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**8TH ANNUAL GENERAL MEETING OF SAFARICOM INVESTMENT CO-OPERATIVE LIMITED HELD AT 10 AM ON 25<sup>TH</sup> FEBRUARY 2017 AT PRIDE INN –WESTLANDS**

**PRESENT**

**(A) Members of the Board**

1. George Mochache- Chairperson
2. Mackrine Abukah
3. James Gathumbi
4. Belsheba Nyabwa
5. Jackson Mulwa
6. Rosemary Chege
7. Alexander Kinyae
8. Agnes Marete
9. Rhoda Marambi
10. Ronald Musundi- Chief Executive Officer

**(B) Supervisory Committee**

1. Dolories Kotut
2. Antony Clement Odhiambo
3. Peter Mukera

**IN ATTENDANCE**

**(A) Guests**

1. Mr. Ali Noor Ismail- CBS, P.S- State Department for Cooperatives
2. Ms. Mary Mungai- Commissioner for Cooperatives
3. Dolphin Aremo- County Director of Cooperatives
4. Lucy Kimani- Sub-County Cooperative Officer
5. Mr. Davis Kathurima- Cooperative Officer

**(B) Other Guests from Namibia**

1. Ms. Esther Kaapanda- Deputy Permanent Secretary, Department of Planning, Marketing and Administration (Head of Delegation)
2. Ms. Loide Jason, Deputy Director of the Division of Cooperatives Development and Registration
3. Mr. Kintinu Sageus- Senior Agro-business Analyst

**MEMBERS PRESENT**

403 Members were present

## **PRELIMINARIES**

Having achieved quorum, the meeting was called to order at 10.15AM by the MC Ronald Musundi. Mercy Gakonyo, the Operations Manager made the opening prayer.

## **MIN/AGM/01/2017- READING OF THE NOTICE AND ADOPTION OF AGENDA**

The agenda was presented as outlined below:

- 1) Confirmation of the 2016 Annual General Meeting minutes
- 2) Report from the Chairman
- 3) Report from the Supervisory Committee
- 4) Presentation of the 2016 Audited Financial Statements
- 5) Report from the Treasurer
- 6) Presentation of the year 2017 budget
- 7) Appointment of Auditors
- 8) Disposal of surplus for the year 2016
- 9) Resolutions
- 10) Elections
- 11) Any other Business (A.O.B.)

The agenda was proposed by Michael Borino member number 609, seconded by Jane Ngethe member number 1970 after which it was adopted by members.

## **MIN/AGM/02/2017- CONFIRMATION OF THE 2016 ANNUAL GENERAL MEETING MINUTES**

The Hon. Secretary confirmed that minutes had been circulated to members before the AGM. These minutes together with other reports were also updated on SIC website. Minutes were read by the Secretary.

Minutes were proposed by Arnold Njagi member number 1624, seconded by Henry Oranga member number 3562

As matters arising, member Mary Musasia member number 3852 was advised that queries on rebates would be addressed as part of the ongoing agenda.

## **MIN/AGM/03/2017 -CHAIRMAN'S REPORT**

The Chair presented her report as written in the financial report.

### **Highlights:**

- She acknowledged the 659 members who had joined in 2016 and mentioned that a CEO had been appointed. The CEO, Ronald Musundi, was introduced to members
- Sharia compliant products were launched for members in the year 2016.

- Staff grew to 44. SIC has sought for new office space at Westcom to cater for the staff in a comfortable environment. This is in addition to the space that SIC has within Safaricom buildings

The Chairman's report was proposed by Dr. Shadrack Katuu member number 1655 and seconded member number 4137 Magdalene Mungai after which it was adopted by the members in the AGM.

**Matters arising from the Chairman's report:**

Anthony Yano member number 2322 asked how SIC recouped from the farming venture as it was one of the main pillars.

