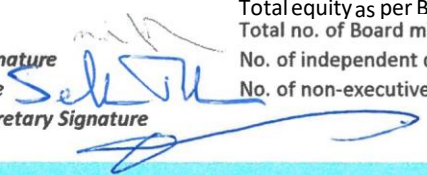


CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUES OF SECURITIES TO THE PUBLIC
 TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE
 PUBLIC, 2015

31ST MARCH Chairman Signature CEO Signature Company Secretary Signature		Total debt (short and long term) as per Balance Sheet at end of financial year Total equity as per Balance Sheet at end of financial year Total no. of Board members at end of financial year No. of independent directors at end of financial year No. of non-executive directors at end of financial year	11 6 10
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Company Name (in full) KENYA AIRWAY PLC Reviewer's Name Stock Code Sector Year - 2017 Date of Financial Year End 31ST MARCH	Company market to book ratio at end of financial year No of outstanding shares at end of financial year Closing price of stock at end of financial year Net sales as per Income Statement at end of financial year Net profit as per Income Statement at end of financial year	Company Details to be Provided: 212.5 Issued & fully paid; 5,823,588,269 Kes 17.15 Ksh Million: 80,799 Ksh Million: (6,081) Ksh Million 88,524 Ksh Million 470
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A	INTRODUCTION				
Mandatory or	Has the company developed and published a Board Charter which is periodically reviewed and which sets out the Board responsibility for internal control?	1.1.2, 2.6.2, 6.3 2		The Charter has been published. It is reviewed annually, lastly reviewed on 16th November 2017. Sections 4.1(w) and 5.9 of the Charter sets out the Board's responsibility for Internal Control	The Company's Website, Board Minutes.
A.2	Do the Board Charter or company documents distinguish the responsibilities of the board from management in line with Code requirements?	1.1.2, 2.3.1, 2 3 2 2.6.2		The responsibilities for the Board and those for Management are clearly defined in the Board Charter, and in Particular Section 4 of the Board Charter	The Board Charter

'apply Part or No. explain'

Question

Kenya Code Reference

Source of Information

Application - FA, PA or NA - See Notes 1, 2, 3 & 4

Application or Explanation - Note 3 & 4

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A.3	Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?	1.1.6		This is set out in the Board Charter at Sections 3.12(b) and 4.1. This responsibility is also set out in the Annual Report.	The Board Charter, the Annual Report.
	How has the Board ensured all directors, CEOs and management are fully aware of the requirements of this Code?	1.1.6		The Code has been posted on the Website of the Company, and Management and the Board have been notified of its provisions and trained on it.	Website. Training Programme
A.5	Do company documents indicate the role of the Board in developing and monitoring the company strategy?	Part II Overview, 2.3		Provided for in the Board Charter Section 4.1.	Board Charter
A.6	Does the company strategy promote sustainability of the company?	2.3.6		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
	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		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.
B	BOARD OPERATIONS and CONTROL				

A or E M	Has the Board established a Nomination Committee comprised mainly of independent and nonexecutive Board members?	2.1.2, 2.2		There is a Nominations Committee. All members except the CEO are independent and non executive Board members.	Board Minutes, Committee Minutes.
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		Is the chairperson of the Nomination Committee an independent director?	2.2.3		The Chairperson of the Committee is Independent Mr. Michael Joseph	Board Minutes, Committee Minutes.
M	8.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	2.1.1, 2.1.7		The Board appointment Procedure was formally approved by the board and has been posted on the Company's website.	Company's website, Board minutes
M	B.4	Is the Board size adequate for the exercise of the company business?	2.1.4		The Board is currently composed of 11 members. This is an appropriate size as agreed by Shareholders in the Articles of Association.	The Articles of Association.
	8.5	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		The Board has adopted the Board Diversity Policy which is on the Company's website	Website
M	8.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable the discharge of their duties?	2.2.1		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. This is done before every Annual General Meetings	The Board's skills matrix, Board Appointment Procedures on the Website.

