

CIRCULAR TO SHAREHOLDERS

NAIROBI BUSINESS VENTURES LIMITED

In respect of the proposed issuance of shares to raise Kenya Shillings Eighty - Three Million (KES 83,000,000)

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations set out in Clause 4 of this Circular apply, *mutatis mutandis*, to this whole Circular.

If you are in doubt about what action you should take in relation to this Circular, please consult your independent professional advisor.

Action required of the Shareholders in respect of the Annual General Meeting

If you have sold or otherwise transferred or disposed of all your shares in Nairobi Business Ventures (**NBV**), please forward this document as soon as possible to the purchaser or transferee of such shares, or to NBV, investment bank, stock broker or other agent through whom the sale or transfer was effected, for the transmission to such purchaser or transferee of such shares. If you have sold or otherwise transferred only some of your shares in NBV, you should retain this Circular.

The Annual General Meeting (**AGM**) of NBV will be convened electronically, on 6th November 2020 at 10:00 a.m. A notice of the AGM and the form of proxy for use by Shareholders who are unable to attend the AGM but wish to be represented thereat is annexed at the end of this Circular.

If you are a Shareholder and are unable to attend the AGM, but wish to be represented thereat, please complete the proxy form annexed to this Circular according to the instructions printed thereon and return it to Image Registrars Limited for the attention of the Company Secretary to arrive not later than 10:00 a.m. on 4th November, 2020 i.e. forty eight (48) hours before the date of the AGM.

Shareholders are advised to read and satisfy themselves on the merits and risks involved in approving this transaction.

General information regarding this Circular

This Circular is issued by NBV and has been prepared in compliance with the requirements of the Capital Markets Act (Chapter 485A, Laws of Kenya) and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002. No person has been authorised to give any information or to make any representation other than those contained in this Circular and if given, or made, such information or representation must not be relied upon as having been authorised.

The Capital Markets Authority has approved the issue of this Circular and the transaction described in it, on the terms described in this Circular. Approval of this Circular is not to be taken as an indication of the merits of the proposed transaction or a recommendation thereof by the Capital Markets Authority.

As a matter of policy, neither the Capital Markets Authority nor the Nairobi Securities Exchange assumes any responsibility for the correctness of any statements or opinions made or reports contained in this Circular.

Date of issue: 14th October 2020

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1. Key Dates and Times

Event	Date and Time
Approval of the Circular by the Capital Markets Authority	12 th October 2020
Latest time to return proxy forms for the AGM and registration to attend the AGM electronically	4 th November 2020
Date and time of AGM	6 th November 2020 at 10:00 a.m.
Press announcement of outcome of the AGM	7 th November 2020
Execution of the Share Subscription Agreement	7 th November 2020

***Note:**

- (i) All dates and times as indicated above are local times in Kenya.
- (ii) The above times and dates are subject to change.



2. Directors of NBV

Name	Address	Position
Kumar Sheth Harshad	P.O. Box 11956 - 00400 Nairobi	Director and Board Chairperson
Abotula Venkata Satyanarayana Vasu	P.O. Box 18638 – 00500 Nairobi	Director and Chief Executive Officer
Srungarapu Rajasekhar	P.O. Box 18638 – 00500 Nairobi	Director
Simon Salli Malonza	P.O. Box 37416 – 00100 Nairobi	Director
Alice Mutitu	P.O. Box 8689 – 00100 Nairobi	Director

***Note:**

- (i) All directors of NBV are Kenyan.

3. Transaction Advisors

Transaction Advisor	Legal Advisor
 <p>The logo for ABC Capital Limited features the lowercase letters 'abc' in a bold, blue, sans-serif font, enclosed within a black square frame. Below this, the word 'CAPITAL' is written in a smaller, blue, all-caps sans-serif font, followed by 'LTD' in an even smaller font. At the bottom of the logo, the text 'MEMBER OF THE NSE SINCE 1954' is written in a small, blue, all-caps font.</p>	 <p>The logo for MW & Company Advocates LLP consists of the letters 'MW' in a stylized, bold, black font, with a red 'M' and a black 'W'. To the right of 'MW' is a large, black, sans-serif 'C'. Below the letters, the word 'LEGAL' is written in a smaller, black, all-caps sans-serif font, with a red horizontal line underneath it.</p>
<p>ABC Capital Limited Mezzanine, ABC Bank House, Woodvale Grove, Westlands P. O. Box 34137-00100 Nairobi</p>	<p>MW & Company Advocates LLP West Park Office Suites 4th Floor Ojjo Road, Westlands Nairobi</p>

4. Definitions and Interpretation

In this Circular, unless otherwise stated or unless the context so requires, the terms in the first column shall have the meanings ascribed to them in the second column. All words and expressions made in the singular will include the plural and vice versa, while words that signify one gender shall include the opposite gender and all references to a 'person' shall include references to juristic persons and associations of persons unless the context requires otherwise.

