

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2020

CHAIRMAN'S ABRIDGED COMMENTARY

"KenGen remains focused on the noble mandate to generate reliable, safe and competitively priced electric energy and diversify the business to expand the revenue streams. We remain cognisant of the financial and economic implications brought about by the novel coronavirus and our greater responsibility as an operator of critical energy infrastructure in the country."



Dear Shareholders,

I am pleased to present our 2020 Performance. Despite the adverse effects brought about by the COVID-19 pandemic, we remained resilient in our operations and delivered a stable performance with a 13.4% growth in electricity revenue for the year ended 30th June 2020.

Stakeholders Relations

KenGen relies on strong stakeholder relations in all our business operations. We owe our success to the support and commitment of our stakeholders who have not only helped to shape our strategic direction but also enabled us to implement our power expansion projects and enjoy a favourable operating environment. In 2019, the Company launched a Community Engagement Strategy to cement stakeholder relations within its operations and business performance.

Corporate Governance

KenGen continues to build trust and promote business viability by maintaining the highest standards of corporate governance. During the period under review, the Directors participated in various corporate governance and business programs to enhance Board effectiveness. The strength and agility of any Board comes to test in times of crisis. I am pleased to report that the KenGen Board provided the much-needed direction and support to management which helped steer the Company through the most turbulent period occasioned by the COVID-19 pandemic.

Dividends

Given our steady performance in 2020, and expectation of resilience and continued growth in the year ahead, the Board proposes a first and final dividend for the year of KShs. 0.30 per ordinary share. This compares to a final dividend of KShs. 0.25 per ordinary share paid in 2019. If approved at this Annual General Meeting by shareholders, the dividend will be paid less withholding tax where applicable on or about Thursday, 22nd July 2021.

Our Outlook

Looking into the future, we see opportunities as well as new challenges that our Company must deal with. We face many uncertainties as the COVID-19 pandemic continues to unfold. It is in times like this, that we must focus on our purpose, running safe and reliable operations for continued and guaranteed electricity supply for the country. The Company will continue to implement the power expansion projects and invest in other revenue streams to create more value for our stakeholders.

Appreciation

On behalf of the Board of Directors, I extend my appreciation to the Government of Kenya, our esteemed shareholders, the management and the staff for your continued support and contribution towards driving our strategy and business success.



Gen (Rtd) Samson Mwathethe, EGH, MBS, DCO
Chairman of the Board

MANAGING DIRECTOR & CEO'S ABRIDGED COMMENTARY

"For close to 10 years now, we have implemented our Good-2-Great Strategy which anchors our capacity growth heavily on geothermal development. The Company is pursuing diversified revenue streams to secure our future and create more value for our stakeholders."



Dear Shareholders,

It is my pleasure to present to you the Annual Report for the financial year ended June 30, 2020 at a time when our country and the world is facing extra-ordinarily difficult times due to the COVID-19 outbreak. The global economy is reeling from the disruptive effects of COVID-19 and our sector is not spared by the virus-related shock to power demand in the country. Despite the odds, the Company registered impressive results buoyed by the commissioning of Olkaria V, strong stakeholder relations and continued pursuit of operational excellence. At KenGen, we are taking bold and deliberate actions for the well-being of our staff and the sustainability of our business.

Business Continuity

KenGen remains instrumental in the economic growth of the nation thereby underscoring the need to continuously devise strategies for effective responses to disruptions within the ever-changing business environment. Our sound Business Continuity Plan and Disaster & Risk Management Framework positioned us well to respond to the emerging COVID-19 situation. The Company activated the Crisis Management Team which rapidly rolled out mechanisms to ensure employee safety, seamless operations and uninterrupted power supply for the nation.

Strategic Direction

For close to 10 years now, we have implemented our Good-2-Great Strategy which anchors our capacity growth heavily on geothermal development. During the year, we completed and commissioned Olkaria V geothermal power plant, with an installed capacity of 172.33 MW. Despite the COVID-19 pandemic, we made considerable progress in the construction of the 83.3 MW Olkaria I Unit 6 geothermal plant, while adhering to the strict site safety protocols. Projects with a total capacity of 284.2 MW are also at different stages of development.