M	8.7	Has the board adopted and applied a policy limiting the number of board positions each Board member may hold at any one time?	2.1.6		The Board applies the principles in the Code and Board members declare how many Boards they sit on for compliance. In addition, prior to appointment, the Corporate Governance and Nominations Committee is required to consider the number of Board positions the candidate currently holds.	Board appointment procedures, Annual returns
M	8.8	Have any Alternate Board members been appointed? If so, have the Alternate Director/s been appointed according to regulation and Code requirements?	2.1.6, 2.1.7		There are currently two alternates who have been appointed in accordance with the Articles of Association, the Code and the Board Charter. The Board formally approves their appointment, following recommendation by the Corporate Governance and Nominations Committee.	Board Minutes
M	B.9	Are independent directors at least one third of the total number of Board members?	1.1.2, 2.1.3, 2.4.1		There are currently six independents out of the total number of 11 board members.	Board Minutes
A or E	B.IO	Does the Board have policies and procedures to annually assess the independence of independent Board members?	2.4.1		The Board has formally approved a tool for the assessment of independence which now forms part of the process for Board Evaluation.	Board Minutes, Assessment of Independence Tool.

M	8.11	Do all independent Board members have a tenure of less than 9 years?	2.4.2		<p>All independents serve for a tenure less than nine years in accordance with the Board rotation schedule approved by the Board and the Board Charter at Sec. 3.11. This is also provided for under the</p> <p>Company's Articles of Association. All Board members are appointed for an initial term of three years which is renewable, but none go beyond 9 years.</p>	Board rotation schedule, Board Charter, Board Minutes and Articles of Association, Board appointment letters.
M	8.12	Is the Board comprised of a majority of non-executive board members?	2.1.3		Only one Board member is executive currently.	Board Minutes
M	8.13	How does the Board ensure a smooth transition of Board members?	2.1.8		<p>The Board has a rotation schedule which is updated after every AGM. The Board has also provided for succession planning under the Board Charter at Section 3.11.</p> <p>Board members are</p> <p>appointed for terms of three years.</p>	Board rotation schedule, Board appointment letters.

M	B. 14	Has the Board established an effective Audit Committee according to Code requirements?	2.2.4, 6.5.1, 2.1.7	PA	The Board has established an Audit Committee chaired by an Independent Director. One member of the Committee is a financial expert with membership to a professional body in good standing. The Company has received approval from the CMA for alternates to sit on the Audit Committee given that they are the ones who have been attending Board meetings.	Committee composition, Board Minutes, CMA letter
M	8.15	Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?	2.3.3		The CEO is Mr. Sebastian Mikosz while the Chairman is Mr. Michael Joseph.	Board Minutes
M	8.16	Is the Chairman of the Board a nonexecutive board member?	2.3.4		Mr. Michael Joseph is non Executive	Chairman's letter of appointment.
A or E	8.17	Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?	2.3.5		Board members have access to all relevant information. The Board gives approval when professional advice is to be sought, a case at hand being the capital restructuring plan.	Board minutes

M	B. 18	Has the Board adopted a policy on managing conflict of interest?	2.3.8		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 declare any conflicts of interest at every Board meeting	The Code of Business Conduct and Ethics, the Board Charter, Conflict of interest Register and Board Minutes
M	B.19	Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?	2.3.7		The Board has adopted a conflict of interest policy, all related party transactions are at arms length and full and elaborate disclosures are made in the notes to the annual financial statements.	Conflict of interest policy, Code of Business Conduct and Ethics, Annual financial Statements
M	8.20	Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSK?	2.3.9		The Company Secretary is a Member of ICPSK in good standing	The ICPSK records and website
A or E	8.21	Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?	2.3.2, 2.3.6		The Board has adopted policy and procedures on ESG, and ensures it policies promote sustainability. This is the key reason why the Board embarked on the capital restructuring plan. The Board has also ensured that the Company understaked CSR policies geared on sustainability and in particular, its carbon footprint.	Company website, Board minutes, Annual report.
A or E	8.22	Has the Board developed an annual work-plan to guide its activities?	2.6.3		Annual Workplan in place	Board workplan.

