



Kenya Power

THE KENYA POWER AND LIGHTING COMPANY PLC

LEGAL AFFAIRS POLICY

Part A - Document Control Sheet

Document	Legal Affairs Policy		
Document Owner	Manager, Legal Services		
Division	Legal, Regulatory Affairs & Company Secretary		
Department	Legal Services		
Lead Contact	Manager, Legal Services		
Document Status	Final		
Document Approvals	Approver	Approval Reference	Approval Date
	Executive Committee	EXCOM/388/23	Mon. 20 th Nov. 2023
	Board of Directors	BM/164/23	Mon. 4 th Dec. 2023
Reference. No.	KPLC1/2B/5/1/012		
Issue No.	01		
Revision No.	Not Applicable		
Revision Date	None		
Revision Type	Not Applicable		
First Development Date	Friday, 1 st September 2023		
Commencement Date	24 TH JUNE 2024		
Revision Frequency	Three (3) Years		
Next Review Date	June 2027		
Superseded Documents	None		
Complementary Documents	<ol style="list-style-type: none"> 1. Legal Services Agreements and Contracts 2. Communication and Correspondence 3. Litigation and Dispute Records 4. Data Protection and Privacy Records 5. Training and Compliance Records. 		

LEGAL AFFAIRS POLICY

Part B - Definitions and Abbreviations

Court Document	Any written document that involves the Company as party to a Court Case, to an arbitration or to a case before a Tribunal or to any other legal proceeding in which the Company is a party
Legal Counsel	A lawyer employed to provide Legal Services for the Company
Legal Services	Legal representation involving the Company which includes provision of legal advice or legal opinion
The Company	The Kenya Power and Lighting Company PLC or KPLC

Part C – Introduction

The Company recognizes the paramount role that Legal Services play in ensuring its operations are conducted with integrity, compliance and sound legal judgment. This Policy outlines the Company's commitment to maintaining a robust legal framework, safeguarding its interests and upholding ethical standards. Through this Policy, the Company establishes a mechanism for effective Legal Services, risk management, and transparent decision-making.

Part D - Policy Purpose

The primary purpose of this Policy is to provide a guideline for engagement, management and oversight of Legal Services within the Company. It aims to ensure that legal matters are handled strategically, ethically, and in alignment with applicable laws and regulations. This Policy outlines the principles, responsibilities, and procedures governing Legal Services throughout KPLC.

Part E - Policy Objectives

1. Define and communicate guidelines for Legal Services utilization
2. Ensure consistent and uniform legal support across the Company
3. Identify potential legal risks and establish proactive measures
4. Optimize legal expenditure by streamlining service procurement
5. Align legal practices with applicable laws and regulations
6. Provide a framework for addressing legal disputes effectively
7. Establish protocols for handling confidential data during legal proceedings.

Part F - Policy Statements

The Company's aim is to manage its legal risks by ensuring quality, efficient and reliable Legal Services in support of the Company's activities, objectives and by taking into account the cost effectiveness of the Legal Services.

1. Contract Review

- 1.1 Unless otherwise specified, all contracts binding the Company and requiring execution by the Managing Director & Chief Executive Officer shall be

presented to the Legal Services Department for a comprehensive review and evaluation. This assessment aims to identify and address any potential legal concerns before the contract is finalized for execution

- 1.2 The review shall focus solely on legal considerations and potential legal exposure. It shall not entail an assessment of the business rationale or operational aspects that underlie the intent or content of the contract.
- 1.3 Contracts presented to the Legal Services Department for assessment will undergo a prompt review process aimed at upholding seamless business operations while preventing any service interruptions due to delays in the contract review and execution processes.

2. Litigation

- 2.1 Service of Court Documents upon the Company shall exclusively be accepted by either the Legal Counsel or an external counsel who has been engaged by the Company as stipulated under this Policy. However, staff members shall accept service of Court Documents on behalf of the Company only after coordinating with the Legal Counsel. In this context, the term "formal service" denotes the official procedure and conveyance involved in presenting or dispatching a Court Document to the Company
- 2.2 Any Court Document directed to the Company or received by any of its members of staff must be promptly forwarded to the Company's Legal Services Department for a comprehensive assessment. This procedure is imperative to prevent any potential harm to the Company's legal entitlements, ensuring the ability to respond within the stipulated timeframes.

