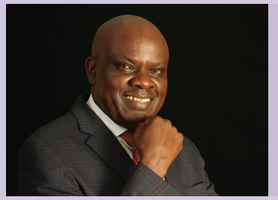
ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Abridged and Published in accordance with Article 137 of the Articles of Association of the Company

KenGen
Energy for the nation.



"The key economic drivers to the GDP growth included the rebound in the agriculture and manufacturing sectors, which paints a great long term future for KenGen to continue taking up opportunities in the provision of renewable energy as an enabler for economic growth."

Joshua Choge, MBS
Chairman

CHAIRMAN'S ABRIDGED COMMENTARY

Dear Shareholders,
It gives me great pleasure to report another year of stable performance for the period ended 30th June 2019. In the period under review, our performance was in line with the country's GDP growth, which was at 6.3 % in 2018, up from 4.9% in 2017. The GDP growth in 2018 was the fastest growth experienced in Kenya since the growth of 8.4% recorded in 2010 and above the 5-year average GDP growth at 5.6%.

Performance
Total revenue was relatively level at Kshs.45,966 million, up by 1.5% from Kshs.45,290 million in 2018, while Profit After Tax was in tandem at Kshs. 7,884 million, down by Kshs. 7 million from Kshs.7,891 million in 2018.The performance was largely on the backdrop of enhanced geothermal energy sales that significantly offset depressed hydro generation, especially in the first half of the year when the country experienced persistent drought, as well as a Kshs.2,017 million increase in finance costs to Kshs.5,054 million.

Operating Environment
During the period under review, the Energy Act, 2019 came into operation, signifying a landmark milestone in the Energy Sector. The Company, together with energy sector players and stakeholders, are working on operationalization of the said Act, including formulation of regulations towards realization of envisaged benefits.

The first half of the period under review witnessed significantly lower than normal rainfall and this resultantly affected the performance of the Company's hydro-electric power generation plants. This setback was however offset by generation from the Company's geothermal power generation plants. The rains in the second half of the period were satisfactory, with the improved hydrology resulting in commendable performance of the hydro-electric power generation plants.

Coexistence with Communities
KenGen has set up Stakeholder Coordination Committees (SCC) in Olkaria, Western and Eastern Regions as a platform to grow together with local communities and address issues of mutual concern. Through these committees, KenGen has provided an inclusive participation in matters such as social benefits and environmental sustainability. The Company has also been able to continuously engage communities, through the SCCs, in identifying and addressing pertinent issues affecting them.

Corporate Governance
The Directors, together with senior management, attended several training sessions on Corporate Governance, Board Effectiveness, Sustainable Business Practices, and Risk Management. A Board Evaluation exercise was also duly conducted, including the evaluation of the Board, Board Committees, and the Managing Director & CEO to ensure that the Board continuously strives for the highest standards of excellence.

Dividend
The Board is recommending the payment of a first and final dividend for the year of Kshs. 0.25 for every ordinary share of Kshs 2.50.This compares to a total dividend of Kshs 0.40 per ordinary share paid in 2018. If approved at this Annual General Meeting by shareholders, the dividend will be paid, less withholding tax where applicable, on or about Thursday, 17th December, 2020. The Board recognizes the importance of dividends to shareholders and believes in balancing returns with investment to support future growth, whilst at the same time preserving strong capital ratios.

The Growth and Transformation Journey and Milestones
In October 2019, after the close of the financial year under review, the Company paid the last principal and interest instalments in respect of the ten (10) year, Kshs. 25 billion Public Infrastructure Bond. The Company is grateful to the Capital Markets Authority and the Nairobi Securities Exchange for their valuable support. We are proud of having established a track record of successfully raising capital from the market as well as retiring the debt in full and on time upon maturity.

Thank You.

Joshua Choge, MBS
Chairman of the Board

"The uncertainties and evolving developments in the current business environment notwithstanding, I believe that we are well positioned to deliver sustainable value for our shareholders and all stakeholders over the long term."

