


CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUES OF SECURITIES TO THE PUBLIC

TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015

<p>Company Name (in full) KENYA AIRWAY PLC</p> <p>Reviewer's Name</p> <p>Stock Code</p> <p>Sector</p> <p>Year - 2017</p> <p>Date of Financial Year End 31ST MARCH</p> <p><i>Chairman Signature</i> </p> <p><i>CEO Signature</i></p> <p><i>Company Secretary Signature</i></p>	<p align="center">Company Details to be Provided:</p> <p>Company market to book ratio at end of financial year</p> <p>No of outstanding shares at end of financial year</p> <p>Closing price of stock at end of financial year</p> <p>Net sales as per Income Statement at end of financial year</p> <p>Net profit as per Income Statement at end of financial year</p> <p>Total debt (short and long term) as per Balance Sheet at end of financial year</p> <p>Total equity as per Balance Sheet at end of financial year</p> <p>Total no. of Board members at end of financial year 9</p> <p>No. of independent directors at end of financial year 4</p> <p>No. of non-executive directors at end of financial year 8</p>
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THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015
KENYA AIRWAY PLC

	Mandatory	Stock Code	Part	Question	Kenya Code Reference
No. or apply or explain					

Application -
FA, PA or NA

Application or Explanation e Note' 44 Soul c e of In for mation See Notes 1.

1		A AI	<p>INTRODUCTION Has the company developed and published a Board Charter which periodically reviewed and which out the gear responsibility for control?</p>	1.12, 2.6.2, 6.3.2		<p>ThéChv9'tet been publislied, (t is reviewed 'avJyyevlewed on 0th 2017. Sections and fi,9 01 the Charter sets out the for int" (171</p>	<p>The Companies Website, Board Minutes,</p>
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2		DC the Beard Charter or company documents distinguish responsibilities of the board from management in line with code requirements?	1.12, 23.1, 2.62		The responsibilities for the UO3'd and those for Management are clearly defined in the Board Charter, Section 4 of the Board Charter	The Board Charter
		Is there a statement in the application of cc and the company? [n dicatina the for of corporate eevrgrnce policies and the	1.1.6		This is set out in the 'eard tharter at Sections 3.12(b) and 4.1. This responsibility is also set out in the Annual Report.	The Board Charter, the Annual Report.
	M	Flow has the ensured directors, CEOS and management are fully aware Of the Of this COdQ?	1.106		The Code has been posted on the Website the Company and Management and the eoard have been notified of its provisicry and trained or, it_	Website. Training Programme
		Do eernpany documents indicate the role of the geard in developing arid the strategy?	part II - Overview,		provided for in the Board Charter Section 41.	Board Charter

6	A or E	A.6	Does the company strategy promote sustainability of the company?	2.3.6	FA	The Capital restructuring plan and the 5 years strategic plan are geared towards sustainability of the Company. The Company has very deliberate CSR activities and the carbon emissions policy	The capital restructuring plan, Strategic Plan, Website
7	M	A.7	Are all board committees governed by a written charter/terms of reference, disclosing its mandate, authority, duties, composition, leadership and working processes?	2.2.2	FA	All Board Committees have Terms of reference approved by the Board, and which are an Appendix to the Board Charter. The Committee membership is reviewed annually by the Board following Board rotation. The Board Charter sets out how Committees operate under Section 5.0	The Board Charter, Committee Terms of Reference, Board Minutes, Carbon emissions policy.
B			BOARD OPERATIONS and CONTROL				
8	M	B.1	Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?	2.1.2, 2.2.2	FA	There is a Nominations Committee. All members except the CEO are independent and non executive Board members. That is, three out of four members.	Board Minutes, Committee Minutes.
9	M	B.2	Is the chairperson of the Nomination Committee an independent director?	2.2.3	FA	The Chairperson of the Committee is independent Mr. Michael Joseph	Board Minutes, Committee Minutes.
10	M	B.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	2.1.1, 2.1.7	FA	The Board appointment Procedure was formally approved by the board and has been posted on the Company's website.	Company's website, Board minutes
11	M	B.4	Is the Board size adequate for the exercise of the company business?	2.1.4	FA	The Board is currently composed of 9 members, with two vacancies. This is an appropriate size as agreed by Shareholders in the Articles of Association.	The Articles of Association.
12	A or E	B.5	Has the board adopted a policy to ensure the achievement of diversity (including age, race and gender) in its composition?	2.1.2, 2.1.3, 2.1.5, 2.5.1	FA	The Board has adopted the Board Diversity Policy which is on the Company's website	Website
13	M	B.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable the discharge of their duties?	2.2.1	FA	The Board is diverse and has reviewed its skills in line with the skills matrix of the Board. The Corporate Governance and Nominations Committee reviews annually the skills required on the Board in line with the Board appointment procedures.	The Board's skills matrix, Board Appointment Procedures on the Website.