M	8.23	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the company secretary?	2.6.4, 2.8		Board Evaluation is conducted annually and covers the Board, the Chairman, the CEO, individual Board members, Committees and the Company Secretary	Board Evaluation reports
A or E	8.24	Has the Board established and applied a formal induction program for in-coming members?	2.7.1		A formal Board induction policy is in place and the same is set out under the Board Charter at Section.3.7.	Board induction policy, Board Charter.
A or E	B.25	Do Board members participate in ongoing corporate governance training to the extent of 12 hours per year?	2.7.3		This is part of the Board work plan and all Board members undertake the training. This is also provided under the Board Charter at Section 3.8.	Board Charter, Board workplan and Board retreat reports.
A or E						
M	8.26	Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?	2.9.2		The responsibility is assigned to the Corporate Governance and Nominations Committee of the Board for Board members and a HR Committee for Management.	Terms of Reference of the Committees.
M						
	B.27	Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain Board members?	2.9.1		There is in place a Board remuneration Policy	Board remuneration policy
	B.28	How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?	2.10, 2.10.1, 2.10.2		The Board has established a Legal Department charged with the responsibility of ensuring compliance with laws and the Board monitors such compliance through reports to it.	Organizational structure, KPIs for the Legal department and job role for the head of legal, Board minutes

M	8.29	In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?	2.10.3	PA	The legal department has developed checklists to ensure compliance and ensures checks annually. An external legal Audit is scheduled for 2018	Legal department work plan and documentation
A or E	8.30	Has the Board subjected the company to an annual governance audit?	2.11.1		The Board is to commission a Governance Audit within 2018	
C	RIGHTS of SHAREHOLDERS					
M	c.i	Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?	3.0 Overview, 3.2.1		All shareholders are treated equitably and given an opportunity to exercise their rights particularly during the AGM. All shareholders are also given the required information on 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, media briefs.

c.2	Other than at the AGM, how does the Board facilitate the effective exercise of shareholders' rights?	3.1.1		<p>All shareholders receive information on the performance of the Company during Investor briefings, release of half yearly and yearly results, annual reports and account, AGM notices are issued as required and printed in the daily newspapers as well</p> <p>as being posted on the website, shareholders are facilitated to access the AGM venue, they have a secure method for transfer of ownership, have a right to vote at the AGM, including through proxies, ask questions at the AGM, and receive information on the company performance in the annual report.</p>	<p>Annual report, websites, investor briefings, agm minutes, proxy forms</p>
c.3	How does the Board facilitate shareholders participation at the AGM?	3.1.1		<p>AGM Notices are sent in time, Venue selection makes it possible for majority of shareholders to attend. The Board provides buses for access to the venue and answers questions from shareholders present among others</p>	<p>AGM planning.</p>
C.4	Are minority and foreign shareholders holding the same class of shares treated equitably?	3.2.1		<p>The rights of the shareholders are set out in the articles of association and implemented by the Board</p>	<p>Articles of Association</p>
C.5	Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance?	3.1.1, 34 1		<p>There are two investor briefings per year</p>	<p>Media records</p>

M	D	STAKEHOLDER RELATIONS	
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	D.1	Does the Board have a stakeholder inclusive approach in its practice of corporate governance and which identifies its various stakeholders?	4.1.1		The Board has indentified its stakeholders and considers the rights of stakeholders in decision making	Communications policy, Board Minutes.
		Has the Board developed policies, procedures and strategies to 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 stakeholders for inclusivity in decision making	Communications Policy
A or E	D.3	How does the Board take into account the interests of key stakeholder groups prior to making decisions?	4.1.4		By taking into account all risks in decision making. The Board is also guided by the principle of acting in the	Board Minutes

A or E				best interest of the Company.		
A or E	D.4	How does the Board ensure effective communications with stakeholders?	4.2, 4.2.1		The Board ensures that stakeholders have access to all relevant information on the website, annual reports and through investor briefs	Wesire, Annual reports, media reports.
M	D.5	Has the Board established a formal dispute resolution process to address internal and external disputes?	4.3.1		This is provided for in the Board Charter under sections 4.3 and 5.14. The Board has facilitated consultations between stakeholders to ensure that any disagreements are resolved expeditiously. The HR policies also provide for dispute resolution relating to employees	Board Charter, Consultative meetings between KLM and the Government, the Company with pilots, HR Policies.
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E		ETHICS AND SOCIAL RESPONSIBILITY				
	E.1	Does the Board ensure that all deliberations, decisions and actions are founded on the core values (responsibility, accountability, fairness and transparency) and has it worked to underpinning good governance and ensure its application by all directors, management and employees?	5.1.1		The Board is very aware of its fiduciary duties in this regard and is guided by its There is in place a Code of Board charter and the Code of Business Conduct and Of Ethics which is applicable to both the the Board and Management. The Code is	Board Minutes, Code of Business Conduct and Ethics
	E.2		2.6.1, 5.2.2, 5.2.3, 5.2.4		being implemented including with an Ethics Committee.	which has been published on the website.