Information was given to members that the expected produce level was not achieved and intervention did not yield a turnaround. This also addressed the query by Member number 3562 Henry Oranga.

Veronica Okello member number 70 asked about the current status of SIC employees.

Clarification was done that hiring of office staff is done by the CEO with guidance from the Board. Staff status was confirmed to be:

- 24 – Contract
- 20 - Permanent

Based on member number 3042 - Angela Mukere's query regarding the movement to Westcom as opposed to maintaining the free space at Safaricom, it was confirmed that Westcom is additional to Safaricom space. This also addressed the query by Peter Mwangi member number 2514.

Member number 1298 Stephen Mureithi sought to know the priority that SIC wants to take when entering a Private Equity (PE) agreement. He suggested that SIC should specialize in a certain area. Members were informed that PE areas had already been set out as a guide.

Members were further informed that share trading has been enhanced to FIFO approach. Bidding continues but sellers who present their shares first are allocated first.

Dr. Shadrack Katuu member number 1655 asked about the strategy for the Diaspora. A dedicated staff has been sourced to unlock this market

Anthony Muhindi member number 1877 was referred to the office for his query on allocation of land that he had purchased.

Member number 3389, George Sino was assured that the speed of loading information on SIC website will be addressed.

Margaret Githiri, member number 4 stated that members who shared land for sale got no feedback. This was noted for improvement.

Pamela Konya of Abakyala Women's member number 1950 asked how SIC is prepared, this being an election year. The Board informed members that investment in metropolitan areas, partnership with locals, due diligence will continue to be done to cushion SIC from any political interruptions.

#### **Address by the Chief Guest**

The Chief Guest, Mr. Ali Noor Ismael – PS- State Department for Co-operatives, was allowed to make a speech. He was accompanied by other guests from Namibia:

- Ms. Esther Kaapanda, Deputy Permanent Secretary, Department of Planning, Marketing and Administration (Head of Delegation)
- Ms. Loide Jason, Deputy Director of the Division of Co-operatives Development and Registration
- Mr. Kintinu Sageus, Senior Agro-business Analyst

Other guests:

- Ms. Mary Mungai – Commissioner
- Madam Dolphin Aremo - County director
- Madam Lucy Kimani - Sub-county Coop Office
- Mr. Davis Kathurima- Cooperative Office

The Vice Chairman, Geoffrey Wandeto gave a vote of thanks to the guests who had to leave early.

#### **MIN/AGM/04/2017- SUPERVISORY COMMITTEE REPORT**

Supervisory Committee Chair Rosemary Chege presented her report as printed on the financial report.

The Supervisory report was proposed by Raymond Bett a representative of Ninetech investments member number 2553 and seconded by Maxwell Otumba member number 3568 after which it was adopted by members.

#### **Matters arising from the supervisory report:**

It was confirmed reports detailed reports are available at SIC office.

Shadrack Katuu member number 1655 asked about the regulatory policy that is used to gauge the performance of the supervisory committee. Ms. Aremo from the ministry referred members to the guiding act.

The Supervisory Committee is charged with duties such as verification of all society transactions. The committee has quarterly meetings to discuss their recommendations.

Arnold Njagi member number 1624 sought to know how SIC has leveraged on ICT. This was noted as area of focus that SIC has already started engaging in.

Stephen Irungu, member number 1832 asked if due diligence was done before investment in Agri-business leading to closure. Members were informed that due diligence was done and SIC still maintains a vision to go on with farming.

Member number 4041 Anthony Sankale sought to know if the Supervisory Committee is satisfied with the growth of the organization, management costs and governance. Members were informed that the strategic plan is used as a guide and the Supervisory committee is confident that the society is growing in the right direction.

The supervisory committee is confident that the system in use is robust based on a query by member number 3790, Dominic Kioko.

#### **MIN/AGM/05/ 2017-PRESENTATION OF THE 2016 AUDITED FINANCIAL STATEMENTS**

The audited statements were presented by the auditor, Francis Kigo Njenga while making reference to the financial report which was shared with members.