14	Nit		Has the board adopted and applied a 'k', the number of board positions each board member may time?			The board applied the principles in the GNU; Board members declare how many they are on for compliance. In addition, prior to appointment, the Corporate Governance and Nominations Committee is required to consider the number of positions that are held.	Board appointment procedures in annual returns
15		4.8	Alternate Board members been appointed? have the Alternate Director/5 been appointed according to regulation and Code	2.1.6, 2.1.7		There are two alternates who have been appointed with the Articles of Association and the Code. The board formally approves the appointment, recommended by the Corporate Governance and Nominations	Board Minutes
16			Are independent directors one-third of the total number of Board members?	2.1.3, 2.4.1		There are currently four independent directors out of the total number of 5 board members.	Board Minutes
	A or E	3, 10	Does the company have policies and procedures for the independence of independent Board members?	2.1.6		The board has approved a code of independence which forms part of the Board Charter.	Board Minutes, Appendix 5 at Independence
18			Do all independent Board members have a tenure of less than three years?			All independent directors serve for a term of three years in accordance with the Board Charter and the Charter Sec. 2.11. This is provided under the Company's Articles of Association. All Board members are appointed for a term of three years which but none go beyond three years.	Board rotation schedule, Board Charter, Board Minutes and Articles of Association, Board appointment letters.
13	M	g.12	Is the Board comprised of a majority of independent directors?			One Board member is executive currently (the substantive Finance Director position is a Board position) and when fully constituted, the majority of two, are independent.	Minutes

20			How does the Board ensure a smooth transition of Board members?	1.8		The Board has a rotation schedule which is updated after the Board has discussed succession planning under the charter Section 3.11. Board members are appointed for terms of three years.	Board rotation schedule. Board appointment letters.	Board
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	M		Has the Board established an effective Audit Committee according to Code requirements?	22.4, 68.1, 2.17		The Board has established an Audit Committee chaired by an independent Director, member of the Board with financial with membership to professional body good standing. The Board has however sought guidance from the Authority on the composition of the Audit Committee, given the level of investment by the Board in the company will comply with whatever decision the CMA makes. This is done with a period of six months.	Committee composition, Board Minutes
			What are the functions of the Chairperson and the Chief Executive?			The Chairperson is Mr. Sebastian Mikoski and the Chief Executive is Mr. Michael Joseph.	Board Minutes
23			Is the Chairman of the Board a non-executive member?	2.3,4		Yes, Michael Joseph is a non-executive member.	Chairman's letter of appointment,
24	Aar 2	e.17	Does the Board have procedures to allow its members access to relevant, accurate and complete information and professional advice?			The Board has procedures to allow its members access to relevant, accurate and complete information and professional advice. The Board gives approval when professional advice is to be sought in a case at the restructuring plan.	minutes
	M	gv1E	Has the Board adopted a policy on managing conflicts of interest?			The Board has approved a Code of Business Conduct and Ethics. In addition, this is provided for under the Board Charter at sections 5.6 and 5.10, Board members are required to disclose any conflicts of interest at every Board meeting.	The Code of Business Conduct and Ethics, the Board Charter. Conflict of interest Register Board Minutes

		g.19	Has the a on party to protect the interests of the cam party and all its Shareholders and which meets th requirements Of the Code?			The guard has adapted a canflct of interest oolig•, all related party transgctic.ng are at arms length arul a e'aborate disclosures are made the the financial statgments.	Conflict af interest pcliev•v Cade of Business Conduct and Annual financial Statements Eth i"
27	M	a.20	Has the company gppointed a qualified and competent company secretary is a member in standing of		FA	The Company Secretary is Member of stand] n	The ICpSK f2COfdS and webs-it2