Annual General Meeting or AGM	means the NBV AGM to be held electronically, on 6 th November 2020 2020 at 10:00 a.m.;
Board or Directors	means the individuals named on Page 1 of this Circular as directors of NBV;
Capital Markets Act	means the Capital Markets Act (Chapter 485A, Laws of Kenya) as may be amended from time to time;
Circular	means this Shareholders' Circular dated 14 th October 2020 including the notice of the AGM and the form of proxy attached to this Circular;
CMA	means the Capital Markets Authority established under section 5 of the Capital Markets Act;
Conditions Precedent	means the conditions precedent to which the Issue is subject, as summarised in Clause 14 of this Circular;
Share Subscription Agreement	means an agreement to be entered into between NBV and the Investor;
Investor	means Delta International FZE, a private limited company incorporated in the United Arab Emirates and having its registered office at Ras Al Khaimah, P.O Box 327577, Ras Al Khaimah;
Issue	means the issue of the Subscription Shares to the Investor for the Subscription Amount as contemplated by this Circular;
KES or Kenya Shilling	means Kenya Shillings, being the lawful currency of the Republic of Kenya;
NAV	means the net asset value of NBV as a function of the value of NBV's assets against the value of NBV's liabilities;
NBV	means Nairobi Business Ventures Limited, a public company with limited liability incorporated under the provisions of the Companies Act (Chapter 486, Laws of Kenya) (now repealed) with incorporation number CPU/2015/187285;

NSE	means the Nairobi Securities Exchange, a public company incorporated in Kenya under registration number CPU/2014/144920 and approved as an exchange under the Capital Markets Act;
Resolutions	means the ordinary and special resolutions set out in the notice of the AGM attached and forming part of this Circular;
Shareholder(s)	means a registered holder of the Shares;
Shares	means ordinary shares of KES. 1 each in the share capital of NBV;
Subscription Amount	means Kenya Shillings eighty-three million (KES 83,000,000.00); and
Subscription Shares	means Shares in NBV to be allotted to the Investor for the Subscription Amount. For purposes of the subscription, it is intended that the current authorised capital of NBV shall be increased by Kenya Shillings two hundred million shillings (KES. 200,000,000.00) divided into two hundred million (200,000,000) ordinary shares of Kenya Shillings one (KES. 1.00) each following which NBV's authorised share capital will be split into two by reducing the face value of the shares from KES. 1.00 to KES 0.50 cents thereby doubling the number of NBV's authorised shares to 500 million (500,000,000) shares of KES 0.50 each. This will allow the issuance to the Investor of four hundred and fifteen million (415,000,000) ordinary shares in NBV in consideration for the Subscription Amount.

5. NBV's Corporate Information

Registration Number	CPU/2015/187285
Date of Registration	5 th March 2012
Directors	Kumar Sheth Harshad Abotula Venkata Satyanarayana Vasu Srungarapu Rajasekhar Simon Saili Malonza Alice Mutitu
Company Secretary	Lawrence Chelimo Kibet 5 th Floor, Absa Towers (formerly Barclays Plaza) P.O. Box 72133-00200 Nairobi
Registered Office	A3, Sunu Apartments 1 st Parklands Road Nairobi Kenya
Registrar	Image Registrars Limited 5 th Floor, Absa Towers (formerly Barclays Plaza) P.O. Box 72133-00200 Nairobi
Auditors	Jessie & Associates Certified Public Accountants Adabu House, General Mathenge Drive P O Box 43682-00100 Nairobi.
Principal Bankers	Bank of Baroda (K) Limited Industrial Area Branch P.O. Box 18629-00500 Nairobi
Nominal Share Capital	KES 50,000,000 divided into 50,000,000 ordinary shares of KES 1 each
Issued and Fully Paid Share Capital	38,600,000 ordinary shares of KES 1 each
Financial Year End	31 st March

6. Letter from the Chairperson of NBV

To all Shareholders of NBV

Dear Shareholder/Investor,

PROPOSED ISSUE OF SHARES TO RAISE KENYA SHILLINGS EIGHTY THREE MILLION (KES. 83,000,000) (the Issue)

On behalf of the Board of Directors (the **Board**) of Nairobi Business Ventures (**NBV**), I present to you this Circular relating to the approval of the proposed issue by NBV of the Subscription Shares to the Investor to raise Kenya Shillings Eighty Three Million (KES 83,000,000) as set out in this Circular. In this connection, I hereby present to you our company's Annual Report and Financial Statements for the years ending 31st March 2018, 31st March 2019 & 31st March 2020.

The period between 31st March 2018 and 31st March 2020 proved to be a nightmare for NBV along with other retailers operating in Kenya with challenges mostly beyond control as a result of economic down turn, bank's credit squeeze, very low consumer spending due to job losses in Banking and Corporate Sectors. Despite serious efforts, NBV's management could not retain its retail business. The situation was so dire that the company could not even hold the general meetings of members to present the audited accounts at regular intervals. The Board regrets this delay but always had the shareholders interest at heart and continued their efforts to find solutions to keep NBV alive in order to revive shareholder value.

Finally NBV has been able to find a suitable investor with strong financial and business capabilities. This proposal has been set out in the proposed resolutions for the approval of members.

We remain committed to observing high standards of corporate governance.

The Board has decided not to declare a dividend for the years under consideration. This is as a result of inadequate profits/reserves during the periods under reporting.