Revenue Diversification

The Company is pursuing diversified revenue streams to secure our future and create more value for our stakeholders. Our goal is to realize 50% of our revenues from non-generation sources. The steady stream of cutting-edge ideas generated by our workforce during the vibrant Annual G2G Innovation Seminars and other internal ideation forums will power our diversification agenda. The Company will take advantage of its expertise and experience to offer commercial services and consultancy to external parties. In addition, our partnerships and collaborations will contribute to our diversification agenda.

Business Performance

Electricity revenue for the year increased by KShs. 3,986 million (13.4% growth) to KShs. 33,783 million mainly because of full operationalization of the 172.33MW Olkaria V geothermal power plant in November 2019, which boosted geothermal production by 14%. Net Revenue - which is Total Revenue less reimbursable expenses therefore increased by 11.3% from KShs. 35,774 million in 2019 to KShs. 39,822 million for the period under review, primarily because of reduction in fuel revenue associated with thermal plants, which registered a drop of 58.9% owing to displacement of thermal by geothermal power generation.

Revenue diversification ventures contributed a total revenue of KShs. 440 million from the ongoing geothermal drilling project in Ethiopia. The Profit before tax for 2020 grew by 18.3% from KShs. 11,654 million to KShs. 13,790 million, mainly attributable to additional revenue contribution by 172.33MW Olkaria V and Ethiopia operations. Profit for the year improved further by 133.1% from KShs. 7,884 million to KShs. 18,377 million with a tax credit of KShs. 4,587 million. The tax credit was largely due to the impact of temporary reduction of the corporate tax rate from 30% to 25% introduced as one of the COVID-19 tax relief measures.

Future Outlook

We remain committed to the implementation of the renewable programs in our project pipeline to increase capacity, contribute to the lowering of tariffs and enhance value to shareholders and all our stakeholders, despite fluid business environment and current depressed national power demand.

Acknowledgement

I am honoured to lead a great Company that is changing lives of many Kenyans, our businesses, our Nation and Africa at large and look forward to a collective effort to create a lasting impact.



Rebecca Miano (Mrs.), MBS
Managing Director & CEO



KenGen sold
8,237GWh Energy
of which over **97%**
was from **clean energy**



KenGen's Profit after tax,
KShs. 18,377 million
which was, **KShs. 10,493 million**
above the prior-year



The Board proposes
a final dividend
of **KShs. 0.30**
per ordinary share

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2020

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2020

| | 30 June 2020 KShs Million | 30 June 2019 KShs Million |
|--|------------------------------|------------------------------|
| Revenue | 44,110 | 45,966 |
| Reimbursable expenses (Fuel and water costs) | (4,288) | (10,192) |
| Revenue less reimbursable expenses | 39,822 | 35,774 |
| Other income | 473 | 619 |
| Other (losses)/gains-net | 6,383 | 3,179 |
| | 46,678 | 39,572 |
| Depreciation & amortization | (12,030) | (10,360) |
| Operating expenses | (10,884) | (10,571) |
| Steam Costs | (3,161) | (3,357) |
| Operating Profit | 20,603 | 15,284 |
| Finance income | 1,431 | 1,423 |
| Finance costs | (8,244) | (5,054) |
| Profit Before Tax | 13,790 | 11,653 |
| Income tax expense | 4,587 | (3,769) |
| Profit After Tax | 18,377 | 7,884 |
| Other Comprehensive Income | (375) | (62) |
| | 18,002 | 7,822 |
| Total Comprehensive Income | 18,002 | 7,822 |
| Basic and diluted earnings per share (KShs) | 2.79 | 1.20 |
| Dividend per share (KShs) | 0.30 | 0.25 |