			Has the *dopted policies and processes to ensure oversight Of sustaAnabiliW' environmental and sooet risks ane ISSU2S?			The has acpted and procedures on ESQ and ensures it polities sustainability. This is the kea,' feaS0ti the Board has embarked Ori the capital restructuring plan, The Board has fed thét the Ccjniplan•r' understaked CSR pa'icies geared Sustaina bitty and in particular' its carbon footprint.	Company website, Board minutes, Annual report.
			Has the an its activities*	2.3.2, 2.3.6			
	M	g .22	annual work-plan to guid>			Annual Workglgrr in Board Evalugtion is conducted covers the goard, the Chairman, the CEO, indivduai Bosrd members, Committees and the Company Secretary	aaard workplan, 80ard Evaluation reports
		gag	Has the Board determined, agreed on its annual evaluation process undertaken the evaluation or the performance 01 the Board. the Beard cornrnlttees, the CEO and the cornpzn',• secretary?		r-A		
21	A or		Has the board estab'ished and a formal undu:tian for members?	2.7.L		A fCfmaF induction polity is in and the same is set out under the Baard Chatter at	Board induction Board Charter
22	Aor É	3.25	00 goard members in Or'l-goiriE COrpørrete Eovernan.ce training the extent ot 12 hours per year			This is part the Gourd members u rdprake the tra itine- Thi is provided the 303rd Charter at Section 3.8. the gcard had fur development including industry matters and Corporate Governance, tr. 2017, the Board has had one full dav already and two other full days are scheculed,	Board Charler, Board workplan end retreat reports.
		4.26	Has the set an independent Hemuneration Committee or assigned to another Boa rd committee the esponsibility for determine; af remuneration of directors?			The is assigned to the and Nom[nations Committee of the Board for Board and a HR Committee far Management.	Terns al Reference Of the to mm ittees.

34	M	Has the Board established and formal grad transparent remuneration policies and procedures that attract and retain Board members?	2.g.1	There is in place a Board remuneration	Gear d remuneration policy
		HOW does the ensure with all applicable laws, regulations and including the Constitution and internal	2.10.1, m 10.2	The Board has established a Department charged with the responsibility of ensuring compliance with and the with compliance through reports to	Kia'S for the Legal department and job for the head of Board minutes

		[In the past has the Board organized legal and compliance audit (to be carried out on a periodic basis)?	2.103	At the commencement Project Safari we engaged legal due diligence of the Operative Documents of all our aircraft meet under operating leases finance leases. Every year we carry out a legal compliance audit on all our licences, Permits at Head Office and outstations	Project Safari documentation, documentation, Legal audit documentation, due to budgetary constraints, full legal audit covering all operations be carried out in the financial year 2018/2019
	e.30	Has the board subjected the company to annual audit?		The Board commissioned a Governance Assessment by the IFC, with the lead being a member of ICPSK	Governance assessment report
		RIGHTS SHAREHOLDERS Does the framework recognize the need equitably treat shareholders, including the minority and foreign shareholders?	Overview, 321	All shareholders are treated and given an opportunity to exercise their rights particularly during the AGM. All shareholders are also given the required information the website and through investor briefing sessions and when requested, The Company also publishes its results so that the shareholders can access these,	The Articles of Association, the Annual report. Annual General Minutes, rneccia brigls_

		Other than at the AGM, how the Board facilitate the effective exercise of shareholders' rights?	3.11		All shareholders receive information on the performance of the Company during Investor Briefings. release of half yearly end yearly results, reports and accounts, Annual Meetings are issued as required and oriented in the diary *fell as being posted on the website, shareholders are facilitated to the venue, they have a secure method of transfer of ownership. have a right to vote it include through proxies, ask questions at the receive on the company performance in the annual report.	Annual report, websites, investor briefings, agm proxy forms minutes,
		Does the Board facilitate shareholders participation at	11.1		ASV Notices are sent in time, Venue selection makes it for majority of shareholders attend. The Board provides for access to the and questions from shareholders present among others	ACM planning.

	A or E	Are minority and foreign shareholders holding the same class of shares treated equitably?			The rights of the set out the of association and by The	Articles of Association
42		Is there evidence that the Board proactively provides information to shareholders and the media, (and in timely basis) on corporate affairs governance? STAKEHOLDER	3.1.1, 3.4.1		There are two investor briefings per	Media records
43		Does the Board have in its practice of corporate governance identified its various stakeholders? RELATIONS	4.11		The Board has identified its stakeholders considers the interests of stakeholders in decision making	Communications policy, Board Minutes.
44	A or E	Has the Board policies, procedures and manage relations with different/key stakeholder groups?	4.1.2, 4.1.3, 4.1.5, 4.2.1		There is in place a communications Policy for this purpose. The Board regularly engages its inclusivity stakeholders for in decision making	Communications
		How does the Board take account the interests of key stakeholder groups prior to making decisions?	4.1.4		By taking into factors in decision making, The Board is also guided by the principle of acting in the best interest of the company	Board Minutes