Rebecca Miano (Mrs), MBS
Managing Director & CEO

MANAGING DIRECTOR & CEO'S ABRIDGED COMMENTARY

Dear Shareholders,
It is my pleasure to present to you the Annual Report of Kenya Electricity Generating Company Plc (the Company) for the year ending June 30, 2019.

Statutory Changes
The period under review saw the enactment of the Energy Act, 2019 and the Petroleum Act, 2019. The Energy Act, 2019 came into effect on March 28, 2019, effectively consolidating the laws relating to energy in Kenya and repealing the Energy Act, 2006, the Kenya Nuclear Electricity Board Order No. 131 of 2012 and the Geothermal Resources Act, 1982.

Operational Environment
During the period, the business remained resilient, posting impressive results despite the challenging economic conditions witnessed in the Country and indeed the wider global economy.

Capacity Expansion
The Company progressed the identified capacity addition projects totaling 439MW, all of which we are proud are sourced from sustainable geothermal sources. The 165.4 MW Olkaria V geothermal plant was completed and connected to the national grid in November 2019, post the closure of the financial year under review.

Our People & Recognitions
The Company was recognized by the Federation of Kenya Employers (FKE) as one of the top employers of choice in the country. This is a testament to the commitment, dedication and brilliance of our staff. We will maintain our able, safe, and delighted workforce through various retention and motivational initiatives.

Stakeholder Engagement and Environment
We recognize the place and importance of effective stakeholder management. We continue to be committed to the creation of an enabling operational environment through stakeholder engagements. This is an area that has the potential of catalyzing positive business performance. This realization therefore propels us to enhance investment in building of mutually beneficial relationships with our stakeholders.

We leverage on this strength and played a leading role during the process of developing regulations that will guide the implementation of the new Energy Act. We expect the process to result in enhanced focus on community engagement issues to promote mutually beneficial co-existence with the communities living around our power plant installations. The review will also be expected to bring to the fore how operational efficiency across the business can be improved. The new structured handling of community concerns will manifest itself in improved social relations with the company.

COVID-19 Pandemic
The outbreak of the COVID-19 Pandemic in Kenya in March 2020, its impacts on the local as well as global economy and its potential to disrupt local and international supply chains, is a significant concern for the industry in general. The Company continues to evaluate risks associated with the Pandemic and, in this regard, continues to develop a robust business continuity plan and mitigation measures to ensure the safety and well-being of our staff, all other stakeholders and the general public.

Finance Act, 2020
The Finance Act, 2020 was assented to and came into effect in June 30, 2020. The said Act has several implications on the Company, key among them being introduction of a minimum tax of 1% of turnover payable on a monthly basis, stringent requirements on treatment and recognition of input VAT, withdrawal of VAT exemption (which was previously applicable on some of the Company's inputs for wind and solar projects) and withdrawal of the exemptions on Import Declaration Feed and Railway Development Levy (which were previously applicable to goods imported for geothermal projects).

Acknowledgement
I take this opportunity to express my sincere appreciation and gratitude to the Government of Kenya, the Board of Directors, the KenGen family and all stakeholders for the support provided in growing the business and look forward to our collective effort to create a lasting impact.

Rebecca Miano (Mrs), MBS
Managing Director & CEO

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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KenGen
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SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019 Kshs Million	30 June 2018 Kshs Million
Revenue	45,966	45,290
Reimbursable expenses (Fuel and water costs)	(10,192)	(9,406)
Revenue less reimbursable expenses	**35,774**	**35,884**
Other income	619	275
Other (losses)/gains-net	3,179	(1,050)
	39,572	**35,109**
Depreciation & amortisation	(10,360)	(10,148)
Operating expenses	(10,571)	(9,970)
Steam Costs	(3,357)	(3,549)
Operating Profit	**15,284**	**11,442**
Finance income	1,423	3,341
Finance costs	(5,054)	(3,037)
Profit Before Tax	**11,653**	**11,746**
Income tax expense	(3,769)	(3,855)
Profit After Tax	**7,884**	**7,891**
Other Comprehensive Income	(62)	(623)
Total comprehensive income	**7,822**	**7,268**
Basic and diluted earnings per share (Kshs)	**1.20**	**1.20**
Dividend per share (Kshs)	**0.25**	**0.40**