In as far as the future outlook is concerned, NBV has recognized the serious challenges Kenyan retail sector is facing and has opted to strategically change direction.

We remain committed to growing the business, meeting and exceeding our customers' expectations by making available a diversified range of infrastructural and industrial products rather than consumer products. We are keen in enhancing our shareholders' wealth. We seek to create rewarding opportunities and career growth for our staff as we continue to grow.

In conclusion, I would like to take this opportunity to thank my Board colleagues, management and staff for their commitment and dedication to duty. I look forward to their support.

SHETH KUMAR HARSHAD
AG. CHAIRPERSON OF THE BOARD

7. Letter from the CEO of NBV

Dear Shareholder,

The period under review i.e., from 1st April 2017 to 31st March 2020 was a turbulent time for Nairobi Business Ventures Ltd (NBV). Many negative economic developments happened in Kenya during this period and many retailers are paying heavy price for it. I personally thank all shareholders of NBV for their continued support even during this difficult period.

NBV performance

During the year 2017-18 NBV reported negative growth in sales performance with 59% which translated to Shs 18.15 million (Shs 44.8 million in 2016-17) and loss of Shs 76.53 (Profit of Shs 32.84 million in 2015-16) respectively.

During the year 2018-19 NBV reported negative growth in sales performance with 27% which translated to Shs 13.27 million (Shs 18.15 million in 2017-18) and loss of Shs 34.73 (Loss of Shs 76.53 Million in 2017-18) respectively.

During the year 2019-20 NBV reported NIL sales as a result of closure of all its retail outlets and a net loss of Shs 39.45 million.

This continued negative performance lead NBV management to make drastic decisions such as inviting financially strong and highly successful business groups to revive and grow NBV.

Developments from previous AGM

NBV lost the remaining 2 of its retail outlets and suspended its retail business operations during the period due to serious working capital shortfall and necessity to reduce operational costs. NBV started exploring strategic investors as well as sustainable and profitable trading lines during the period.

Growth and Expansion Plans

NBV found a suitable investment proposal to regain and gearing itself for embarking on continuous expansion. In this process NBV is seeking members' approval for accepting an equity participation proposal as mentioned in the circular sent to its members to strengthen its balance sheet and to reignite the expansion plans. NBV's future outlook is bright and we plan to become a manufacturer of sustainable products in the coming years.

VASU ABOTULA
CEO, NAIROBI BUSINESS VENTURES LTD (NBV)

8. Background to and Reasons for the Transaction

NBV was established as a leather products retail chain operating under the brand name "K Shoe". Following difficulty, NBV has chosen to change its strategy and has opted to accept to go into partnership with Delta International FZE (Delta).

9. Delta International FZE

9.1. Overview

Delta International FZE (DELTA) incorporated on 5th November 2007 in Ras Al Khaimah, U.A.E has been investing and operating in Kenya and East Africa for about 10 years. DELTA having proved its success decided to proceed with its ambitious expansion plans in Kenya and in entire East African Region.

9.2. History

Mr. Haresh Vrajlal Damodardas Soni, a career entrepreneur and visionary has over three decades of experience in promoting and successfully establishing sizeable business organizations. His activities are diversified over various trade and industrial activities and across various countries.

Under his leadership DELTA INTERNATIONAL FZE has invested in promoting Chemical Manufacturing in Kenya, Uganda and Tanzania and is the majority shareholder of Shreeji Chemicals Ltd, Shreeji Glass UG, Shreeji Silicates TZ.

Shreeji Chemicals is a dominant player in East Africa in the manufacturing and supply of Sodium Silicate. This group shall be achieving 180,000 tonnes per annum production capacity by 2021.

DELTA INTERNATIONAL FZE is also promoting DELTA AUTOMOBILES LTD in Kenya a unique project in advanced technology catering to Transport and Logistics Sectors by setting up a state of art servicing and preventive maintenance facility for Transporters every 200 kms between Mombasa and Kampala. It has already established a state of art servicing facility at Mlolongo on Mombasa Highway in Nairobi Kenya and been appreciated by VOLVO as the one and only high tech service station in East Africa.

9.3. Promoters & Directors

Haresh Vrajlal Damodardas Soni - **Chairman & Managing Director**

Directorships other than DELTA INTERNATIONAL FZE

- Shreeji Chemicals Ltd (Kenya) - Chemical Manufacturing
- Shreeji Glass Ltd (Uganda) - Chemical Manufacturing
- Shreeji Silicates Ltd (Tanzania) - Chemical Manufacturing
- Delta Automobiles Ltd (Kenya) - World Class Automobile Service Stations
- AIR DIRECT-CONNECT - Air Cargo Services/ Approved Maintenance
- Aviation Management Solution (AMS) - Aircrafts & Hangar Provider
- Delta Holdings Ltd (Kenya) - Property and Real Estate Company.

9.4. Shareholders

Haresh Vrajlal Damodardas Soni - 100%.

9.5. Business Plans

DELTA INTERNATIONAL FZE has a wide range of business activities and investments in Kenya, Uganda and Tanzania as well as plans to expand its operations to Ethiopia in the near future.