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

| | 30 June 2020 KShs Million | 30 June 2019 KShs Million |
|--------------------------------|------------------------------|------------------------------|
| ASSETS | | |
| Property, Plant and Equipment | 352,430 | 346,737 |
| Other Non-current Assets | 26,459 | 21,056 |
| Current Assets | 34,038 | 33,629 |
| | 412,927 | 401,422 |
| EQUITY AND LIABILITIES | | |
| Share Capital | 16,488 | 16,488 |
| Share Premium | 22,151 | 22,151 |
| Reserves and Retained Earnings | 172,680 | 156,326 |
| Non-current Liabilities | 184,552 | 180,860 |
| Current Liabilities | 17,056 | 25,597 |
| | 412,927 | 401,422 |

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2020

| | Share Capital & Share Premium | Other Reserves | Retained Earnings | Total Equity |
|---|----------------------------------|-------------------|----------------------|-----------------|
| | KShs Million | | | |
| As at 1 July 2018 | 38,639 | 71,806 | 79,659 | 190,104 |
| Total comprehensive income for the year | - | (62) | 7,884 | 7,822 |
| Transition adjustment initial application of IFRS 9 | - | - | (462) | (462) |
| Deferred tax thereon | - | - | 139 | 139 |
| Transfer of excess depreciation | - | (2,925) | 2,925 | - |
| Deferred tax on excess depreciation | - | 877 | (877) | - |
| Dividends declared to equity holders | - | - | (2,638) | (2,638) |
| As at 30 June 2019 | 38,639 | 69,696 | 86,629 | 194,965 |
| Total comprehensive income for the year | - | (375) | 18,377 | 18,002 |
| Transfer of excess depreciation | - | (2,781) | 2,781 | - |
| Deferred tax on excess depreciation | - | 695 | (695) | - |
| Dividends declared to equity holders | - | - | (1,649) | (1,649) |
| As at 30 June 2020 | 38,639 | 67,236 | 105,444 | 211,318 |

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2020

| | 30 June 2020 KShs Million | 30 June 2019 KShs Million |
|---|------------------------------|------------------------------|
| Balance at 1 July | 9,324 | 3,383 |
| Net cash generated from operating activities | 17,857 | 30,585 |
| Net cash used in investing activities | (17,528) | (28,808) |
| Net cash (used in)/generated from financing activities | (4,373) | 4,094 |
| Effects of exchange rate changes on cash and cash equivalents | 94 | 70 |
| Balance at June | 5,374 | 9,324 |

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30TH JUNE 2020

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

The accompanying financial statements of Kenya Electricity Generating Company PLC set out on pages 17 to 104, which comprise of the statement of financial position as at 30 June, 2020, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the statement of comparative budget and actual amount for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Deloitte & Touché, 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 the Kenya Electricity Generating Company PLC as at 30 June, 2020, 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 Public Finance Management Act, 2012 and 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 the Kenya Electricity Generating Company PLC Management 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 audit 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.

Emphasis of Matter

Amounts Due From Kenya Power and Lighting Company PLC

The financial statements reflect gross amounts due from the Company's main customer, Kenya Power and Lighting Company PLC (KPLC) amounting to Kshs.23,984,394,000 (2019: Kshs.19,356,993,000) as disclosed in Note 20 to the financial statements. This outstanding balance is billed as per respective Power Purchase Agreements (PPAs) between the two companies. However, KPLC confirmed Kshs.24,029,164,019 as the amount owing indicating a difference on Kshs.44,770,019. Further, the Company recorded Aggreko project receivables of Kshs.224,386,541 which also differed by Kshs.26,719,873 with the amount confirmed by KPLC of Kshs.197,666,668. According to Management, the unconfirmed amount of total trade receivables of Kshs.71,489,892 relates to interest on delayed payments, which KPLC has disputed.

In addition, the amounts due from KPLC were on average outstanding for periods of 195 days, which was way above the 90-day credit cycle provided for in the agreement between the two companies.

My opinion is not qualified in respect of this matter.