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	30 June 2019 Kshs Million	30 June 2018 Kshs Million
ASSETS		
Property, plant and equipment	346,737	328,082
Other non-current Assets	21,056	19,859
Current assets	33,629	31,412
	401,422	**379,353**
EQUITY AND LIABILITIES		
Share capital	16,488	16,488
Share premium	22,151	22,151
Reserves and retained earnings	156,326	151,465
Non-current liabilities	180,860	168,370
Current liabilities	25,597	20,879
	401,422	**379,353**

CONDENSED STATEMENT OF FINANCIAL CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019 Kshs Million	30 June 2018 Kshs Million
Balance at 1 July	3,383	7,831
Net cash generated from operating activities	30,585	17,510
Net cash used in investing activities	(28,808)	(14,843)
Net cash (used in)/generated from financing activities	4,094	(7,144)
Effects of exchange rate changes on cash and cash equivalents	70	29
Balance at June	**9,324**	**3,383**

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30 JUNE 2019

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

The accompanying financial statements of Kenya Electricity Generating Company PLC set out on pages169 to 250, which comprise the statement of financial position as at 30 June, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by PricewaterhouseCoopers, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Electricity Generating Company PLC as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Companies Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Electricity Generating Company PLC in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters which, in my professional judgment, were of most significance in the audit of the Company's financial statements of the current year. These matters were addressed in the context of the audit of the Company's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on them. For the matter below, a description of how the audit addressed the matter is provided in that context.

Key Audit Matter	How the Audit Addressed the Key Audit Matter
Capitalisation of Costs The Company is undertaking different capital projects in the current year. As explained in Note 13, the company has capitalised a portion of its costs which it considers to be directly related to the construction of its ongoing projects, primarily Olkaria V. The capitalised costs are material to the statement of financial position and there is significant judgement in determining the: • Assets which qualify for depreciation capitalisation and the quantum and depreciation to capitalise • Element of staff costs directly attributable to the ongoing projects • Borrowing costs to capitalise in line with the requirements of IAS 23.	**Capitalised Depreciation** The existence of the underlying assets, the valuation and accuracy of the cost of the assets was assessed in addition to the reasonableness of the assets' useful lives and depreciation rates used, as well as verifying that the assets are being used in the manner intended by management. **Capitalised Payroll Costs** The accuracy of the total payroll amounts was tested and the reasonableness of management's assessment of the payroll costs directly attributable to the ongoing projects was assessed. **Capitalised Borrowing Costs** The accuracy of the interest charges was tested as well as assessment of reasonableness of the amount capitalized. This included a detailed assessment in line with the requirements of the relevant accounting standards.

Other Information

The other information comprises the corporate information, shareholding, report of the directors, statement of directors' responsibilities and the directors' remuneration report, which I obtained prior to the date of this auditor's report, and the rest of the other information in the annual report which is expected to be made available to me after that date, but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in so doing, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be misstated. If, based on the work I have performed on

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

When I read the rest of the other information in the annual report and I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance, were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance on whether effective processes and systems of internal control, risk management and governance, were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2015, I report based on the audit that:

(i) In my opinion, adequate accounting records have been kept by the Company.

(ii) In my opinion, the information given in the report of the Directors on pages 18 to 20 is consistent with the financial statements.

(iii) In my opinion, the auditable part of the Directors' remuneration report on pages 10 to 11 has been properly prepared in accordance with the Companies Act, 2015 and are in agreement with the accounting records.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of the internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Company or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Company's financial reporting process, reviewing the effectiveness of management's system for monitoring compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion on whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts which would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Company's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Company to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters which may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with Management, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

31 August, 2020

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Abridged and Published in accordance with Article 137 of the Articles of Association of the Company

KenGen
Energy for the nation.

We wish to inform our esteemed shareholders and other stakeholders that the Annual General Meeting of the Company for the year ended 30th June 2019 will now be held on Tuesday, 3 November 2020.

