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

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If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker, lawyer, accountant or other independent financial, tax, legal or other adviser.

If you have recently sold or transferred any of the Notes issued to you by Real People Kenya Limited, please forward this document, together with any accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Notes.



**REAL PEOPLE KENYA LIMITED**

(Incorporated in Kenya under the Companies Act, 2015 with registered number C.3/2015)  
(the **Issuer** or the **Company**)

**NOTICE OF MEETING**

of the holders of the

KES 390,930,000 floating rate Senior Unsecured Notes due on 28 February 2025 comprised in  
Series 001

(the **Noteholders** and the **Notes** respectively)

issued pursuant to the KES 5,000,000,000 medium term note program

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**BACKGROUND**

In August 2015 Real People Kenya Limited issued a 3-year and 5-year medium term note. A downturn in operational performance from deterioration in trading conditions and a decline in collections from SMEs (hit by harsh economic conditions in that period) to whom the Company had issued loans increasing NPLs, resulted in the need to restructure the aforementioned notes as the Company went into distress. A turnaround Board of Directors was appointed to oversee the business in 2018 with a mandate to realise the operational and structural concerns within the Company in an effort to attract a suitable investor to ensure complete turnaround and sustainable growth. Since then, the Noteholders have demonstrated commendable patience and support to the turnaround Board through a series of extraordinary resolutions passed at duly constituted meetings held on 3 August 2018; 10 December 2018; 1 August 2019; 28 February 2020, 29 January 2021, and 29 June 2021, 21 December 2021, 24 February 2023; 14 July 2023; 30 September 2023, 31 May 2024 and 8 August 2025. These resolutions granted multiple

extensions and restructurings of the outstanding Notes to enable the Company to recover and reposition itself for long-term viability.

Following the extraordinary resolutions passed on 31 May 2024, the Company has successfully completed the Management Buyout and made payments to Noteholders totalling Kes 12,000,000/=-, reducing the outstanding debt from Kes 459,032,612.20 to Kes 447,032,612.20. Concurrently, Management has been actively engaging with prospective investors to secure capital—both debt and equity—to stabilize and grow the business for sustainable operations.

### **Company transformation and performance**

Under the leadership of the turnaround Board and Management team, significant strides have been made to restore investor confidence and business viability, making the Company investor ready. Key achievements include:

1. **Product Diversification:** Rollout of new secured lending products including Asset Finance, Logbook Financing, Insurance Premium Financing (IPF), and mobile lending via the Real Pesa platform.
2. **Strategic Focus:** Transition to focus exclusively on secured lending, moving away from the previous unsecured lending model that contributed to the Company's distress.
3. **Pricing Realignment:** Increased lending rates in line with the microfinance sector benchmarks. Though we remain among the most affordable, this adjustment has helped mitigate the decline in revenue despite the reduction in the loan book.
4. **Operational Efficiency:** Comprehensive cost management has resulted in annual operating costs dropping dramatically from a high of Kes 397,000,000 in 2018, excluding finance costs (Kes 221,000,000 in 2018), to Kes 112,000,000 in 2024. This has been achieved while maintaining a stable core of key staff, 50% of whom have tenure at RPKL in excess of 10 years (67% have served for more than 5 years).
5. **Financial Improvement:** Since the takeover by the new board (turnaround board), the 2024 financial year has been the best performance of the Company, with substantial reduction in net losses moving from a loss of Kes 371,000,000 in March 2018 to a reduced loss of Kes 19,000,000 in 2024—marking the Company's best financial performance since inception.

These comprehensive reforms have positioned the Company as investor ready. However, further progress hinges on addressing the capital structure challenges outlined below.

### **Investor concerns and strategic imperative**

There has been productive engagement with potential investors who are able and willing to invest in the Company. However, serious prospective investors have confirmed interest in injecting capital into the Company but raise two critical concerns that must be addressed before such investments can proceed:

1. **Debt Overhang:** The outstanding debt to the Noteholders which is more than the current gross loan book.