A or E M	E.3 How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?	5.2.3		The Audit and Risk Committee monitors the implementation of the Code of Conduct and Ethics and reports to the Board.	Terms of Reference for the Committee, Board and Committee Minutes.
A or E	Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?	5.2.1		these are included in the Companies risk management framework	The Risk Management Framework
A or E A or E	How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?	5.2.4, 5 2 5		There is an Ethics Committee that monitors compliance with the Code of Business Conduct. Compliance is disclosed in the Annual Report and to stakeholders. There is a whistle blowing policy in place.	The Annual report
	Has the company established and implemented a whistle blowing policy?	5.2.5		There is a whistle blowing policy in place. This was initially Managed by Deloitte, but the Company	Whistle blowing policy, Minutes of the Audit and Risk
	Has the Board/or management developed policies on corporate citizenship and sustainability and strategies for company use?	5.3.1, 5.4		The Board has a legal compliance procedure, and the Ethics committee has developed guidelines on ethical conduct, the Company has an elaborate and comprehensive approach to CSR, including firm investments in education, water and health. There is also an elaborate carbon	Committee, Minutes of the Ethics committee
					Annual reports, CSR Projects, minutes of the Ethics Committee, Carbon emissions reports, legal compliance annual reports.

				emissions management policy.	
	Does the Board consider not only the financial performance but also the impact of 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 during deliberations.	Board reports
E.9	Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?	5.4.1		The Board receives reports on corporate citizenship	Board reports
	ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL				

A or E A or E	Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful and factual presentation?	6.1, 6.1.1a		The Audit Committee oversees the Financial reporting process and proposes the approval of the financial statements to the Board	Terms of reference of the committee, Board and Committee Minutes.
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	Does the Annual Report contain a 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 are contained in the Annual report	Annual report.
F.3	Does the board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?	6.1.1b		There is an auditor rotation policy in place. The Audit and risk committee oversees the performance of the external auditor and is charged with ensuring its independence.	External Auditor rotation policy, Board and Committee Minutes.

A or E A or E	Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?	6.1.3		The Audit and risk Committee oversees the open tender process for the recruitment of the external auditor. Once satisfied, the Committee makes a recommendation to the Board then the Board makes the recommendation to the shareholders	Board and Committee minutes as well as shareholder minutes..
	Is the Company working towards the introduction of integrated reporting (incorporating financial and nonfinancial information) or is the company's Annual Report prepared on an integrated basis using a framework available from the Integrated Reporting Council, The Global Reporting Initiative and the Sustainability Accounting Standards Board standards?	6.1.5		The Board has started	
	Has the Board established and advised on the internal control standards?	6.3.1, 6.3.2, 6.3.3		this process and is gradually including more and more information in its annual report	Annual report.
	Has the Board established an effective risk management system (including for compliance with applicable laws, regulations, rules and guidelines) for the foreseeable risks?	6.2.1		This is done through the Audit and risk Committee. There is a regular Board agenda item	Audit and Risk Committee Minutes, Board Minutes.
F.8	Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?	6.4.1		The Board which conducts an annual review and includes a statement on the effectiveness of the controls in the annual report.	ERM, Board and Committee Minutes.
F.9	Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?	6.5.2		The Internal audit function reports to the Board through the Audit and Risk Committee	Organizational structure. Audit and Risk Committee, Board Minutes.

