



## NOTICE OF EXTRAORDINARY GENERAL MEETING OF

### KENYA AIRWAYS PLC

(incorporated in Kenya with registration number C.28/2005)

AND

## NOTICE OF PUBLICATION OF A CIRCULAR TO SHAREHOLDERS

**NOTICE** is hereby given that an Extraordinary General Meeting (the **EGM**) of the Company will be held at KQ Pride Centre, off Airport North Road, Embakasi, Nairobi on 7 August, 2017 at 10.00 a.m. for the purposes of considering and, if thought fit, passing the following resolution as a Special Resolution.

Pursuant to section 282 of the Companies Act (Act No. 17 of 2015), and the Articles of Association of the Company, the Circular to Shareholders dated 16<sup>th</sup> July 2017 will be available to Shareholders from the date hereof until the EGM on the Company's official website at [www.kenya-airways.com](http://www.kenya-airways.com)

The definitions contained in the Circular have the same meanings where used in this EGM Notice, unless the context requires otherwise.

### SPECIAL RESOLUTION

#### THAT:

1. the Articles of Association of the Company attached hereto (the **New Articles of Association**) be and are hereby approved and adopted with immediate effect as the Articles of Association of the Company in substitution for and to the exclusion of the Existing Articles of Association of the Company;
2. each Ordinary Share of KES 5.00 (five Shillings) each nominal value be subdivided into one Ordinary Share of KES 0.25 (twenty-five cents) each nominal value (together the **Interim Shares**, each an **Interim Share**), such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing Ordinary Shares of KES 5.00 (five Shillings) each nominal value, and (ii) subject to and contingent upon the passing of paragraph (3) below, nineteen (19) Deferred shares of KES 0.25 (twenty-five cents) each nominal value (**Deferred Shares**);
3. the Deferred Shares shall have attached thereto the rights and be subject to the restrictions as set out below:
  - 3.1 notwithstanding any other provisions of the New Articles of Association, a Deferred Share:
    - 3.1.1.1 does not entitle its holder to receive any dividend or other distribution;
    - 3.1.1.2 does not entitle its holder to receive a share certificate in respect of the relevant shareholding;
    - 3.1.1.3 does not entitle its holder to receive notice of, nor to attend, speak or vote at, any general meeting of the Company;
    - 3.1.1.4 entitles its holder on a return of capital on a winding up of the Company (but not otherwise) only to the repayment of the amount paid up or credited as paid up on that share and only after payment of the amounts entitled to be paid to holders of Ordinary Shares in the share capital of the Company and the further payment of KES 10,000,000 (ten million Shillings) on each such ordinary share;