The vision of DELTA INTERNATIONAL is that future for business and growth potential is Africa, hence, its planned expansions and diversifications in growth oriented ventures in Africa. DELTA plans include the following:

- 1) To acquire majority stake in Nairobi Business Ventures Ltd (NBV) a listed company at Nairobi Securities Exchange (NSE). DELTA INTERNATIONAL has considered entry into Capital Markets as a strategic move to maximize its expansion and diversification plans in Africa.

Once acquired by DELTA, NBV shall commence importation of Clinker (Raw Material for Cement manufacturing) and progress towards Clinker and Cement Manufacturing with an annual capacity of 1 million tonnes per annum.

Another possible area of expansion shall be Glass Manufacturing. With the UN initiative and world moving towards banning single use plastic, the potential for glass to replace it is very high. Hence serious viability studies are being undertaken to explore this opportunity.

- 2) To set up a state of art Service and Preventive Maintenance Stations for every 200 km between Mombasa Port and Kampala in Uganda via its Delta Automobiles Ltd, Kenya.
- 3) Chemical Manufacturing subsidiaries in Kenya, Uganda and Tanzania of DELTA INTERNATIONAL shall be expanding their production capacity from 90,000 tons Sodium Silicate to 180,000 tons including expanding their operations to Ethiopia also.
- 4) DELTA HOLDINGS LTD another subsidiary of DELTA INTERNATIONAL FZE is planning to set up a highly equipped multi-specialty Hospital in its already acquired property in Red Hill, Nairobi. It also has other commercial and residential ventures under consideration.

10. Summary of the Issue

Description	Subscription of shares in NBV by the Investor
Investor	Delta International FZE
Subscription Shares	Four hundred and fifteen million (415,000,000)
Subscription Amount	Kenya Shillings eighty-three million (KES 83,000,000.00)
Currency	The Subscription Shares will be denominated in Kenya Shillings.

11. Basis for determination of Consideration

The size of the Issue was determined on the basis of a number of considerations which include:

- availability of funds;
- size of NBV's balance sheet;
- use of funds; and

- risk appetite of the Investor.

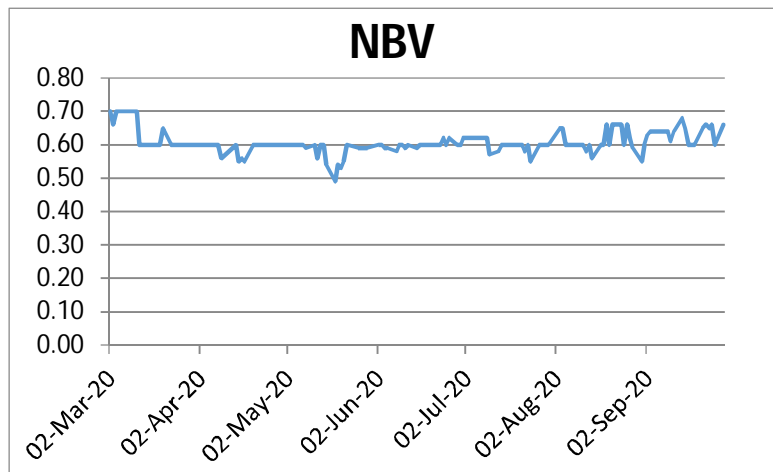
12. Basis of the pricing of the Issue

The pricing of the Issue was arrived at from a negotiation process taking into account the need to clean-up of NBV's balance sheet and the need to inject working capital in order to set NBV on a new strategic path.

Historical Pricing of the Issue

The pricing captured below demonstrates how difficult a year 2020 was for companies operating in the retail sector in general and NBV in particular. Below is a table of the value weighted average price for the share on the last day of the last six (6) months. The graph beside the table is a locus of VWAP over the last 6 months. Price oscillated between Kes 0.70 and Kes 0.49 and a modal price of Kes 0.60 over this period. Following the split, the modal price would be expressed as Kes 0.30 and the offer price of Kes 0.20 would be a 33.33% discount on the modal price over the last 6 months.

DATE	VWAP
31-Mar-20	0.60
30-Apr-20	0.60
29-May-20	0.59
30-Jun-20	0.60
30-Jul-20	0.60
31-Aug-20	0.55
28-Sep-20	0.66



13. Use of Proceeds from the Issue

The net proceeds of the Issue shall be applied towards cleaning-up of NBV's balance sheet and injection of working capital in order to set NBV on a new strategic path.

14. Principal terms of the Share Issue

The subscription will be undertaken in accordance with the Share Subscription Agreement, which will include Conditions Precedent, such as:

- Board approval of the Issue.
- Shareholders' approval of the Issue;
- CMA and NSE approval of the Issue; and
- Competition Authority of Kenya approval.

15. Benefits of the Issue

By approving the Issue, the following benefits will accrue to NBV:

- the issue will finance clean-up of NBV's balance sheet; and
- set NBV on a new strategic path.

16. Recommendation

The Board considers that the Issue will contribute positively towards enabling NBV achieve its objectives of maximising Shareholder value. The Board is also convinced that the Issue is in the best interests of NBV and its Shareholders. Accordingly, the Board recommends that all Shareholders support this Issue.

