

DS/020/U.4

13th September 2018

Mr. Paul Bwiso
Chief Executive Officer
Uganda Securities Exchange
Plot 3-5, New Port Bell Road,
UAP Nakawa Business Park,
Block A, 4th Floor' North Wing.
Kampala
UGANDA

Dear Mr. Bwiso,

KENYA AIRWAYS PLC (COMPANY) : ISSUE, ALLOTMENT AND LISTING OF SHARES

We refer to the recent issue, allotment and listing of 19,695 new ordinary shares by the Company on the Nairobi Securities Exchange (NSE) pursuant to a certain conversion notice dated 23 August 2018 issued by KQ Lenders Company 2017 Limited (the KQ Lenders).

Terms used in this email, unless otherwise defined, shall have the same meaning as those defined in our email dated 25 May 2018.

The Company is hereby notifying the Uganda Securities Exchange Limited (USE) that pursuant to the Convertible Loan Agreement, it has received a further conversion notice dated 7 September 2018 requiring the Company to convert a portion of the Facility Amount (being, USD 3,379.64) into 44,848 shares of par value KES1.00 each (the Conversion Shares). We attach the conversion notice for your ease of reference.

The Conversion Shares will be issued and allotted to KQ Lenders and subsequently listed on the Main Investment Market Segment of the NSE. We anticipate the Conversion Shares will be listed on 14 September 2018. Please note that the New Ordinary Shares will at no time be cross-listed on the USE.

Accordingly, the Company's issued and listed share capital will increase from 5,681,616,931 ordinary shares of par value KES1.00 per share each to 5,681,661,779 ordinary shares of par value KES1.00 per share.

We do not require any further approvals from the Capital Markets Authority of Kenya or the NSE to effect the conversion other than those already provided (attached for your ease of reference).

Should you have any queries in respect of the above, please do not hesitate to contact the undersigned of these offices.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Langat', written over a horizontal line.

Geoffrey Langat
For: Company Secretary

Encs.

Embankment Plaza, 3rd Floor
Longonot Road, Upper Hill
P. O. Box 74800 - 00200, Nairobi, Kenya
Tel: +254 (0)20 2264900
Email: ceoffice@cma.or.ke
Web: www.cma.or.ke



Chief Executive's Office

Our Ref: CMA/CMD/ 191

May 18, 2018

Sebastian Mikosz
Group Managing Director & CEO
Kenya Airways PLC
Airport North Road, Embakasi
NAIROBI

Dear Mr. Mikosz

**RE: APPLICATION FOR APPROVAL TO ISSUE, ALLOT AND LIST ADDITIONAL
ORDINARY SHARES OF KENYA AIRWAYS TO KQ LENDERS COMPANY 2017 LIMITED**

Reference is made to the above matter.

The Authority notes the application for the issue and listing of an additional 663,502,762 new ordinary shares of par value Kshs.1.00 each ('conversion shares') of Kenya Airways Plc to be issued to KQ Lenders Company 2017 Limited (KQ Lenders) following the issuance of conversion notices by KQ Lenders through their administrative agent MTC Trust and Corporate Services Limited. The Authority has reviewed and considered the documents in support of the application and is satisfied that the same has made adequate disclosures as required under the Fourth Schedule to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002.

Consequently, in exercise of the powers conferred to the Authority by the Capital Markets Act and Regulation 11 of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002, the Authority hereby approves the issue and listing of a total of 663,502,762 additional new ordinary shares of par value KES1.00 each ('New Shares'), fully paid, on the Main Investment Market Segment ('MIMS') of the Nairobi Securities Exchange to be allotted to KQ Lenders Company 2017 Limited.

The approval is subject to:

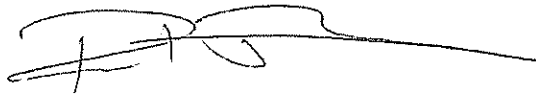
1. Kenya Airways Plc serving the Authority and the Nairobi Securities Exchange with a Notice of Conversion prior to the issuance and listing of any portion of the conversion shares

2. Kenya Airways Plc making a public announcement informing its shareholders and the public of the approval granted by the Authority on the issuance, allotment and listing of the conversion shares as well as the conversion programme as stated in the Mandatory Convertible Loan Agreement.
3. Kenya Airways making announcements annually stating the number of conversion shares issued, allotted and listed in the preceding 12-month period. However, once the issuance of shares in KO to KO Lenders Company 2017 Limited equal or exceeds 3% of the total issued shares of the company this fact should be communicated to the Authority and the Nairobi Securities Exchange within 24 hours of such of threshold being reached.

The Authority has also considered the proposed draft public announcement in respect of the conversion shares as well as the proposed draft notice to shareholders in respect of the conversion shares to be issued annually and hereby approves the same for publication pursuant to Regulation 63 (7) of the Capital Markets (Licensing Requirements) (General Regulations), 2002.