2. **Negative Equity Position:** Negative equity position resulting from past cumulative losses mainly from the period April 2016 – November 2018 which reported cumulative loss of Kes 1,039,000,000.

Our analysis shows that the option of shutting off all new business growth and running down the book gradually (“Runoff Strategy”) is expected to have a severely lower financial return to the Noteholders than the option of continuing business but with a materially different capital structure, which includes the raising of fresh capital i.e. equity or debt. Current estimates suggest that a runoff would yield gross recoveries below 25 cents per shilling—further reduced to under 15 cents after legal and administrative expenses, representing a substantial loss to Noteholders compared to the proposed settlement.

### **Proposal for final settlement**

To unlock the next phase of growth and allow the Company to secure critical funding, options on the way forward include the Noteholders agreeing to either convert the debt to equity or agreeing to a final settlement figure based on the current financial analysis.

This proposed final settlement explicitly replaces and discontinues all other previously agreed repayment terms. This will enable the Company to address key investor concerns as highlighted above and secure the necessary funding for growth and achieve sustainable profitability.

The Board therefore proposes a full and final settlement of Kes 100,000,000 (One Hundred Million Kenya Shillings) to the Noteholders in lieu of the current outstanding balance of Kes 447,032,612.20.

Additionally, the Company has an outstanding tax refund claim with the Kenya Revenue Authority amounting to Kes 215,528,359.00 for overpaid taxes from the years 2014 to 2017. This claim was approved by the KRA compliance team following a comprehensive assessment exercise and subsequently forwarded to the KRA audit team for final approval. While the timing of any potential payment remains uncertain, and there is a possibility that KRA may require the Company to offset the refund against future tax obligations rather than making a direct payment, this represents a potential additional source of recovery. Should this refund be received, the Company proposes that 75% be distributed to Noteholders as additional recovery, with the remaining 25% retained as an incentive fund to attract potential investors and support growth initiatives.

This proposal represents the optimal compromise between:

- Maximizing Noteholder recovery in a feasible and timely manner; and
- Creating a financially viable structure that attracts new investment and secures the long-term sustainability of the Company; and
- Offering an estimated recovery of approximately 22.4 cents to the shilling compared to the substantially lower recovery under a runoff scenario.

The Board believes this proposal is both fair and strategically viable, offering Noteholders a substantial and time-bound recovery while enabling the business to move forward with confidence. Accepting this settlement now offers a superior return to Noteholders compared to drawn-out operational wind-downs and legal processes and will bring finality to the long-standing resolution process.

## **Recommendation**

The Directors of the Company believe that all the proposals to be considered at the Meeting are in the best interest of the Company, its Noteholders, and all stakeholders and are intended to promote the success of the Company. The Directors therefore encourage the Noteholders to vote in favour of the resolutions.

## **Documents Available for Inspection**

Copies of the Trust Deed, the Agency Agreement and the Information Memorandum are available for inspection during normal business hours on any weekday (Saturdays, Sundays, bank and other public holidays excepted) at the specified office of the Issuer, being at the date hereof Lavington Court Apartments, A6, Muthangari Drive Off Waiyaki Way Westlands, P.O Box 27153 - 00100, Nairobi, Kenya, and at the specified office of the Trustee, and copies of such documents will be available at the Meeting.

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## **NOTICE OF MEETING**

**NOTICE IS HEREBY GIVEN** that a Meeting of the Noteholders convened by the Issuer will be held both **Physically (Company offices) and Virtually on 26 August 2025 at 10:00 a.m.**

At the Meeting of Noteholders held on 8 August 2025, Resolutions 1, 3, and 4 were duly passed. However, upon the request and approval of the Noteholders, Resolution 2 (relating to the final settlement arrangement) was suspended for further consideration.

This Meeting is therefore convened for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as Extraordinary Resolutions in accordance with the provisions of the Trust Deed dated 25 June 2015 (the **Trust Deed**) made between the Issuer and MTC Trust and Corporate Services Limited, as the trustee (the **Trustee**) as amended and constituting the Notes.