3. Training and Education

- 3.1 The Legal Services Department shall conduct legal training sessions for employees on relevant topical issues to reduce the risk of litigation and ensure compliance with applicable laws, regulations and other regulatory requirements.

4. Legal Advisory

- 4.1 The Legal Services Department shall maintain an average response time of seventy-two (72) hours or less to requests for legal advisories.

5. Engagement of External Counsel

- 5.1 The Company may from time to time engage external counsel to provide Legal Services on account of capacity, risk transfer, specialized knowledge/expertise, among others. Such engagement shall be in line with public procurement laws.
- 5.2 Payment of fees for services provided by external counsel shall be within the provisions of the Advocates Remuneration Order.

Part G – Scope

This Policy applies to all members of staff of the Company.

Part H - Risk Statement

The Company is exposed to critical legal vulnerabilities with litigation standing out as a particularly impactful financial concern. Another significant threat revolves around unfavorable contract clauses that have the potential to lead to substantial financial losses, exacerbating the risk of litigation.

To effectively mitigate these risk exposures, a comprehensive Legal Affairs Policy is essential. This Policy delineates the operational framework that the Legal Services Department will adhere to, encompassing strategies for litigation management, contractual safeguards and compliance requirements.

Part I - Responsibility for Implementation of the Policy

1. Board of Directors

- 1.1 Approval and adoption of this Policy
- 1.2 Budget allocation, cost efficiency and financial oversight related to Legal Services, ensuring optimal resource utilization.

2. Managing Director & Chief Executive Officer

- 2.1 Review and implementation of this Policy.

3. General Manager, Legal, Regulatory Affairs & Company Secretary

- 3.1 Responsible for ensuring that legal matters are managed in compliance with this Policy, including regulatory adherence, ethical conduct, and risk

mitigation.

4. Manager, Legal Services

- 4.1 Provide expert Legal Services tailored to address critical matters impacting the Company.
- 4.2 Communicate legal risks and legal issues in order to enable the responsible Company official and/or authority to make informed decisions or take a course of action on a Company matter.

Part J - Monitoring and Evaluation

Legal, Regulatory Affairs, and Company Secretary Division will be responsible for ensuring that legal matters are managed in compliance with the Policy.

Part K - Triggers for Policy Review

The Policy will be reviewed under the following circumstances:

1. Legal and regulatory changes
2. Judicial precedents
3. Organizational changes. Structural shifts, mergers, acquisitions, or changes in business operations that may necessitate policy adjustments
4. Incident or lawsuit. The occurrence of a legal dispute, lawsuit, or significant legal incident that highlights potential gaps in the Policy
5. Data privacy concerns. Emerging data privacy risks or breaches that necessitate updates to protect sensitive information
6. Internal feedback. Regular feedback from legal experts, stakeholders, or employees that highlights areas of improvement or potential risks
7. External audits. Recommendations from external audits or legal assessments that indicate the need for policy modifications
8. Lapse of a 3-year time period after the last review.

Part L - Statutory and Regulatory Compliance Requirements

The laws and regulations that this Policy should be in accordance with include (but are not limited to):

1. The Constitution of Kenya, 2010

2. All other Acts of Parliament and Regulations that apply to the Company.

Part M - Records and Reports

1. Legal Services Agreements and Contracts
2. Communication and correspondence between in-house legal teams, external counsel and relevant stakeholders pertaining to legal matters
3. Documentation of ongoing and concluded legal disputes including case summaries, court filings, and resolutions
4. Training and Compliance Records
5. Financial Records i.e. fee notes.
6. Audit and Inspection Reports
7. Meeting Minutes and Decisions involving legal discussions, decisions, and action items.

Part N - Distribution List

This Policy shall be distributed to all members of staff.

Part O - Transition and Consequential Provision

The procedures giving effect to this Policy shall be developed and approved within a maximum period of six (6) months from the Commencement Date.

SIGNED BY:-



JOY BRENDA MASINDE

CHAIRMAN, BOARD OF DIRECTORS

Signature Date: 24TH JUNE 2024