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 audit report, and the rest of the other information in the annual report which is expected to be availed 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 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.

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2020

REPORT OF THE AUDITOR-GENERAL ON KENYA ELECTRICITY GENERATING COMPANY PLC FOR THE YEAR ENDED 30TH JUNE 2020 (continued)

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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else 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

Long Outstanding Payables

The statement of financial position reflects trade and other payables amounting to Kshs.7,642,929,000 as disclosed under Note 32 to the financial statements. Included in this balance is Kshs.4,841,270, which relates to financial assets held by the Company in the form of long outstanding cheques, which had remained unclaimed for a period of more than two (2) years. Similarly, included in the payables is Kshs.14,300,000, which relates to the Energy Power Project payables, which have been outstanding since 2009 with no movement in this balance over the years. Management has not explained why it has taken a significantly long period to clear the outstanding payments despite acknowledging to have information about the prevailing circumstances and the whereabouts of the payees.

Alternatively, the Company may not have remitted some qualifying assets to the Unclaimed Financial Assets Authority (UFAA), contrary to the Unclaimed Financial Assets Authority Act, 2011, which requires such assets be surrendered to UFAA. The Management therefore, risks being charged interest and penalties for non-compliance with the Act.

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 about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that 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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall 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, except for the matters described in the Emphasis of matter and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I report based on the audit that:

- (i) In my opinion, the information given in the report of the directors on pages 5 to 7 is consistent with the financial statements.
- (ii) 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 Board of Directors

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 that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of 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.

The Board of Directors is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Company monitors 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 overall 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 that 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 audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that 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 that 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 that 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 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 that 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 that 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 that 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

27 January, 2021

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2020

We wish to inform our esteemed shareholders and other stakeholders that the Annual General Meeting of the Company for the year ended 30th June 2020 will now be held on Thursday, 22nd April 2021.

Closure of Register and Date of Payment

The Register of Members will be closed from Friday, 23rd April 2021 to Monday, 26th April 2021, both dates inclusive. If approved, the dividend will be paid, less withholding tax where applicable on or about Thursday, 22nd July 2021 to the shareholders whose names appear in the Register of Members at the close of business on **Thursday, 22nd April 2021**.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN to Shareholders that, in accordance with Articles 54A of KenGen's Articles of Association, the Sixty-Eighth Annual General Meeting of Kenya Electricity Generating Company Plc will be held via electronic communication on Thursday 22nd April 2021 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 30 June 2020, together with the Chairman's, Directors' and Auditors' Reports thereon.
4. To approve the payment of a final dividend of KShs. 0.30 per ordinary share of KShs. 2.50, subject to withholding tax where applicable, in respect of the financial year ended 30 June 2020.
5. To approve payment of Directors' fees for the year ended 30 June 2020.
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 Muhiu, Alternate to Ukur Yatani (Cabinet Secretary - The National Treasury)
 - (iii) Mrs. Phyllis Wakiaga
 - (iv) Ms. Peris Mwangi
9. To elect Directors:
 - (i) Dr. Reginalda Wanyonyi, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers herself for re-election as a Director of the Company.
 - (ii) Mr. Kairu Bachia, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company does not offer himself for re-election as a Director of the Company.
 - (iii) Dr. Musa Arusei who retires on rotation in accordance with Article 104 of the Articles of Association of the Company does not offer himself for re-election as a Director of the Company.
10. To consider any other business for which due notice has been given.

By Order of the Board



DAVID K. MWANGI
COMPANY SECRETARY

30th March 2021

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. Article 54A of the Articles of Association of the Company provides that "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) Shareholders wishing to participate in the meeting should register for the AGM by dialling *483*901# 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 Thursday, 1st April 2021 at 9.00 a.m. and will close on Monday, 19th April 2021 at 5.00 p.m. Shareholders will not be able to register after this time.
- (v) 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 2020.
- (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 20th April 2021.
- (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 appointor 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 20th April 2021 at 2:30 pm 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 47938 - 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

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.