		HOW does the Board ensure effective communications with stakeholders?	4,2,		The that stakeholders have to relevant information the website. reports and through investor briefs	Websites Annual reports, Internal reports.
		a formal dispute resolution process to address			This is provided for in the Board Charter sections 4.3 The Board has facilitated consultations between stakeholders to ensure that disputes are resolved expeditiously. The HR 'dispute resolution' policy is in line with	Board Charter, Consultative meetings between OM and the with Governance, HR
48		Does the Board ensure that all deliberations, decisions and actions are founded on the values (Integrity, Accountability, Fairness and Transparency) underpinning good governance and sustainability?			The Board is aware of its duties in this regard and is guided by its Board Charter and the Code of Business and Ethics.	Board Minutes, Code of Business Conduct
49		Has the Board developed a Code of Ethics and Conduct (which includes sustainability): and has it worked to ensure its by directors, management and employees?	2.6.1, 5.2.2, s.2.4		There is in place a Code of Business Conduct and which is applicable to both the Board and Management. The code is including with an Ethics Committee	Code of Business Conduct and Ethics which has been published on the website-
		HOW does the Board ensure that compliance with the Ethics and Conduct is integrated into company operations?	5.2.3		The Audit and Risk Committee the implementation of the Code of Business Conduct and Ethics and reports to the Board.	Terms of Reference of the Committee, Board and Committee Minutes.

	Are there any opportunities in the risk	5.2.i		management framework	The Risk Management Framework
	How is the performance of ethics assessed, monitored and disclosed to internal and external stakeholders?	3.24, s 2 s		There is an ethics policy that complies with the Code of Business Conduct. It is disclosed in the Annual Report and to stakeholders, There is a whistleblowing policy in place	The Annual report
	Has the Board established and implemented a Whistle blowing			There is a whistleblowing policy in place, This was initially managed by Deloitte, but the Company is in the process of changing service provider	Whistleblowing policy. Minutes of the Audit and Risk Committee, Minutes of the Ethics

	A or E		Has the Board of management developed policies on corporate citizenship and sustainability strategies company use?			The board has legal compliance procedure, and the committee has developed guidelines on ethical conduct, the company has an elaborate and comprehensive approach to CSR. Includes firm investments in education, water health, There are targets for emissions management	Annual reports, CSR Projects, minutes of the Committee, Carbon emissions reports, legal compliance annual reports.
SS	M	2.8	Does the Board consider not only the financial performance but also the impact the company's operations on society and the environment?	5.3.2, 5.3.3		The board receives reports on societal and environmental performance and measures including carbon emissions. The Board has a policy on Health Safety and environment which is implemented. The Board also considers the broader impact on the countries where the airline fly to/ from	Board reports
			Does the annual End report leading to corporate citizenship and sustainability to demonstrate they are coordinated?			The Board receives reports on corporate shop	reports
		F	Does the Audit Committee and the Board and review the financial statements integrity of the process and for truthful and factual presentation?	5.1,		The Audit Committee oversees the Financial reporting and proposes the approval financial statements to the board	Terms of reference of the committee, board and Committee Minutes.
SG	M		Does the Annual Report contain statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?	6.1.2		Both statements Annual report are contained in [lie	report*

	A or E		Does the audit have process to ensure the independence and competence of the company's external auditors?			There is a policy in The audit risk committee oversees the performance of the external auditor and is with ensuring its independence.	Auditor rotation Minutes.
60	M		Do the shareholders formally appoint the ACM through formal and transparent process?			The Audit and risk Committee oversees the open tender for the recruitment of the auditor. Once satisfied, the Committee makes recommendation to the Board then the Board makes the recommendation to the shareholders	Board and Committee minutes as well as shareholder minutes..