M A or E M	F. 10	Does the Board disclose details of Audit Committee activities ?	6.5.2		The Committee TORS have been published in the Board Charter which is on the Website. The Activities and achievements for the year are included in the Annual report.	Board Charter, Annual report
A or E	G	TRANSPARENCY and DISCLOSURE				
M	G.1	Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code.	7.0 Overview, 7 1 1		The Board has in place appropriate policies and proedures for the disclosure of pertinent information and does so in a timely manner	Communications Policy, Public Notices issued, Investor briefing forums.
	G.2	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's governance, the Board and the Audit Committee?	7.1.1		As a Minumum, the Annual report contains the required disclosures woth regard to corporate Governance, the Board and the Audit Committee	Annual Report, Website
	G.3	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's mission, vision and strategic objectives?	7 1 1		Yes, these covered under the Chairman's and CEO's statements	Annual Reports
	G.4	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to remuneration and whistleblowing?	7.1.1		The Annual Report covers the Remuneration report.	Annual Report, Website
	G.5	As a minimum, does the company website disclose current information on all areas prescribed in 7.1.1 (Board Charter, Whistleblowing Policy, Code of Ethics and information on resignation o directors)?	7.1.1		The Company's Wesite has the Board Charter, Whistleblowing Policy, Code of Business Ethics and information on resignation of directors	Website

A or E	G.6	Does the Board disclose the management discussion and analysis as required in 7.1.1?	7.1.1		This is Disclosed in the Audited financial statements and the Annual report.	Annual report, Financial statements	EA or or E
A or E	G.7	Has the Board provided disclosures as required in 7.1.1 on compliance with laws, regulations and standards; ethical leadership, conflict of interest, Board disclosure information responsibilities, citizenship, the key stakeholders, including shareholders, regulators, and rating agencies, and the extent of their shareholdings that a governance audit was carried out by the Board and disclosed the stakeholder who influence a company's performance and sustainability?	7.1.1		The Board has made the appropriate disclosures in the Annual report and website	Annual report, website	
A or E	G.10	Has the Board disclosed all related party transactions?	7.1.1		The information has been disclosed in the Annual report and website	Annual report, website	
A or E	6.8	Has the Board disclosed the risk management policy and the extent of their shareholdings that a governance audit was carried out by the Board and disclosed the stakeholder who influence a company's performance and sustainability?	7.1.1		The Board has disclosed the information as required in the Annual report and website	Annual report, website	
A or E	G.11	Has the Board disclosed all related party transactions?	7.1.1t		The information has been disclosed in the Annual report and website	Annual report, website	
M	6.9	Does the Board disclose the company's risk management policy, company reputation strategy, policy on going concerns, and the status of the application of this Code?	7.1.1		The Annual Report contains a statement on the Code's Governance and the status of compliance of this Code.	Annual report, financial statement.	
M	G.12	Has the Board disclosed the company's risk management policy, company reputation strategy, policy on going concerns, and the status of the application of this Code?	1.1.3, 7.1.1r		The Annual Report contains a statement on the Code's Governance and the status of compliance of this Code.	Annual report, Annual financial statement.	

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Note 1	The Reporting Template shall be used by companies to report on their application of the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code). The completion of the Reporting Template and its filing with the Capital Markets Authority (CMA) will fulfill the reporting requirements of the Code at 1.1.3 paragraph 2. All elements marked in green are mandatory and MUST be complied with. Failure to fully apply will result in regulatory sanctions. When completing column 'F' for MANDATORY ITEMS, 'FA' will mean 'Fully Complied With', 'PA' will mean 'Partially Complied With' and 'NA' will mean 'Not Complied With'.						

	Note 2	Column 'F' should be marked as follows: 'FA' - Full Application, PA - Partially Applied or 'NA' - Not Applied. Full application of this Code is required by the Code. Therefore anything less than 'full application' is considered 'non compliance or non-application' of the Code. A response of PA or NA is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance. See also Note 4.				
	Note 3	An explanation of how the Code provision is applied is required in column 'G' and shall be supported by evidence of how application has been achieved. If the provision is NOT applied, an explanation for why it is not applied or only partially applied is required in column For each question, column 'G' must be completed.				
	Note 4	If an explanation is required because of non-application of any element of the Code, the explanation must be satisfactory, must be provided to relevant stakeholders including the Capital Markets Authority and shall include:				
		a: reasons for non-application				
		b: time frame required to meet each application requirement				
		c: the strategies to be put in place to progress to full application.				