Auditor's report was proposed by Tom Macakiage member number 1325 and seconded by Beatrice of Investment Millionomy Limited registered as member number 4070 after which it was adopted by the general meeting.

#### **MIN/AGM/06/2017-TREASURER'S REPORT**

Treasurer presented his report together with the 2017 budget

The report was proposed by Stella Ikileng member number 2867 and seconded by Geoffrey Moenga member number 1581

Several members engaged in a number of queries in regards to the financial report which had been presented:

Information was given to members as highlighted:

- Members were taken through the ratios on page 24 of the financial report to their satisfaction
- Recruitment expense had grown as SIC had used recruitment firms to aid in sourcing for quality staff
- Some assets were written off since they did not have re-sale value. These included phones, tablets, laptops
- SIC creditors are secured as these are contractual debts which are binding. Increase in liabilities as one is doing business has no risk. The liabilities are secured with assets.
- Members were assured that only necessary meetings are held.
- The auditor confirmed to members that the assets they listed during the audit sessions are indeed assets that do exist
- Some projects are in progress. For example Bluebells phase 2 which will move from work in progress to receivables as the project is finalized.

- Domain costs refer to server costs while modems are used when staff are working out of the office. Postage costs were incurred while moving transfer documents from lawyers, transporting marketing material and related activities. Anthony Yano member number 2322 made a proposal to use Sendi for postage. This was noted for improvement.
- The Board confirmed that rebates would be paid out as from 15<sup>th</sup> March 2017.

#### **MIN/AGM/07/2017-PRESENTATION OF THE YEAR 2017 BUDGET**

The budget was proposed by Angela, a representative from Limited Renaise Company member number 3468 and seconded by James Njuguna member number 17 after which it was adopted by the AGM.

#### **MIN/AGM/08/2017-APPOINTMENT OF AUDITORS**

This agenda was overseen by the Ministry of Cooperatives officials. There were two proposals.

Proposal to retain the current auditor.

Proposer: Michael Borino member number 609

Secunder: None;

Proposal to retain the current auditor with a view of changing in the year 2018

Proposer: Silas Alumasa member number 2232

Secunder: Johnstone Kamunde member number 639

The Board will present a list of 3 auditors for the AGM to adopt one.

#### **MIN/AGM/09/2017-DISPOSAL OF SURPLUS FOR THE YEAR 2016**

##### **(a) Dividends**

The Board proposed that Ksh. 413,500,577 million be paid as surplus and further proposed that a minimum of 55% be retained, a maximum of 35% be paid out.

Proposer: Dr. James Soki member number 1409

Secunder: Sheila Kiratu member number 4042

##### **(b) Honoraria**

Members discussed the honoraria item intensively after which it was agreed that Ksh. 3million be paid to the serving members as honoraria.

Proposer: Jane Ngethe member number 1970

Secunder: Fredrick Lang'o member number 509

The Board suggested paying a staff bonus based on performance. This was adopted by the AGM after being proposed by Edith Ochola member number 107 and seconded by Silas Alumasa member number 2232.

#### **MIN/AGM/10/2017-PRESENTATION OF POLICIES**

Mr. Davis Kathurima from the Ministry of cooperatives presented the following policies to members.

**i) Electoral policy.**

Members extensively engaged in this discussion. Key highlights were:

- a. Constitution of an Electoral Committee
- b. Members of the Electoral Committee to be the S.I.C. CEO, a representative from the Law Society of Kenya, a representative from ICPAK, the Electoral Commission of Kenya and from the Commissioner of Cooperatives.
- c. This Committee will receive applications from interested candidates; vet them for meeting the minimum requirements, verify their presented proof of qualification and issue nomination certificates.
- d. Duly nominated persons shall be notified to the members ahead of the AGM for members to interact with them before and know them better before the election date

Proposer: Johnstone Kamunde member number 639

Secunder: Anthony Muhindi member number 1877

**Members proposed that the following be included:**

Chapter 6 (Leadership and Integrity) of the constitution be added into the policy.