Closure of Register and Date of Payment

The Register of Members will be closed from 4th to 5th November 2020 both dates inclusive. If approved, the dividend will be paid, less withholding tax where applicable on or about 17th December 2020 to the shareholders whose names appear in the Register of Members at the close of business on 3rd November 2020.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN to Shareholders that, in accordance with the provisions of section 280 of the Companies, Act, 2015 and pursuant to a Court Order issued by the High Court of Kenya in Miscellaneous Application No. E680 of 2020 on Wednesday, 29 April 2020, the Sixty Seventh Annual General Meeting of Kenya Electricity Generating Company Plc will be held via electronic communication on Tuesday, 3 November 2020 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out below:

ORDINARY BUSINESS

1. To table the proxies and note the presence of a quorum.
2. To read the Notice convening the meeting.
3. To consider and if approved, adopt the Company's audited financial statements for the year ended 30th June 2019, together with the Chairman's, Directors' and Auditors' Reports thereon.
4. To approve the payment of a final dividend of 10% or Kshs.0.25 per ordinary share of Kshs.2.50, subject to withholding tax where applicable, in respect of the financial year ended 30th June 2019.
5. To approve payment of Directors' fees for the year ended 30th June 2019.
6. **Auditors:**
   To note that the audit of the Company's books of accounts will continue to be undertaken by the Auditor-General or an audit firm appointed by her in accordance with Section 23 of the Public Audit Act 2015.
7. To authorise the Directors to fix the remuneration of the Auditors.
8. In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors, being members of the Audit, Risk & Compliance Committee of the Board be elected to continue to serve as members of the said Committee:

(i) Mr. Joseph Sitati
(ii) Mr. Humphrey Muhu, Alternate to Ukur Yatani (Cabinet Secretary – The National Treasury)
(iii) Mrs. Phyllis Wakiaga (Subject to her re-election to the Board as per Agenda item 9 (ii))
(iv) Mr. Kairu Bachia

9. **To elect Directors:**

(i) Dr. Eng. Joseph Njoroge, Principal Secretary, State Department of Energy, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and offers himself for re-election as a Director of the Company.
(ii) Mrs. Phyllis Wakiaga, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and offers herself for re-election as a Director of the Company.
(iii) Mr. Joshua Choge, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and does not offer himself for re-election.
(iv) Mrs. Ziporah Ndegwa, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and does not offer herself for re-election.

10. **SPECIAL BUSINESS:**
    To consider and if approved pass the following Special Resolutions:

(i) "That the Articles of Association of the Company be amended by inserting the following Article immediately after the present Article 54 and numbering the new Article as Article 54A as follows:
Article 54A
The Members may, if they think fit, confer or hold a meeting by radio, telephone, closed circuit television, video conferencing or other electronic, or other, means of audio or audio/visual communication, or a combination thereof ("Conference"). Notwithstanding that the Members are not present together in one place at the time of the Conference, a resolution passed by the Members constituting a quorum at such a Conference shall be deemed to have been passed at a General Meeting held on the day on which and at the time at which the Conference was held. The provisions of these Articles relating to proceedings of Members apply insofar as they are capable of application mutatis mutandis to such Conference."

(ii) "That the Articles of Association of the Company be amended by inserting the following Article immediately after the present Article 108 and numbering the new Article as Article 108A as follows:
Article 108A
The Directors may, if they think fit, confer or hold a meeting by radio, telephone, closed circuit television, video conferencing or other electronic, or other, means of audio or audio/visual communication, or a combination thereof ("Conference"). Notwithstanding that the Directors are not present together in one place at the time of the Conference, a resolution passed by the Directors constituting a quorum at such a Conference shall be deemed to have been passed at a meeting of the Board held on the day on which and at the time at which the Conference was held. The provisions of these Articles relating to proceedings of Directors apply insofar as they are capable of application mutatis mutandis to such Conference."

