

## KENYA AIRWAYS LIMITED

### MINUTES OF THE 35th ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE BOMAS OF KENYA, OFF LANGATA ROAD, NAIROBI, ON FRIDAY 14 OCTOBER 2011 AT 11.00AM

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<u>PRESENT:</u>	Mr E Mwaniki	-	In the Chair
	Mr T Naikuni	-	Managing Director
	Mr A Mbugua	-	Finance Director
	Mr D Kapila	-	Director
	Mr R Schipper	-	Director
	Mr D Afande	-	Director
	Dr C Njiru	-	Director
	Mrs S Mazrui-Watt	-	Director
	Mr A Makatiani	-	Director
	Mr V Rague	-	Alternate Director to Mr J Kinyua
	Members	-	1,822 Shareholders present in person and 207 proxies in attendance
<u>IN ATTENDANCE:</u>	Mr R Njoroge	-	Representing PricewaterhouseCoopers, Auditors
	Mrs FC Fox	-	Secretary
<u>APOLOGIES:</u>	Mr J Kinyua	-	Director
	Mr P Hartman	-	Director

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The Chairman welcomed the shareholders and introduced the Board of Directors, the Secretary and the Auditor of the Company present to the meeting.

#### **1 QUORUM**

Mrs FC Fox, the Secretary tabled the proxies and confirmed that a total of two hundred and twenty eight valid proxies representing 270,735,312 shares and approximately 58.65% of the total issued share capital had been received.

There being a quorum of Members present, the meeting proceeded to business.

#### **2 NOTICE CONVENING THE MEETING**

Mrs FC Fox, the Secretary then read the notice convening the meeting.

#### **3 BALANCE SHEET AND ACCOUNTS AND REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS**

The audited Balance Sheet and Accounts for the year ended 31 March 2011 were laid before the meeting.

Mr R Njoroge, on behalf of the auditors, PricewaterhouseCoopers, read the Auditors' Report.

The Managing Director briefed the meeting on the highlights of the year's performance.

The Balance Sheet and Accounts were discussed at length by the meeting.

After dealing with questions, the Chairman put the resolution to the meeting.

It was proposed by Mr Alois W Chami, seconded by Mr Nicholas Gichangi and unanimously RESOLVED that the Balance Sheet and Accounts for the year ended 31 March 2011, together with the Directors' and Auditors' Reports thereon be adopted.

#### **4 DIVIDEND**

It was proposed by Mr Nicholas Kimani, seconded by Ms Esther Kerubo and unanimously RESOLVED that a final dividend of KShs 1.50 per share, for the financial year ended 31 March 2011 be declared.

It was further RESOLVED that the closure of the Register of Members on Monday 17 October 2011 for the purpose of preparation of the dividend cheques be approved.

The Chairman advised the meeting that payment of the dividend would be made on or around 16 November 2011.

#### **5 DIRECTORS**

The Chairman confirmed that there were two Directors retiring from the Board..

Mr Ayisi Makatiani retired by rotation and, being eligible, sought re-election.

Mr Denis Afande retired by rotation and did not seek re-election.

One valid nomination had been received.

He briefed the meeting on the two candidates and then invited proposals for their election.

Mr Ayisi Makatiani retired in accordance with Article 84 of the Company's Articles of Association and, being eligible, was proposed by Mr Enoch Okwar Were and seconded by Mr Simon Macharia and unanimously RESOLVED that he be and is re-elected a Director of the Company .

Mr Dennis Awori, was proposed by Mr Joseph Mukabi Nambande and seconded by Mr Thomas Amungu Namayi and unanimously RESOLVED that he be and is elected a Director of the Company .

#### **6 DIRECTORS' REMUNERATION**

It was proposed by Ms Alice Gichuki, seconded by Mr Alois W Chami and unanimously RESOLVED that the remuneration of the Directors as shown in the

Profit and Loss Account for the year ended 31 March 2011 be and is hereby approved.