61		is the Company working towards the introduction of integrated reporting financial and non-financial information or is the Group's Annual Report prepared on an integrated basis as the Integrated Reporting Council, The Global Reporting Initiative, GRI Sustainability Guidelines and/or Sustainability standards?	61.5		The Board has started this process and is gradually including more and more information in its annual report	Annual report.
		the risk framework which is inclusive of key risks as well as foreseeable (ESG, environmental and social risks and issues)?			this is done through the Audit and Risk Committee, There is in place a 'strong' Enterprise risk Management framework monitored the	Board and Committee
63	M	Has the Board established and re-viewed a regular basis the adequacy, integrity and management of internal control systems and Information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?	6.3.1, 6.3.2, 6.3.3		This is handled through the Audit and Risk Committee and is regular agenda item.	Audit and Risk Committee Minutes, Minutes.
64		Does the Board annual conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this shareholders			The Board conducts an annual review and include; a statement on the effectiveness of the controls in the annual report,	Audit and Risk Committee Minutes, Minutes
		Has the Board established an effective internal audit function according to Code requirements and reports directly to the Audit Committee			The internal audit function reports the Board through the Audit and Risk Committee	Structure. Audit and Risk Committee, Minutes,
66	A or E	Does the Board disclose details of: Audit Committee activities?			The Committee Terms of Reference are in the Board Charter which is on the Website. The Activities achievements for the year in the Annual report 11.	Board Charter. Annual report
	M	Does the company have policies and timely disclose material information as required by all laws, regulations, standards and this Code,	7.0 Overview, 7.1.1		The Board in appropriate policies and procedures for the disclosure of pertinent information and does so in a timely manner	Communications Policy. Public Notices Issued or briefing for users.
58		Does the Report cover, as a minimum, the disclosures as prescribed in 7.1.1 relating to the company's governance, Board the Audit committee?	7.1.1	FA	Yes, in the required disclosures *Under the Corporate Governance, the Board and the Audit Committee	Annual Report, Website
59		Does the Annual Report cover, as a minimum, the disclosures as prescribed in 7.1.1 relating to the company's mission, Vision and strategic objectives?	7.1.1	FA	Yes, covered under the Chairman's CEO statements	Annual Reports
70	A or E	Does the Annual Report cover, as a minimum, the disclosures as prescribed in 7.1.1 relating to remuneration and anti-whistleblowing?		FA	The Annual Report covers Remuneration report,	Annual Report, Website

		AS a rtiiriirni Lifi-i, does the Corpn-antp' website disc/cse current informatian on all areas prescribed in 7.1.1 Charter, Whistleblowing Pa'icy, Code EthicS arici informat On On resignation of director-5)?	7,1 1		The Corpanv's Wesitg has the ē.čard Charter, Whistieblowing PolCh,•, Code or gusiness Ethies anti info.•mation ort resignator. of director'	Website
		Coe; the goard diselcsc the management distussiori ana lysis as. r in 7,171 ?	? li-l	FA	This i' O"closed in the Audit" financ'al statemnt's the Annual report,	report, Financial statements
	Aure	the Board provided disc'owres as required in ?.1.1 on compliance laws, rewlatians standartis; ethicel Peedership, conflict Of corporate responsibiVtv ard citii en ship?	7,1.1		The Zoard has made the apprCyriate disc'asures iri the ArhrhLjal repart arid website	Annugl report,
		the Beard made require'd disc[c'sures, including confirrnine requirernents TI, 1 which include that gDvernance audit was carriedout and that are no known insider dea'inw?		FA	The grad has disclosed this inlbrrration in the Annual report, and the Financial statements.	řnrh•jal financial statements
	A er E	HIS board disclosed the company's risk management policy, company the nent policy, policy on information technology as per 7.1.1? žrazurement		FA	The risk rnanggerment are full•v di"losed- The po'ic;es an procurement and I are covered in the CEa•s rřcrt in the Anr.ual rep•t,	Annual reparti Annual financial statement.
		the Board disecsed information an shareho'dersv the kev including direct0f5 and and extent of 'heir Sharehclzines require:ii on Who performance 3 sustahabi'ilv?	7.1.1		informatipr. has been dischas in the Ar,nual report ano ta the ilator as uired.	An nual report, Regulatory reports
		G.II Has the Board	7.1.1t		The ha,5 in Financial statements	Staternenť
78	M	G_IZ Dogs Ehe include m its Resort a of po•tiy on good govomance Md the status of the appllcatic.n this Code?	1.1.3, 7.1.1r		The Annual Report statement cccrrgliance of this the	Anaua' eport

Note 1 The Reporting Template shall be used by companies to report on the [r] application of the provisions of the Corporate Governance Practices for Issuers or Securities to the public.

Note 2 Column 'F' should be marked as follows: 'FA' - Full Application, PA - Partially Applied

Note 3 Full explanation of how the Code provision is applied is required in column 'G' and shall include:

Note 4 If explanation is required because of non-application of any element of the Code, Capital Markets Authority and shall include:

Note 5 Reasons for non-application

Note 6 Time frame required to meet each application requirement

Note 7 The strategies to be put in place to progress to full application.

Note 8 3: t

Note 9 e:

Note 10 Appli•2d Of 'NA' •

Note 11 agpliQtiOri Cf thiS Code i' required the Code. Therefore anything less

Note 12 3 slav ā- supported by evidence ot how appVi:ation been achieved, Ir the provigion is NOT appljed,

Note 13 4the explanation satisfactory, providedci to relevant stekeholders includi11R the