If you are in doubt as to any of the matters set out within this Circular, the Board recommends that you seek independent advice from your stockbroker, investment banker, lawyer or other relevant professional adviser in relation to the same.

17. Approvals for the Issue

An AGM will be held electronically, on 6th November 2020 at 10:00 a.m. for Shareholders of NBV to consider and if deemed fit approve and ratify the Issue and authorize the Board to implement the Issue and allot the Shares in NBV after the increase of share capital and the share split.

We intend to lodge the application for regulatory approvals by the CMA under the Capital Markets Act pursuant to the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002. In addition, a notification will also be made to the NSE in relation to the Issue.

18. Pro-forma Financial Information

18.1. Pro-forma Statement of Financial Position

Balance Sheet	3/31/2020	3/31/2020
	Current	Adjusted for Split and Issue
Capital Employed		
Share Capital	38,600,000	246,100,000
Share Premium	37,400,000	-87,100,000
Retained Earnings	-167,517,729	-167,517,729
Total	-91,517,729	-8,517,729
Non-Current Liabilities		
Borrowings	64,465,690	64,465,690
Total Non-Current Liabilities	64,465,690	64,465,690
Total Financing	-27,052,039	55,947,961
Non-Current Assets		
Property and Equipment	22,295	22,295
Intangible Assets	0	0
Total Fixed Assets	22,295	22,295
Current Assets		
Inventories	6,346,399	6,346,399
trade and other receivables	551,081	551,081
Cash and cash equivalents	20,241	83,020,241
Total Current Assets	6,917,721	89,917,721
Current Liabilities		
Trade and other Payables	13,603,033	13,603,033
Borrowings	18,493,396	18,493,396
Tax Payable	1,895,626	1,895,626
Total Current Liabilities	33,992,055	33,992,055
Working Capital	-27,074,334	55,925,666
Net Assets	-27,052,039	55,947,961

18.2. Impact of the Issue on Shareholders and Others

CONTEXT	Current (March 2020)	Adjusted upon Split and Issue
NAV	-91,517,729	-8,517,729
Shares	38,600,000	492,200,000
NAV per Share	-2.37	-0.017

18.3. Effect of Issue on voting and NAV

The Issue of the Subscription Shares will, dilute voting power of NBV's existing Shareholders by **92.16%** but it will boost NBV's NAV per Share from Kes -2.37 to Kes -0.017 per share.

18.4. Number of Shares to be allotted

For purposes of this Issue, 415,000,000 shares will be allotted to the Investor at completion.

18.5. Independent Financial Report

We annex to this Circular a copy of NBV's audited financial statements for the period ended 31st March, 2018, 31st March 2019 and 31st March 2020 indicating NBV's financial position as at that date.

19. Statutory and General Information

19.1. Responsibility Statement

The Directors, whose names appear in Clause 2 of this Circular, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors, who have taken all 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. The Directors are the persons responsible for the application made to the CMA for the approval of the issue of this Circular.

19.2. Top Ten Shareholders

NBV is listed on the NSE. The top ten (10) shareholders own eighty five point three eight (85.38%) of the issued share capital of NBV. The major shareholders of NBV as at 31st March 2020 are as follows:

TOP 10 SHAREHOLDERS AS AT 31ST MARCH 2020		
SHAREHOLDERS' NAME	NO.OF SHARES	%
RAJA SEKHAR SRUNGARAPU	8,198,350	21.24%
ABOTULA VENKATA SATHYA NARAYANA VASU	7,514,450	19.47%
MAHESWARA VARMA BHUPATHIRAJU	5,000,200	12.95%
MOHANA VENKATA VARMA KALIDINDI	5,000,000	12.95%
BHUPATIRAJU RAMAKRISHNA SIVA PRASAD VARM	5,000,000	12.95%
KOTHA PANDURANGA VITTAL	1,500,000	3.89%
MANISH JAGDISHCHANDRA MEHTA	1,000,000	2.59%
MILAN AGRAWAL	304,000	0.79%
CHARLES KASYOKA MALINDA	220,000	0.57%
FREDRICK MWANZIA NGUI	210,000	0.54%
Others	4,653,000	12.05%
TOTAL	38,600,000	100.00%

19.3. Directors' Interests

The following Directors have a direct or indirect beneficial equity interest in the Shares of NBV as at the date of this Circular:

DIRECTORS SHAREHOLDING		
SHAREHOLDERS' NAME	NO.OF SHARES	%
VENKATA SATHYA NARAYANA VASU ABOTULA	7,494,450	19.41%
RAJA SEKHAR SRUNGARAPU	8,198,350	21.24%
SIMON SAILI MALONZA	64,000	0.17%
KUMAR HARSHAD SHETH	-	-
ALICE MUTITU	-	-
TOTAL	15,807,900	40.89%

19.4. Governing Law

This Circular is governed by and is to be construed in accordance with the laws of Kenya.

19.5. Consent

ABC Capital Limited and MW & Company Advocates LLP have given and not withdrawn their consents to the issue of this Circular and the inclusion herein of references to their reports in the form and context in which they appear.