Please find attached an invoice in relation to the approval fees payable, for your settlement

Yours sincerely



Paul M. Muthaura, MBS
CHIEF EXECUTIVE

Cc. Richard Harney
Coulson Harney LLP
5th Floor, West Wing, ICEA Lion Centre
Riverside Park, Chiromo Road
NAIROBI

Mr. Geoffrey Odundo
Chief Executive
Nairobi Securities Exchange
Exchange Building
55 Westlands
NAIROBI

Rose Mambo
Chief Executive
Central Depository and Settlement Corporation
Nation Centre, 10th Floor, Kimathi Street
NAIROBI



Nairobi Securities Exchange PLC
The Exchange
55 Westlands Road

P.O. BOX 43633 - 00100 (GPO)
Nairobi, Kenya
Tel: +254 (020) 2831000
Fax: +254 (020) 2224200

Email: info@nse.or.ke
Website: www.nse.or.ke

NSE/SRO/LW/05/2018

May 23, 2018

Mr. Sebastian Mikosz
Group Managing Director & CEO
Kenya Airways Plc
Airport North Road, Embakasi
NAIROBI

Dear Mr. Mikosz,

**ADMISSION TO LISTING OF 663,502,762 ADDITIONAL NEW ORDINARY SHARES
OF KENYA AIRWAYS PLC**

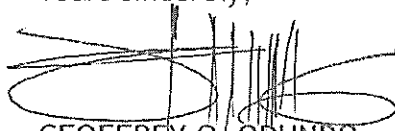
We refer to the above matter and to the Capital Markets Authority letter dated May 18, 2018 approving the issuance and listing of 663,502,762 additional new ordinary shares of a par value of Kshs. 1.00 each ("conversion shares") of Kenya Airways Plc to be issued to KQ Lenders Company 2017 Limited ("KQ Lenders") following the issuance of conversion notices by KQ Lenders through their administrative agent MTC Trust and Corporate Services Limited.

The NSE has considered your application and approved the admission to listing of 663,502,762 additional new ordinary shares of Kenya Airways Plc to the official list of the Nairobi Securities Exchange under the Main Investment Market Segment.

Please notify us on the proposed date for commencement in trading of the said shares to enable us facilitate the listing process.

Enclosed is an invoice for KShs. 500,000 being the additional listing fees applicable for admitting the additional shares into listing.

Yours sincerely,


GEOFFREY O. ODUNDO
CHIEF EXECUTIVE



Nairobi Securities Exchange PLC
The Exchange
55 Westlands Road

P.O. BOX 43633 - 00100 (GPO)
Nairobi, Kenya
Tel: +254 (020) 2831000
Fax: +254 (020) 2224200

Email: info@nse.co.ke
Website: www.nse.co.ke

INVOICE

Kenya Airways Plc
Airport North Road,
Nairobi

Invoice No. IN010423
Date: 23-May-2018

<u>Description</u>
<u>Additional listing fees - Ordinary shares issue</u>
663.5m shares of Ksh.1.00 each @ 0.1% (Maximum = Sh.500,000)
V.A.T @ 16%

	<u>Amount (Kshs)</u>
	500,000.00
	0.00
TOTAL	500,000.00

Please make your payment by: 28-May-2018

Remit To:

Account Name: Nairobi Securities Exchange Ltd
Bank: Kenya Commercial Bank
Branch: Moi Avenue, Nairobi, Kenya
Branch code: 001100
Account Number: 1107111136
Swift Code: KCBKENX

Yours Sincerely,

JANE KIARIE
FINANCE & ADMINISTRATION DIRECTOR

Our Ref: Project Safari/Holdco/CNI&M

7 September 2018

To: The Group Managing Director and CEO
Kenya Airways PLC
Head Office, Airport North Road, Embakasi
Post Office Box Number 19002-00501
NAIROBI

"CONVERSION NOTICE 07"

"Advance copy by email":

ceo.office@kenya-airways.com;
hellen.mwariri@kenya-airways.com;
dick.muriani@kenya-airways.com;
geoffrey.lanqat@kenya-airways.com

Dear Sirs,

**PROJECT SAFARI: CONVERSION NOTICE
PURSUANT TO THE MANDATORILY CONVERTIBLE LOAN AGREEMENT DATED 14
NOVEMBER 2017 (the "Agreement")**

We refer to the above matter.

Pursuant to the provisions of the Agreement and to the notification of the trigger date dated 5 September 2018, we hereby give notice to Kenya Airways PLC to convert a portion of the Facility Amount into new Shares under the Agreement as set out herein.

Total Shares sold (Direct Equity) Holdco shares sold "A"	Name of Underlying Beneficiary Bank "B"	Total Direct Equity held i.f.o. I&M "C"	Total Mandatory Convertible shares held i.f.o. I&M "D"	Number of conversion shares to be issued: (A/C)*D	Portion of Facility Amount to be converted (Implied Conversion Rate of \$0.0754)
150,005 Shares	I&M Bank Limited	81,080,270 shares	24,240,677	44,848 conversion shares	\$3,379.64

Kindly notify us once the conversion is complete and the Shares duly credited into the Holdco CDS Account as set out below:

CDS Account Name: KQ Lenders Company 2017 Limited
CDS Account Number: KCBC/C-20722924-LC/O

Yours faithfully,
KQ Lenders Company 2017 Limited


Madabhushi Soundararajan
Director

Cc: MTC Trust & Corporate Services Limited – Holdco Administrator
KCB Kenya Limited – Custodian
I&M Bank Limited

TO: DIRECTOR, KQ LENDERS COMPANY 2017 LIMITED
PO BOX 19002-00501, EMBAKASI, NAIROBI
KENYA
DATE: 07/09/2018

BY: Madabhushi Soundararajan
DIRECTOR