11. To consider any other business for which due notice has been given.

By Order of the Board

Paul K. Ndungi
Company Secretary

8 October 2020

NOTES:

Shareholders will be able to register to follow the meeting, vote electronically or by proxy and may ask questions in advance before the date of the Annual General meeting in the manner detailed as follows:

(i) Owing to the ongoing Coronavirus 2019 (COVID-19) pandemic and the related Public Health Regulations and directives passed by the Government restricting public gatherings, it is impossible, for KenGen to hold a physical Annual General Meeting in the manner envisaged under the Articles of Association of the Company and section 280 of the Companies Act 2015. On 29 April 2020, the High Court of Kenya in Miscellaneous Application No. E680 of 2020, issued an order permitting any company listed on the Nairobi Securities Exchange to convene and conduct a virtual general meeting subject to receipt of a 'No Objection' from the Capital Markets Authority ('CMA'). Relying on this court order, KenGen has convened and will conduct its virtual annual general meeting following receipt of a No Objection from the CMA.
(ii) Shareholders wishing to participate in the meeting should register for the AGM by dialing *483*820# on their mobile telephone and follow the various prompts on the registration process.
(iii) To complete the registration process, shareholders will need to provide their National ID/ Passport Numbers which they used to purchase their shares and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: +254 709170 000/709170 016 from 9.00 a.m. to 3.00 p.m. from Monday to Friday. Shareholders outside Kenya should dial the helpline number for assistance during registration.
(iv) Registration for the AGM opens on Friday, 9 October 2020 at 9.00 a.m. and will close on Saturday, 31 October 2020 at 5.00 p.m. Shareholders will not be able to register after this time.
(v) In accordance with Article 137 of the Company's Articles of Association, the following documents may be viewed on the Company's website www.kengen.co.ke.
(a) a copy of this Notice and the Proxy Form;
(b) the Company's Annual Report & Audited Financial Statements for the year ended 30th June 2019;
(c) a copy of the High Court Order in Miscellaneous Application No. E680 of 2020; and
(d) a copy of the No Objection issued by the CMA.
(vi) Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. Such proxy need not be a member of the Company.
(vii) A Proxy Form is provided with the Annual Report & Accounts. The Proxy Form can also be obtained from the Company's website www.kengen.co.ke or from Image Registrars Limited, Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street, P. O. Box 9287 – 00100, Nairobi, Kenya. Shareholders who do not wish to attend the Annual General Meeting have an option to complete and return the Proxy Form to Image Registrars Limited, or alternatively to the Registered Office of the Company so as to arrive not later than 11.00 a.m. on 1 November 2020.
(viii) Duly signed proxy forms may also be emailed to kengenagm@image.co.ke in PDF format. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
(ix) Shareholders wishing to raise any questions or clarifications regarding the AGM may do so on or before 1 November 2020 at 11.00.a.m. by:
(a) sending their written questions by email to agmquestions@kengen.co.ke; or
(b) to the extent possible, physically delivering or posting their written questions with a return physical, postal or email address to the registered office of the Company or P.O. Box 47936 – 00100, Nairobi, or to Image Registrars offices at P. O. Box 9287 – 00100, Nairobi, Kenya.

Shareholders must provide their full details (full names, National ID/Passport Number/ CDSC Account Number) when submitting their questions or clarifications.

The Company's Directors will provide written responses to the questions received to the return physical, postal or email address provided by the Shareholder no later than 12 hours before the start of the AGM. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 12 hours before the start of the AGM.

(x) The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, as a reminder that the AGM will begin in one hour and providing a link to the live stream.
(xi) Shareholders and proxies who have registered to attend the AGM may follow the proceedings using the live stream platform, access the agenda and vote when prompted by the Chairman via the USSD prompts.
(xii) Results of the resolutions voted on will be published on the Company's website that is, www.kengen.co.ke within 24 hours following conclusion of the AGM.

Shareholders are encouraged to continuously monitor the Company's website for any updates relating to the AGM owing to the changing situation arising from the COVID-19 pandemic. We appreciate the understanding of our shareholders as we navigate the evolving business conditions posed by COVID-19.