- 3.1.1.5 does not entitle its holder to any further or other participation in the capital, profits or assets of the Company; and
- 3.1.1.6 shall not be capable of transfer at any time other than with the prior written consent of the Directors;
- 3.2 the Company may at its option and is irrevocably authorised at any time after the creation of the Deferred Shares to:
- 3.2.1 appoint any person to act on behalf of any or all holder(s) of a Deferred Share(s), without obtaining the sanction of the holder(s), to transfer any or all of such shares held by such holder(s) for nil consideration to any person appointed by the Directors and to execute for and on behalf of such holder(s) such documents as are necessary in connection with such transfer;
- 3.2.2 without obtaining the sanction of the holder(s), but subject to the Companies Act:
- (a) purchase any or all of the Deferred Shares then in issue and to appoint any person to act on behalf of all holders of Deferred Shares to transfer and to execute a contract of sale and a transfer of all the Deferred Shares to the Company for an aggregate consideration of KES 1.00 (one Shilling) payable to one of the holders of Deferred Shares to be selected by lot (who shall not be required to account to the holders of the other Deferred Shares in respect of such consideration); and
- (b) cancel any Deferred Share without making any payment to the holder.
- 3.3 any offer by the Company to purchase the Deferred Shares may be made by the Directors depositing at the registered office of the Company a notice addressed to such person as the Directors shall have nominated on behalf of a holder of the Deferred Shares; and
- 3.4 the rights attaching to the Deferred Shares shall not be, or be deemed to be, varied, abrogated or altered by:
- 3.4.1 the creation or issue of any shares ranking in priority to, or *pari passu* with, the Deferred Shares;
- 3.4.2 any amendment or variation of the rights of any other class of shares of the Company;
- 3.4.3 the Company reducing its share capital or share premium account;
- 3.4.4 the cancellation of any Deferred Share without any payment to the holder thereof; or
- 3.4.5 the redemption or purchase of any share, whether a Deferred Share or otherwise,
- the passing by the members of the Company or any class of members of any resolution, whether in connection with any of the foregoing or for any other purpose, and accordingly no consent thereto or sanction thereof by the holders of the Deferred Shares, or any of them, shall be required;
4. the Board be and is hereby unconditionally authorized for the purposes of Section 329 of the Companies Act and Regulation 2 of The Fourth Schedule of the Disclosure Regulations to exercise any power of the Company to issue and allot shares or grant rights to subscribe for or to convert any securities into the newly created shares for cash and, in respect of the KLM Initial Subscriptions (where relevant) and the Government Debt Restructuring, for non-cash consideration, up to a maximum nominal value of KES 7,500,000,000 (seven billion five hundred million Shillings) in connection with the Debt Restructurings, the KLM Subscriptions and the Employee Offer. The authority given by this paragraph (4) shall expire, unless renewed, varied or revoked by the Company, on the later of the completion of the Restructuring and the close of business on the first anniversary of the date hereof but, in each case, so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended;

5. the Board be given power pursuant to Section 347(1) of the Companies Act to allot equity securities (as defined in the Companies Act) for cash or non-cash consideration under the authority granted by such resolution as if Section 338(1) of the Companies Act did not apply to any such allotment, such power to be limited to the allotment of equity securities in connection with the Debt Restructurings, the KLM Subscriptions and Employee Offer pursuant to and subject to the authority granted under paragraph (4) above, such authority to expire unless renewed, varied or revoked by the Company, on the later of the completion of the Restructuring and the close of business on the first anniversary of the date hereof but, in each case, so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended;
6. subject to, conditional upon and with effect from completion of the Restructuring, four (4) Interim Shares be consolidated into one (1) Ordinary Share of KES 1.00 (one Shilling) each nominal value, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Ordinary Shares as set out in the New Articles of Association, provided that no shareholder shall be entitled to a fraction of a share and any fractions arising out of the consolidation pursuant to this paragraph (6) will be aggregated and the Directors are authorised to sell (or appoint any other person to sell), on behalf of the relevant shareholders, the whole number of such shares so arising and the net proceeds of sale will be distributed in due proportion (rounded down to the nearest cent) among those shareholders who would otherwise have been entitled to such fractional elements, save that any net proceeds of sale not exceeding KES 100.00 (one hundred Shillings) for any member may be retained by the Company. For the purpose of implementing the provisions of this paragraph (6), the Directors may nominate any person to execute transfers on behalf of any person entitled to any such fractions and may generally make all arrangements and do all acts and things which appear to the Directors to be necessary or appropriate for the settlement and/or disposal of such fractional entitlements;
7. in addition to paragraph (4) above, in accordance with Section 329 of the Companies Act and Regulation 2 of The Fourth Schedule of the Disclosure Regulations, the Board be and is hereby unconditionally authorized to issue and allot or grant rights to subscribe for or to convert any security up to a nominal value of KES 1,500,000,000 (one billion five hundred million Shillings) in connection with the Open Offer (**Open Offer Shares**), such authority to expire, unless renewed, varied or revoked by the Company, on the close of business on the first anniversary of the date hereof but so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended;
8. the offer of the Open Offer Shares be and is hereby approved and the Board be hereby authorized to fix the offer price and other terms and conditions of the Open Offer as it shall determine, in its discretion, and as the Company shall provide in the Open Offer Circular;
9. in addition to paragraph (4) and paragraph (7) above , in accordance with Section 329 of the Companies Act and Regulation 2 of The Fourth Schedule of the Disclosure Regulations, the Board be and is hereby unconditionally authorized to issue and allot or grant rights to subscribe for or to convert any security up to a nominal value of KES 3,500,000,000 (three billion five hundred million Shillings) in connection with the Additional KLM Subscriptions, such authority to expire, unless renewed, varied or revoked by the Company, on the later of the conclusion of the Company's annual general meeting to be held in respect of its financial year ending on 31 March 2018 and the close of business on 31 March 2019, but so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended;