19.6. Documents Available for Inspection

Copies of the following documents will be available for inspection by Shareholders, free of charge, at Image Registrars Limited, 5th Floor, Absa Towers (formerly Barclays Plaza) , between 9.00 a.m. and 5.00 p.m., Monday to Friday (excluding public holidays) from the date of this Circular until 6th November 2020 at 10:00 a.m.:

1. The Board resolution dated 23rd September 2020 relating to the Share Issue
2. NBV's audited financial statements for the financial year ended 31st March, 2018, 2019 & 2020;
3. NBV's Memorandum and Articles of Association; and
4. The approval of the CMA to issue this Circular.

AGM Notice

NAIROBI BUSINESS VENTURES LIMITED

Company Registration No. CPU/2015/187285 ("the Company")

NOTICE & AGENDA OF GENERAL MEETING

TO ALL SHAREHOLDERS

NOTICE is hereby given that due to the ongoing COVID-19 pandemic, the related Public Health Regulations and restrictions on public gatherings by the Government of Kenya, the Annual General Meeting (AGM) of the Company shall be held via Electronic Means on 6th November 2020 at 10.00 a.m. to consider and, if thought fit, to transact the following business:-

Ordinary Business

1. To read the notice convening the meeting, table the proxies received and confirm the presence of a quorum.
2. To receive and adopt the audited financial statements for the years ended 31st March 2018, 31st March 2019 and 31st March 2020 together with the report of the Chairman, Directors and Auditors therein.
3. To note that the Company does not declare any dividend for the year under review.
4. To re-elect directors:
 - 4.1 Directors retiring by rotation in accordance with the Articles of Association of the Company:
 - i. Mr. Simon Saili Malonza retires by rotation and being eligible, offers himself for re-election.
 - ii. Ms. Alice Mutitu retires by rotation and being eligible, offers herself for re-election.
5. In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors being members of the Board Audit Committee, be appointed individually to continue to serve as members of the said committee:
 - i. Mr. Simon Saili Malonza
 - ii. Ms. Alice Mutitu
 - iii. Mr. Kumar Harshad Sheth
6. To note that the Directors did not receive any remuneration for the financial years ended 31 March 2018, 31st March 2019 and 31st March 2020
7. To re-appoint Messrs Jesse & Associates as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Kenyan Companies Act, 2015 and to authorize the Directors to fix the Auditors' remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Kenyan Companies Act, 2015.
8. To discuss any other business of which due notice has been received.

Special Business

As ordinary resolutions

Resolution 1

That the directors of the Company be and are hereby unconditionally authorised to: -

- a) Split the nominal capital of the Company from Kshs. 50,000,000 divided into 50,000,000 shares of Kshs. 1 each, to Kshs. 50,000,000 divided into 100,000,000 ordinary shares of Kshs. 0.50 each, in accordance with section 405 of the Companies Act 2015;
- b) Allot and issue up to a maximum of 415,000,000 ordinary shares of KES 0.50 each in the Company ("**New Shares**") to Delta International FZE, subject to payment by Delta International FZE of the aggregate subscription price of KES 83 million (being KES 0.20 per New Share), on completion of the proposed investment in the Company by Delta International FZE ("**Proposed Transaction**") in accordance with the terms of the subscription agreement to be entered into between the Company and Delta International FZE setting out the terms and conditions of the Proposed Transaction ("**Subscription Agreement**"), such that Delta International FZE shall own 84% of the issued share capital of the Company, such New Shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and
- c) take any ancillary actions as may be required in connection with the allotment and issue of the New Shares, including:
 - i. increasing the nominal share capital of the Company by the creation of 400,000,000 new ordinary shares of a par value of KES 0.50 each and shall rank pari passu with and have rights equal to the existing ordinary shares of the Company; and
 - ii. entering the particulars of Delta International FZE into the register of members of the Company following the issue of the New Shares to Delta International FZE,

Noting that upon issue of the New Shares, Delta International FZE shall be entitled to 84% of the voting rights in the Company, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the Completion Date in accordance with the terms of this Agreement.

The authority given under this resolution shall expire, unless renewed, varied or revoked by the Company, on the earlier of the completion of the Proposed Transaction and the close of business on the fifth anniversary of the date of these resolutions;

Resolution 2

That the Proposed Transaction between the Company and Delta International FZE be and is hereby approved in accordance with the terms of the Subscription Agreement, the Transaction Documents (as defined in resolution (3) below) and applicable law and that further the entry by the Company into the Subscription Agreement with Delta International FZE, be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder;

Resolution 3

That the Board of Directors of the Company be and is hereby authorised to prepare, amend, execute, deliver and implement, in addition to the Subscription Agreement, any other or further ancillary or administrative agreements and / or documents which will be required to be prepared and executed in order to implement the Proposed Transaction, including ancillary documents and applications for various regulatory approvals and consents ("**Transaction Documents**") and undertake such further acts on behalf of the Company which are necessary or desirable to give effect to the Subscription Agreement and Transaction Documents or to implement the Proposed Transaction;

As special resolutions

Resolution 4

That in accordance with section 348 of the Companies Act, the pre-emption right set out in section 338 of the Companies Act be and is hereby dis-applied in relation to the Company in respect of the allotment and issue of the New Shares to Delta International FZE pursuant to resolution (1) above, to the effect that the directors of the Company are hereby authorised to allot and issue the New Shares to Delta International FZE without first having to offer such shares to the existing shareholders of the Company;

Resolution 5

That the name of the Company be and is hereby changed from “Nairobi Business Ventures Limited” to “Nairobi Business Ventures Plc” with effect from the date set out in the Certificate of Change of Name issued in that regard by the Registrar of Companies.

