,000,000/=** which amount constitutes more than 25% of the total assets of the Company. For this reason, the approval of the shareholders is required.

The Company has sought and obtained regulatory approval for this circular from the CMA under Regulation 63 of The Capital Markets (Licensing Requirements) (General) Regulations, 2002.

1.2. Rationale and Justification for the Sale of the Property

The Property is owned and registered in the name of CIC Insurance Group PLC. The Property was purchased in 2011 with the intention of undertaking real estate ventures to increase the group's investment income.

In order to realize the objective for which the Property was purchased, the Board, on 15th October 2021, approved the subdivision of the Property (measuring 200 acres) into four blocks of approximately 50 acres each with the intent of selling each parcel at a time. Subsequently on 9th June 2022, the Board further approved the subdivision of one of the 50 acres' piece of land into smaller plots of one quarter (1/4) of an acre.

The Board determined that it would unlock better value of the Property either by selling the 50 acres blocks or further subdividing the 50 acres blocks into such smaller plots as the Board would determine from time to time. This is on the backdrop of increased demand for customized, accessible and mixed-use residential property. These subdivided plots would be sold under a flagship real estate Project of the Company (in partnership with Co-operative Bank of Kenya Limited) to be called "**Ushirika Gardens**".

This sale is also critical for purposes of enabling the Company to meet its other financial obligations primary among them being settlement of a loan facility from the Co-operative Bank of Kenya. The facility was procured to redeem in full the corporate bond. As per the audited accounts of the Company for the financial year ended 31st December 2022, the amount outstanding to Co-

operative Bank of Kenya Limited on account of the aforesaid facility stood at **Kshs 4,572,000,000/=**. This borrowing was secured by, among others, Legal Charge of Kshs. 3,400,000,000/= over the Property (L.R No. 28800/1022) owned and registered in the name of CIC Insurance Group PLC. Part of the proceeds, therefore, from the sale will be used to settle the amounts owed to Co-operative Bank of Kenya Limited.

1.3. Recommendation

Your Board considers the Project as integral in ensuring that the Company unlocks the Property value as well as reducing its financial exposure from the facility from Co-operative Bank of Kenya.

Hence, I together with the Board recommend to shareholders that they vote in favour of the proposed resolutions **approving** the sale of the entire Property (in the manner aforementioned) in the upcoming AGM of the Company.

Yours faithfully

Dr. Nelson Kuria, OGW,MBS
Group Chairman

2. SUMMARY

The purpose of this Circular is to provide Shareholders with all relevant background information regarding the Ordinary Resolutions in advance of the AGM where they will be required to consider, and if thought, fit, pass the Ordinary Resolutions relating to the Project.

2.1. Resolutions

At the 44th AGM of the CIC Insurance Group PLC **to be held on 5th May 2023 via electronic means**, the Shareholders are required:

- To consider and, if thought fit, to pass the following ordinary resolution, namely **"THAT the sale of Land Reference Number 28800/1022 measuring approximately two hundred (200) acres situate in Kiambu County be and is hereby approved.**
- To consider and, if thought fit, pass the he Board determined that it would unlock better value of the Property either by selling the 50 acres blocks or further subdividing the 50 acres blocks into such smaller plots as the Board would determine from time to time.
- To consider and, if thought fit, to pass the following ordinary resolution, namely **"THAT the Board of Directors of the Company be and is hereby authorized to do all such things as may be necessary to give effect to the above resolution and any actions of any officer of the Company, in carrying out the terms and intentions of these resolutions, whether taken prior to or subsequent to the passing of the aforementioned resolutions, be and they are hereby in all respects ratified, confirmed and approved as the authorized actions of the Company."**

2.2. Key Events

Date	Activity
20th January 2021	County Government of Kiambu Notification of approval of development permission/subdivision.
15th October 2021	Board approval for subdivision of the 200 acres' piece of land into four blocks of approximately 50 acres each with the intent of selling each parcel at a time.
9th April 2022	Registration of Ushirika Gardens as a business name.
9th June 2022	Board approval for further subdivided of one of the 50 acres piece of land into smaller plots of one quarter (1/4) of an acre.
22nd July 2022	CMA approval for the sale of the earmarked 50 acres' piece of land. Directive to seek Shareholders approval at the next Annual General Meeting. For the sale of the entire 200 acres piece of land.
31st January 2023	KIPI Industry Property Journal No. 2023/01 - Advertisement of registration of the proposes trademark "USHIRIKA GARDENS".
12th April 2023	Publication of this Circular and Notice of AGM
5th May 2023	Annual General Meeting

Notes:

- Any changes to the above timetable shall be subject to CMA approval and shall be notified to the market through public announcement(s).
- All references to time in this document are to Kenya time.

2.3. Action Required with Respect to the Form of Proxy

Shareholders who are unable to attend to attend the AGM to be held virtually on 5th May 2023 at and who wish to be represented thereat, should complete and return the form of proxy.

To be valid, the forms of proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company's share

registrar, Image Registrars Limited, 5th Floor, Barclays Plaza, Loita Street, P.O. Box 9287, GPO 00100, Nairobi, or via email to CICGROUPAGM@image.co.ke to arrive not later than 10:00 a.m. on 3rd May 2023 i.e. 48 hours before the meeting or any adjournment thereof.

2.4. Opinion & Recommendation

The Board of CIC Insurance Group PLC has considered the terms of the Project and unanimously recommends that shareholders to approve the Ordinary Resolutions to be considered at the AGM to be held virtually on 5th May 2023.

3. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, have been availed for inspection by CIC Insurance Group PLC shareholders during the normal business hours at the registered office. They have also been uploaded on the Company's website (www.cicinsurancegroup.com):

- A signed copy of this circular;
- Audited financials for the year ended December 31, 2022.

3.1. Authorship

This circular has been compiled by the Board of Directors of CIC Insurance Group PLC.

3.2. Directors Responsibility

The Directors of CIC Insurance Group PLC, whose names appear below, collectively and individually accept full responsibility for the accuracy of the information contained in this document relating to CIC Insurance Group PLC and the sale of the Property, and certify that to the best of their knowledge and belief, there are no facts, the omission of which would make any statements herein false or misleading and that they have made all reasonable enquiries to ascertain such facts.

The Directors of the Company are:

- Dr. Nelson Kuria - Chairman
- James Njue - Vice Chairman
- Michael Wambia
- Peter Nyigei
- Rogers Kinoti
- Gordon Owuor
- Julius Mwatu
- Sharon Kisire
- Patrick Nyaga

By order of the Board
The CIC Insurance Group PLC

Gail Odongo
Group Company Secretary
Nairobi.
12th April 2023.