Capitalised or other terms used but not defined in this Notice shall, unless the context otherwise requires, have the meanings set out in the Information Memorandum dated 25 June 2015 and as read with the Pricing Supplement dated 3 August 2015 and the Trust Deed. All references to "**Meeting**" shall, unless the context otherwise requires, also mean any adjourned Meeting.

## **EXTRAORDINARY RESOLUTIONS**

### **Resolution 1: THAT:**

The Noteholders consent to the Meeting being convened at a shorter notice than the 21 days' clear day notice required under regulation 4 of Schedule 2 (Regulations for Meetings of Noteholders) of the Trust Deed.

### **Resolution 2: THAT:**

The Noteholders approve the following final settlement arrangement which shall supersede all previous repayment terms agreed upon:

- (a) The the Company shall pay a final settlement amount of **Kes 100,000,000** (One Hundred Million Kenya Shillings) in full and final settlement of all outstanding Notes, accrued interest, and any other obligations under the Notes.
- (b) The said settlement amount shall be paid in four tranches as follows:
- (i) First payment of **Kes 25,000,000** (Twenty-Five Million Kenya Shillings) to be paid on or before 30<sup>th</sup> November 2025; and
  - (ii) Second payment of **Kes 25,000,000** (Twenty-Five Million Kenya Shillings) to be paid on or before 31<sup>st</sup> March 2026; and
  - (iii) Third payment of **Kes 25,000,000** (Twenty-Five Million Kenya Shillings) to be paid on or before 30<sup>th</sup> June 2026; and
  - (iv) Final payment of **Kes 25,000,000** (Twenty-Five Million Kenya Shillings) to be paid on or before 30<sup>th</sup> September 2026.
- (c) Upon completion of the final payment, all obligations of the Company under the Notes as noted in the Trust Deed shall be deemed fully satisfied and discharged.
- (d) The Noteholders waive any claims to the remaining balance of Kes 347,032,612.20.

**Resolution 3: THAT:**

The Noteholders approve the following arrangement regarding the potential tax refund from the Kenya Revenue Authority:

- (a) In the event that the Company receives payment of the tax refund claim of Kes 215,528,359.00 (or any portion thereof) currently under review by the Kenya Revenue Authority audit team for overpaid taxes from the years 2014 to 2017, the Company shall distribute such received amount as follows:
- i. First, seventy-five percent (75%) of all amounts received from the tax refund (whether received as a lump sum or in installments) shall be paid to the Noteholders as an additional recovery on their investment, to be distributed pro rata based on their respective holdings, until the full 75% entitlement has been paid to the Noteholders; and
  - ii. Only after the full 75% entitlement to the Noteholders under sub-paragraph (i) above has been completely satisfied, shall the Company retain any subsequent receipts from the tax refund as an incentive fund to attract potential investors and support the Company's growth initiatives.
- (b) Where the Kenya Revenue Authority settles the tax refund claim in installments, each instalment received by the Company shall be allocated entirely to the Noteholders (pro rata based on their respective holdings) until the full 75% entitlement has been satisfied.
- (c) The Company shall provide written notice to the Noteholders within thirty (30) days of receiving any payment from the Kenya Revenue Authority in respect of the aforementioned tax claim.

(d) Any distribution to Noteholders under this resolution shall be made within sixty (60) days of the Company's receipt of the tax refund payment.

**Resolution 4: THAT:**

The Trustee be authorized to concur to the modifications referred to in these Extraordinary Resolutions and do all acts and things and execute all documents, notices, forms, instruments, consents or agreements, amendments to the Trust Deed, the pricing supplement, and the Conditions required to give effect to these Extraordinary Resolutions on such terms and conditions as the Trustee may in its discretion decide.