As an ordinary resolution

Resolution 6

That the directors and the company secretary of the Company be and are hereby authorised to prepare and execute such documents and effect such filings as are required to give effect to the above resolutions.

BY ORDER OF THE BOARD

LAWRENCE KIBET

COMPANY SECRETARY

Date: 14th October 2020.

NOTE

1. Owing to the ongoing Coronavirus 2019 (COVID-19) pandemic and the related Public Health Regulations and directives passed by the Government restricting public gatherings, it is impossible, for the Company to hold a physical AGM in the manner envisaged under the Company’s Articles of Association and section 280 of the Companies Act 2015. On 29 April 2020, the High Court of Kenya in Miscellaneous Application No. E680 of 2020, issued an order permitting any company listed on the Nairobi Securities Exchange to convene and conduct a virtual general meeting subject to receipt of a ‘No Objection’ from the Capital Markets Authority (‘CMA’). Relying on this court order, NBV has convened and will conduct its virtual annual general meeting following receipt of a No Objection from the CMA.
2. Shareholders wishing to participate in the meeting should register for the AGM by dialling *483*903# on their mobile telephone and follow the various prompts on the registration process.
3. To complete the registration process, shareholders will need to provide their National ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: (+254) 709 170 000 from 9:00 a.m. to 3:00 p.m. from Monday to Friday. Shareholders outside Kenya should dial the helpline number for assistance during registration.

4. Registration for the AGM opens on 15th October 2020 at 9:00 am and will close on 4th November 2020 at 5.00pm. Shareholders will not be able to register after this time.
5. The following documents may be viewed on the following website www.image.co.ke (a) a copy of this Notice and the proxy form; (b) the Company's Annual Report & Audited financial statements for the year ended 31st March 2018; (c) the Shareholders Circular; (d) a copy of the High Court Order in Miscellaneous Application No. E680 of 2020; and (e) a copy of the No Objection issued by the CMA.
6. Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.
7. A proxy form is provided with the Annual Report. The proxy form can also be obtained from Image Registrars's website www.image.co.ke or from their offices at Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street, P. O. Box 9287 – 00100, Nairobi, Kenya. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the proxy form to Image Registrars Limited, or alternatively to the Registered Office of the Company so as to arrive not later than 10.00 a.m. on 4th November 2020.
8. Duly signed proxy forms may also be emailed to info@image.co.ke in PDF format. A proxy form 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 Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
9. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so on or before 4th November 2020 at 2:30 pm by: (a) sending their written questions by email to info@image.co.ke; or (b) to the extent possible, physically delivering or posting their written questions with a return physical, postal or email address to Image Registrars Ltd P.O. Box 9287-00100, Nairobi, or to Image Registrars offices at the address above. Shareholders must provide their full details (full names, National ID/Passport Number/CDSC Account Number) when submitting their questions or clarifications.

The Company's directors will provide written responses to the questions received to the return physical, postal or email address provided by the Shareholder no later than 12 hours before the start of the AGM. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 12 hours before the start of the AGM.

10. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, as a reminder that the AGM will begin in an hours' time and providing a link to the live stream.
11. Shareholders and proxies who have registered to attend the AGM may follow the proceedings using the live stream platform, access the agenda and vote (when prompted by the chairman) via

the USSD prompts.

12. Results of the resolutions voted on will be published on Image Registrars' website i.e. www.image.co.ke within 24 hours following conclusion of the AGM.

Shareholders will be notified on any updates relating to the AGM owing to the changing situation arising from the COVID-19 pandemic. We appreciate the understanding of our shareholders as we navigate the evolving business conditions posed by COVID-19.

Proxy Form

**The Company Secretary,
Nairobi Business Ventures Limited,
P.O. Box 9287-00100,
Nairobi, Kenya**

I/WE _____

Of _____

Being a shareholder of **Nairobi Business Ventures Limited** hereby appoint the Chairman of the Meeting or (see notes 3 and 5) _____
(Name of proxy) in respect of my _____ (Number of shares).

Please indicate here if you are appointing more than one proxy _____ (see note 5) as my/our proxy to attend, represent and vote for me/us on my/our behalf at the General Meeting of the Company to be held electronically on 6th November 2020 at 10:00 am and at any adjournment thereof.