10. in addition to paragraph (5) above, the Board be given power pursuant to Section 347(1) of the Companies Act to allot equity securities (as defined in the Companies Act) for cash or non-cash consideration under the authority granted by such resolution as if Section 338(1) of the Companies Act did not apply to any such allotment, such power to be limited to the allotment of equity securities in connection with the Additional KLM Subscriptions pursuant to and subject to the authority granted under paragraph (9) above, such authority to expire unless renewed, varied or revoked by the Company, on the later of the conclusion of the Company's annual general meeting to be held in respect of its financial year ending on 31 March 2018 and the close of business on 31 March 2019 but, in each case, so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended;
11. in addition to paragraph (4), paragraph (7) and paragraph (9) above, and subject to and conditional upon and with effect from the closing of the Open Offer, in accordance with Section 329 of the Companies Act and regulation 2 of Fourth Schedule of the Disclosure Regulations, the Board be and is hereby unconditionally authorized to exercise any power of the Company to allot shares and grant rights to subscribe for or convert securities in the Company up to a maximum nominal amount of KES 2,000,000,000 (two billion Shillings), such authority to expire, unless renewed, varied or revoked by the Company, on the later of the conclusion of the Company's annual general meeting to be held in respect of its financial year ending on 31 March 2018 and the close of business on 31 March 2019 but, in each case, so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended;
12. in addition to paragraph (5) and paragraph (10), the Board be and is hereby given power pursuant to Section 347(1) of the Companies Act to allot equity securities (as defined in the Companies Act) for cash or non-cash consideration under the authority granted by such resolution as if Section 338(1) of the Companies Act did not apply to any such allotment, such power to be limited to the allotment of equity securities pursuant to and subject to the authority granted under paragraph (9) above, such authority to expire unless renewed, varied or revoked by the Company, on the later of the conclusion of the Company's annual general meeting to be held in respect of its financial year ending on 31 March 2018 and the close of business on 31 March 2019 but, so that the Company may make offers and enter into agreements prior to the expiration of the authority which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended; and
13. the Restructuring be and is hereby approved and all actions taken by the Directors and all documents entered into, or to be entered into, by the Company in connection with, or otherwise related to the Restructuring and the Open Offer or as other with described in this Circular and the Open Offer Circular be ratified and/or approved.

By Order of the Board

Catherine Musakali - FCPS(K)  
Company Secretary  
Kenya Airways PLC

16 July 2017

Notes:

1. A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf.
2. A form of proxy may be obtained from the Company's website or from the company's share registrars, Custody & Registrar Services Limited, 6th Floor, Bruce House, Standard Street, P.O. Box 8484, GPO 00100, Nairobi.
3. A proxy need not be a member of the Company.
4. To be valid, a form of proxy must be duly completed and signed by the member and must either be lodged at the offices of the Company's share registrars, or be posted, so as to reach Custody & Registrar Services Limited not later than 4 August 2017 at 10 a.m.
5. Whether or not you propose to attend the EGM you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible. The completion and return of a form of proxy will not prevent you from attending and voting in person if you wish to do so.