



**CIC INSURANCE GROUP PLC**

*(Incorporated in Kenya - Registration Number C.22/2010)*

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**CIRCULAR TO SHAREHOLDERS**

in respect of the proposed Issue of Bonus Shares by CIC Insurance Group PLC

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Dated at Nairobi this .....**22nd April**..... 2025

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IT CONTAINS RESOLUTIONS TO BE PASSED AND OR RATIFIED IN CONNECTION WITH THE PROPOSED ISSUE OF BONUS SHARES BY THE CIC INSURANCE GROUP PLC WHICH YOU ARE BEING ASKED TO APPROVE.**

If you are in any doubt about the action to be taken, you are recommended to immediately seek your own personal advice from your stockbroker, lawyer or other professional adviser.

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 (Public Offers, Listing and Disclosures) Regulations, 2023 ("Listing Regulations").

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.

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## 1. LETTER FROM THE CHAIRMAN

Date: [insert]

Dear Shareholder

### PROPOSED BONUS ISSUE

#### 1.1. Introduction

On behalf of the Board, I am pleased to invite you to consider and approve the proposed issue of bonus shares in the proportion of **one (1) new ordinary share for every ten (10) existing ordinary shares held ("Bonus Issue")**.

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

- a. The details of the proposed Bonus Issue;
- b. The approval being sought from shareholders of the Company in respect of the Bonus Issue; and
- c. The recommendation of the Board.

Paragraph 1.4 of the Twelfth Schedule (**Disclosure and Other Requirements for Additional Issues**) to the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 requires the Company to obtain approval of shareholders for any additional issues to shareholders.

In addition, Article 164 of the Articles of Association of the Company requires the approval of the shareholders in a general meeting for any issuance of bonus shares. Article 164 provides as follows:

*164. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution: Provided that a share premium account and a capital redemption reserve fund may for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.*

The Company has sought and obtained regulatory approval for this circular from the CMA under Regulations 79 and 80 of Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023.

## 1.2. Rationale and Justification for the Bonus Issue

The proposed Bonus Issue reflects the Company's ongoing commitment to enhancing shareholder value and underscores the Board's confidence in the Company's growth trajectory and financial strength.

Through this bonus issue, the Company will be providing its shareholders with additional shares thereby increasing their ownership stake in the Company without requiring any additional investment. It is intended to reward shareholders for their continued support and to ensure their participation in the Company's future earnings and value creation.

The Bonus Issue also reflects the Company's strong financial position and the Board's expectation of sustained growth and consistent value delivery.

## 1.3. Recommendation

I together with the Board recommend to shareholders that they vote in favour of the proposed resolutions **approving** the Bonus Issue in the upcoming AGM of the Company.

Yours faithfully

**Dr. Nelson C. Kuria**  
**Non-executive 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 Bonus Issue.

### 2.1. Resolutions

At the 46<sup>th</sup> Annual General Meeting of the CIC Insurance Group PLC **to be held on 9<sup>th</sup> May 2025 via electronic means**, the Shareholders are required to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

#### Authorizing Resolutions

- i. **THAT** in accordance with section 329 of the Companies Act 2015 (“the Act”), the directors of the Company be authorised to allot shares in the Company or grant rights to subscribe for or to convert any security or existing debt into shares in the Company (“Rights”) up to an aggregate nominal amount of **Kenya Shillings Two Hundred and Sixty One Million Five Hundred Thousand (Kshs. 261,500,000.00)** provided that this authority shall, unless renewed, varied or revoked by the Company, expire five years from the date of this Resolution.

#### Bonus Issue

- i. That pursuant to Articles 166 and 167 of the Articles of Association of the Company and the Directors having so recommended, and subject to receipt of all requisite regulatory approval, the sum of **Kenya Shillings Two Hundred and Sixty One Million Five Hundred Thousand (Kshs. 261,500,000.00)** be and is hereby capitalized from the Retained Earnings and applied in paying up in full **261,500,000 new ordinary shares of par value Kshs. 1.00 each** to be allotted and distributed as fully paid bonus shares to the holders of the existing ordinary shares of the Company whose names appear in the Register of Members at the close of business on **22nd April 2025**, in the proportion of **one (1) new ordinary share for every ten (10) existing ordinary shares held**, and that the said bonus shares shall rank pari passu in all respects with the existing ordinary shares of the Company.
- ii. That the Board of Directors be and are hereby authorized to take all such actions as they may deem necessary or advisable in order to carry into effect the purpose and intent of the foregoing resolutions, including without limitation the allocation of the shares issued by way of Bonus Issue, the filing of any required documentation with the Registrar of Companies, the Capital Markets Authority, the Nairobi Securities Exchange or any other regulatory authorities as well as entering into any agreement and/or other documents, and appointing any professional advisers or parties necessary to give effect to the resolutions.

The Annual General Meeting’s Notice (for the 46<sup>th</sup> AGM )has been published alongside this Circular and is accessible on [www.cicinsurancegroup.com](http://www.cicinsurancegroup.com)

## 2.2. Key Events

Date	Activity
27 <sup>th</sup> March 2025	Board approved and recommended for the approval of the shareholders the bonus issue in the proportion of <b>one (1) new ordinary share for every ten (10) existing ordinary shares held</b>
15 <sup>th</sup> April 2025	Notice of AGM
9 <sup>th</sup> May 2025	Annual General Meeting
7 <sup>th</sup> May 2025	Application for CMA Approval of the Bonus Issue and Listing (including Application to the NSE for approval of the shares to be listed)
22 <sup>nd</sup> April 2025	Book Closure Date
On or before 18 <sup>th</sup> June 2025	Crediting to respective CDS accounts
[T.B.A]	Listing and Commencement of trading of bonus shares at the NSE
[T.B.A]	Filing of allotment return with the Registrar of Companies

### Notes:

1. Any changes to the above timetable shall be subject to CMA approval and shall be notified to the market through public announcement(s).
2. All references to time in this document are to Kenya time.
3. The dates marked as "T.B.A" are to be advised following the approval of the bonus issue by the Capital Markets Authority

## 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 **9<sup>th</sup> May 2025** 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](mailto:cicgroupagm@image.co.ke) to arrive not later than 10:00 a.m. on **6<sup>th</sup> May 2025** 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 Bonus Issue and unanimously recommends that shareholders to approve the Ordinary Resolutions to be considered at the AGM to be held virtually on **9<sup>th</sup> May 2025**.

### 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](http://www.cicinsurancegroup.com)):

- (i) A signed copy of this circular;
- (ii) Audited financials for the year ended December 31, 2024.

#### 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 Bonus Issue, 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:

1. Dr. Nelson Chege Kuria
2. Michael O Wambia
3. James N. Njue
4. Sharon Kisire
5. Dr. Rogers Kinoti
6. Gordon O Owuor
7. Julius Mwatu
8. Patrick Nyaga
9. Lydia Rono

By order of the Board

The CIC Insurance Group PLC

Gail Odongo

Company Secretary

Nairobi

[insert date]