Signed this _____ day of _____ 2020

Signature(s)

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
To receive and adopt the audited financial statements for the years ended 31 March 2018, 31st March 2019 and 31st March 2020 together with the report of the Chairman, Directors and Auditors therein.			
In accordance with the Company's Articles of Association, Mr. Simon Sali Malonza retires by rotation and being eligible, offers himself for re-election			
In accordance with the Company's Articles of Association, Ms. Alice Mutitu retires by rotation and being eligible, offers herself for re-election.			
<p>In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors being members of the Board Audit Committee, be appointed individually to continue to serve as members of the said committee:</p> <ul style="list-style-type: none"> iv. Mr. Simon Sali Malonza v. Ms. Alice Mutitu vi. Mr. Kumar Harshad Sheth 			
To re-appoint Messrs Jesse & Associates as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Kenyan Companies Act, 2015 and to authorize the Directors to fix the Auditors' remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Kenyan Companies Act, 2015.			
<p>That the directors of the Company be and are hereby unconditionally authorised to: -</p> <ul style="list-style-type: none"> d) Split the nominal capital of the Company from Kshs. 50,000,000 divided into 50,000,000 shares of Kshs. 1 each, to Kshs. 50,000,000 divided into 100,000,000 ordinary shares of Kshs. 0.50 each, in accordance with section 405 of the Companies Act 2015; e) Allot and issue up to a maximum of 415,000,000 ordinary shares of KES 0.50 each in the Company ("New Shares") to Delta International FZE, subject to payment by Delta International FZE of the aggregate subscription price of KES 83 million (being KES 0.20 per New Share), on completion of the proposed investment in the Company by Delta International FZE ("Proposed Transaction") in accordance with the terms of the subscription agreement to be entered into between the Company and Delta International FZE setting 			

<p>out the terms and conditions of the Proposed Transaction ("Subscription Agreement"), such that Delta International FZE shall own 84% of the issued share capital of the Company, such New Shares to be credited as fully paid and to rank pari passu in all respects with the existing ordinary shares, in accordance with section 329 of the Companies Act 2015; and</p> <p>f) take any ancillary actions as may be required in connection with the allotment and issue of the New Shares, including:</p> <p>iii. increasing the nominal share capital of the Company by the creation of 400,000,000 new ordinary shares of a par value of KES 0.50 each and shall rank pari passu with and have rights equal to the existing ordinary shares of the Company; and</p> <p>iv. entering the particulars of Delta International FZE into the register of members of the Company following the issue of the New Shares to Delta International FZE,</p> <p>Noting that upon issue of the New Shares, Delta International FZE shall be entitled to 84% of the voting rights in the Company, including the right to participate in full in all dividends and other distributions and rights declared, made or paid after the Completion Date in accordance with the terms of this Agreement.</p> <p>The authority given under this resolution shall expire, unless renewed, varied or revoked by the Company, on the earlier of the completion of the Proposed Transaction and the close of business on the fifth anniversary of the date of these resolutions;</p>			
<p>That the Proposed Transaction between the Company and Delta International FZE be and is hereby approved in accordance with the terms of the Subscription Agreement, the Transaction Documents (as defined in resolution (3) below) and applicable law and that further the entry by the Company into the Subscription Agreement with Delta International FZE, be and is hereby approved and ratified and the Company be authorized to perform its obligations thereunder</p>			
<p>That the Board of Directors of the Company be and is hereby authorised to prepare, amend, execute, deliver and implement, in addition to the Subscription Agreement, any other or further ancillary or</p>			

<p>administrative agreements and / or documents which will be required to be prepared and executed in order to implement the Proposed Transaction, including ancillary documents and applications for various regulatory approvals and consents ("Transaction Documents") and undertake such further acts on behalf of the Company which are necessary or desirable to give effect to the Subscription Agreement and Transaction Documents or to implement the Proposed Transaction;</p>			
<p>That in accordance with section 348 of the Companies Act, the pre-emption right set out in section 338 of the Companies Act be and is hereby dis-applied in relation to the Company in respect of the allotment and issue of the New Shares to Delta International FZE pursuant to resolution (1) above, to the effect that the directors of the Company are hereby authorised to allot and issue the New Shares to Delta International FZE without first having to offer such shares to the existing shareholders of the Company;</p>			
<p>That the name of the Company be and is hereby changed from "Nairobi Business Ventures Limited" to "Nairobi Business Ventures Plc" with effect from the date set out in the Certificate of Change of Name issued in that regard by the Registrar of Companies.</p>			
<p>That the directors and the company secretary of the Company be and are hereby authorised to prepare and execute such documents and effect such filings as are required to give effect to the above resolutions.</p>			

ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in BLOCK CAPITALS

Full name of

Proxy(s): _____

Address:

Mobile Number

Date: _____

Signature: _____

Please tick **ONE** of the boxes below and return to Image Registrars at P.O. Box 9287- 00100 Nairobi,5th floor, Absa Towers (formerly Barclays Plaza), Loita Street:

Approval of Registration

I/WE approve to register to participate in the virtual General Meeting to be held on 6th November 2020.

Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the GM.

Notes:

1. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM 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 AGM, the appointed proxy will need access to a mobile telephone.
2. This proxy must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be under the hand of an officer or duly authorized attorney of such body corporate.
3. To be valid the form of proxy should be completed, signed and delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to info@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than 4th November 2020 at 10.00 a.m.
4. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than 4th November, 2020 at 10.00 am. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 5th November, 2020 to allow time to address any issues.

5. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
6. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

A "vote withheld" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.