**Entitlement to attend and vote**

Only those Noteholders registered in the Company's register of Noteholders at:

- 5.00 pm on 22 August 2025; or,
- if this meeting is adjourned, at 6.00 pm two days prior to the adjourned meeting date,

shall be entitled to attend, speak and vote at the Meeting. Changes to the register of Noteholders after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

**General**

The attention of Noteholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "Voting and Quorum" below. Having regard to such requirements, Noteholders are strongly urged to attend the Meeting or take steps to be represented at the Meeting, as referred to below, as soon as possible.

**Appointment of proxies**

A Noteholder may by instrument in the English language in the form annexed to this notice (a "**form of proxy**") and signed by the Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by its duly authorised officers, and delivered to the specified office of the Trustee at least 48 hours before the time fixed for the Meeting, appoint any person (a "**proxy**") to act on his or its behalf in connection with the Meeting.

A proxy so appointed, so long as such appointment remains in force, shall be deemed, for all purposes in connection with the Meeting, to be the holder of the Notes to which such appointment relates, and the Noteholder shall be deemed for such purposes not to be the holder.

Any forms of proxy submitted may not be revoked during the period starting 48 hours before the time fixed for the Meeting and ending at the conclusion of such Meeting.

**Voting and Quorum Requirements**

The relevant provisions governing the convening and holding of the Meeting are set out in Schedule 2 to the Trust Deed, copies of which are available for inspection as referred to above.

Extraordinary Resolutions may only be considered at the Meeting if the Meeting is quorate. The Meeting will be quorate if two or more persons being entitled to vote (whether as a Noteholder or as proxy) are present at the Meeting who hold or represent the requisite principal amount of

outstanding Notes for the quorum requirement (as set out below across from “**Original Meeting**”). If the Meeting is not quorate, it will be adjourned to a later time and date. When the Meeting resumes following adjournment, the Trust Deed makes provision for a lower quorum requirement (as set out below across from “**Adjourned Meeting**”).

No business (except choosing a chairman) shall be transacted at the Meeting unless a quorum is present at the commencement of business. If a quorum is not present within 30 minutes from the time initially fixed for the Meeting, it shall be adjourned until such date not less than 14 days nor more than 42 days later, and time and place as the chairman may decide. At the Adjourned Meeting, the Adjourned Meeting the quorum requirements are set out below.

The quorum requirements are as follows:

Original Meeting	<p>(i) Where it is proposed to reduce or cancel the principal amount outstanding, waive accrued interest, change the maturity date or the dates on which interest is payable, two or more Noteholders representing not less than <math>\frac{3}{4}</math> (three quarters) of the principal amount of the Notes for the time being outstanding.</p> <p>(ii) Where it is proposed to exchange or substitute the Notes for notes or other obligations of the Issuer, two or more Noteholders representing not less than <math>\frac{1}{2}</math> (one half) of the principal amount of the Notes for the time being outstanding.</p>
Adjourned Meeting	<p>(i) Where it is proposed to reduce or cancel the principal amount outstanding, waive accrued interest, change the maturity date or the dates on which interest is payable, two or more Noteholders representing not less than <math>\frac{3}{4}</math> (three quarters) of the principal amount of the Notes for the time being outstanding.</p> <p>(ii) Where it is proposed to exchange or substitute the Notes for notes or other obligations of the Issuer, two or more Noteholders shall form quorum.</p>

### Voting and Representation

Each question submitted to the Meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by chairman or any Noteholder or his proxy or duly authorised representative.

A poll shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The results of the poll shall be deemed to be the resolution of the Meeting as at the date it was taken. A demand for a poll shall not prevent the Meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of the chairman or on a question of adjournment shall be taken at once.

At the Meeting, every person who is so present shall have one vote in respect of KES 1,000,000 in principal amount of each Note so held or owned or in respect of which he is a proxy or representative.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no notice in writing of such death, insanity or revocation shall have been given to the Trustee before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

In case of equality of votes the chairman of the Meeting shall have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder, proxy or representative.