Members can suggest amendments or improvements to the policy

Qualification of Supervisory members is in the by-law that at least one member has to have financial background.

Term limit setting is to be confirmed before being added into the policy

**ii) Honorarium policy**

The policy was discussed at length. It was agreed that the policy be deferred to the next AGM as SIC continues with the current status where the matter is passed at the AGM.

Key highlights were:

- a. Clear articulation of the performance threshold to attract payment of honorarium. Cost containment to be part of the considerations
- b. Articulation of alternative percentage to be payable on achievement above the target KPI.
- c. Draft to be circulated to members in good time ahead of the AGM to allow for ample time to review and seek clarification from the office if so desired

**MIN/AGM/11/2017- RESOLUTIONS 2017**

The following resolutions were adopted by members at the AGM.

1. Borrowing powers was retained at Kshs. 1billion

Proposer: Paul Ilado of Holdings Top Ranking member number 2303

Seconded: Irungu Stephen member number 1832

2. Share price adjustment to Kshs. 525

Proposer: Anne Njenga of the group Hadasa Limited member number 1534

Seconded: Anthony Muhindi member number 1877

3. Increase of Membership fee :

- Individual from Kshs 10,000 to Kshs 20,000

Proposer: Rose Muthoni member number 1186

Seconded: Mary Karimi member number 9

- Groups from Kshs 30,000 to Kshs 50,000

Proposer: Angela of Limited Renaise Company member 3468

Seconded: Pamela Konya of Abakyala Women's member number 1950

4. Dividend Payout

As per the approved policy (2016 AGM) to Pay 35% and retain 65%, SIC to pay a special dividend of 10% thus 45%. Retain 55% BUT pay the special 10% in June

Proposer: Mr. Ilado member number 2303

Seconded: Kevin Kang'ethe member number 3281

5. Retain Board indemnity at Ksh. 3 million

Proposer: Peter Mwangi member number 2514

Seconded: Tom Mackakiage member number 1325

**MIN/AGM/12/2017-ELECTIONS**

Mr. Davis Kathurima from department of cooperatives presided over elections.

**Management Committee Elections**

The following were retiring from the Board

1. Mackrine Abukah – Chair
2. Geoffrey Wandeto – Vice Chair
3. Sally Mwenesi – Member

Sally Mwenesi and Geoffrey Wandeto informed members that they will not offer themselves for re-election.

For the CMC role, the following were presented:

1. Mackrine Abukah member number 38  
Proposer: Fredrick Lang'o member number 509  
Seconder: Michael Borino member number 609
  
2. Rosemary Chege member number 343  
Proposer: Sally Mwenesi member number 253  
Seconder: Rhoda Marimbi member number 1431
  
3. Rhoda Marimbi member number 1431  
Proposer: Sally Mwenesi member number 253  
Seconder: Evans Kwambai member number 1438

These being the only candidates, the three were unanimously accepted as CMC Board members.

**Supervisory Committee Elections**

Rosemary Chege retired from the Supervisory Committee.

Only one candidate was presented for the position; Peter Mukera member number 1044.

Proposer: Paul Ilado of Holdings Top Ranking member number 2303

Seconder: Angela, a representative from Limited Renaise Company member number 3468

The position was therefore filled by Peter Mukera.

**MIN/AGM/13/2017-ANY OTHER BUSINESS (A.O.B)**

It was noted that Safaricom staff had not shown interest in available positions in the Board. The AGM agreed that this matter should be discussed in the next AGM

Tom Macakiage member number 1325 gave a vote of thanks after which the meeting ended at 4.00 pm

Signed by:



Hon. Secretary  
Belsheba Nyabwa



Chairperson  
George Mochache