**7 AUDITOR'S REMUNERATION**

It was proposed by Mr Jamieson Mwandawiro seconded by Ms Fatuma Kanchori Nakena and unanimously RESOLVED that the Directors be authorised to fix the remuneration of the auditors, PricewaterhouseCoopers.

**SPECIAL BUSINESS**

**8 Increase In Share Capital of the Company**

It was proposed by Mr Alois W Chami, seconded by Mr Joshua Walter Anyango Ogutu and unanimously RESOLVED that the following resolution be passed as an ordinary Resolution:-

“That the authorized share capital of the Company be and is hereby increased from Kenya Shillings five thousand million (K.Shs (5,000,000,000/=) divided into one thousand million (1,000,000,000) ordinary shares of Kenya Shillings five (K.Shs. 5/=) each; to Kenya Shillings ten thousand million (K.Shs 10,000,000,000/=) divided into two thousand million (2,000,000,000) ordinary shares of Kenya Shillings five (K.Shs. 5/=) each, by the creation of one thousand million (1,000,000,000) new ordinary shares of Kenya Shillings five (K.Shs. 5/=) each to rank pari passu in all respects with the existing ordinary shares of the Company.”

**9 Rights Issue**

It was proposed by Ms Alice Gichuki, seconded by Mr Nicholas Gichangi and unanimously RESOLVED that the following resolution be passed as an Ordinary Resolution:-

“That subject to the Company receiving all regulatory approvals, including, but not limited to the approval of the Capital Markets Authority and the Nairobi Stock Exchange, and the approvals of any other regulatory authority, that:

- (i) the Directors be and are hereby authorised and directed such number of ordinary shares of Kenya Shillings five (K.Shs 5/=) each in the capital of the Company as the Directors may decide on, be offered by way of rights to the holders of ordinary shares in the Company registered at the close of business on such date as shall be determined by the Directors, in such proportion (subject to the articles of association of the Company) to existing ordinary shares held by the shareholders of the Company as the Directors shall determine, and at such price that the Directors shall determine; and
- (ii) the Directors be empowered to dispose of the shares not taken up by any shareholders or the shares not issued by reason of fractions of a share being disregarded, as they may consider expedient; and

- (iii) the Directors be and are hereby authorised to issue such shares and pursue the listing of such shares upon issue on the Nairobi Stock Exchange, the Dar-es-Salaam Stock Exchange and the Uganda Securities Exchange and to do and effect all acts and things required to give effect to the above Resolutions”.

## **10 Change in Share Capital Structure**

It was proposed by Ms Victoria James, seconded by Mr Jonathan Karanja Mukonyo and unanimously RESOLVED that the following resolution be passed as a Special Resolution:-

“That after the above increase of share capital, the Articles of Association of the Company be and hereby altered by substituting the following new Article for Article 8:

The share capital of the Company is Kenya Shillings ten thousand million (K.Shs 10,000,000,000/=) divided into two thousand million (2,000,000,000) ordinary shares of Kenya Shillings five (K.Shs. 5/=) each.”

## **11 Alteration to the Objects Clause of the Memorandum of Association.**

It was proposed by Mr Joseph J Barasa Otieno, seconded by Mr Nicholas Kimani and unanimously RESOLVED that the following resolution be passed as a Special Resolution:-

“That the Memorandum of Association be altered by the addition of a new Object 3 (h) and the existing Objects (h) to (gg) be renumbered sequentially as (i) to (hh) :

(h) To advance learning and knowledge in all their aspects and provide education and training in relation to the aviation industry and in this context to offer such courses of education both full time and part time for students at any level of and in any branch of higher education and to promote, establish, run, manage and maintain training colleges and centres and such other educational institutions as may be considered appropriate for the promotion and advancement of education in the aviation industry and to acquire equipment, facilities and the services of lecturers, teachers, and other professionals with appropriate aviation expertise and management skills from within Kenya and abroad as would be needed to run and promote any such educational institution set up by the Company subject however, to the permission of competent authority.”

The Chairman then thanked the members for attending the meeting.

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There being no further business the meeting then terminated at 1.15p.m.

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Confirmed as a true record:

Chairman \_\_\_\_\_

Date \_\_\_\_\_