#### **Voting Majority Requirements**

For the Extraordinary Resolutions to be duly passed, it must be passed at a meeting of the Noteholders duly convened and quorate (as set out above) and held in accordance with the provisions of Schedule 2 of the Trust Deed by the affirmative vote of holders of outstanding Notes present in person or represented by proxy, sub-proxy or representative owning in the aggregate not less than  $\frac{3}{4}$  (three quarters) in principal amount of the outstanding Notes owned by the Noteholders who are so present or represented at the Meeting.

#### **The Extraordinary Resolutions shall be binding**

If passed, the Extraordinary Resolutions will be binding upon all Noteholders, whether or not they were present or represented at the Meeting and whether or not they voted at the Meeting.

#### **Governing Law:**

This notice, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Kenyan law.

This Notice is given by the Issuer.

**20 August 2025**

Real People Kenya Limited  
Lavington Court Apartments, A6,  
Muthangari Drive Off Waiyaki Way, Westlands  
P.O Box 27153 -00100  
Nairobi, Kenya



## PROXY

### REAL PEOPLE KENYA LIMITED (COMPANY) NOTEHOLDERS MEETING

NAME OF NOTEHOLDER(S): \_\_\_\_\_

ADDRESS: \_\_\_\_\_

#### BEFORE COMPLETING THIS FORM, PLEASE READ THE EXPLANATORY NOTES BELOW

I/We, being a Noteholder appoint:

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

or failing him/her

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

or failing him/her, the chairman of the Meeting as my/our proxy to attend, speak and vote on my/our behalf at the Meeting of Noteholders to be held both **Physically (Company Offices) & Virtually at 10:00 am on 26 August 2025**, and at any adjournment of the Meeting.

I/We direct my/our proxy to vote on the following extraordinary resolutions as I/we have indicated by marking the appropriate box with an 'X' (see Note 6 below).

RESOLUTION	For	Against	Vote withheld	Discretionary
Resolution 1				
Resolution 2				
Resolution 3				
Resolution 4				

Signature	Date

#### NOTES:

1. To appoint a proxy using this form, the form must be:

- completed and signed and be submitted together with a copy of the national ID/ or Certificate of Incorporation of the Noteholder
- sent or delivered to the Trustee at MTC Trust & Corporate Services Limited, Delta Riverside, Block 4, Ground Floor, Riverside Drive P.O Box 1071 – 00200, Nairobi, Kenya; and

- received by the Trustee no later than **5 p.m. on 22 August 2025**. Advance copies of this proxy and the national ID/ or Certificate of Incorporation can be e-mailed to [info@mtc-trust.com](mailto:info@mtc-trust.com).

2. As a Noteholder you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at a Meeting of Noteholders. You can only appoint a proxy using the procedures set out in these notes. If the proxy is being appointed in relation to part of your holding only, please enter in the box next to the proxy's name the number of Notes in relation to which they are authorised to act as your proxy. If this box is left blank they will be authorised in respect of your full voting entitlement.
3. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

#### **APPOINTMENT**

4. A proxy does not need to be a Noteholder but must attend the Meeting to represent you. If you wish to appoint a proxy other than the chairman of the Meeting, insert their full name in the box. If you leave this space blank, the chairman of the Meeting will be appointed your proxy. Where you appoint as your proxy someone other than the chairman, you are responsible for ensuring that they attend the Meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the chairman and give them the relevant instructions directly.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of Noteholders in respect of the joint

holding (the first-named being the most senior).

#### **VOTING DIRECTIONS**

6. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting, including a motion to adjourn. If you do not mark any of the columns, then the proxy will vote at his/her discretion.

#### **MISCELLANEOUS**

7. In the case of a Noteholder which is a company, this proxy form must be executed either (i) under its common seal or (ii) signed on its behalf by an authorised officer of the company whose signature is duly attested to.
8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. For details of how to change your proxy instructions or revoke your proxy appointment, see the notes to the notice of Meeting.
9. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.