



**MINUTES OF THE 13TH ANNUAL GENERAL MEETING
HELD ON 23RD FEBRUARY 2013 AT KIUNGA AUDITORIUM – SAFARICOM**

Min 1/23/2/2013 Preliminaries

The meeting was called to order by the Master of Ceremony at 10:40am upon confirmation by the secretary that the quorum had been achieved. There followed opening prayers from Selina Kemama

Min 2/23/2/2013 Reading of Agenda

The Secretary read the agenda of the meeting as below:-

1. Confirmation of the 2012 Annual General Meeting minutes
2. Chairman's report
3. Remarks by the Chief Guest
4. Supervisory Committee Report
5. Presentation of the 2012 Audited Financial Reports
6. Treasurer's Report
7. Presentation of the 2013-2014 Budget
8. Disposal of surplus for the year 2012
9. Appointment of Auditors
10. Resolutions
11. Elections
12. Any other business (AOB)

Min 3/23/2/2013 Review and Adoption of the 12th AGM minutes

The Secretary read through and guided the meeting in reviewing the minutes of the 12th AGM as was held on 17th March 2012.

There were no corrections to the minutes.

The minutes were adopted as proposed by Emily Owiye and seconded by Josephine Ndambuki.

Min 4/23/2/2013 Matters Arising from the Previous Minutes

There were no matters arising from the previous minutes

Min 5/23/2/2013 Chairman's Report

The Chairman Mr. Jeremiah Ochieng welcomed the members to the AGM, thanking them for coming in on time as was requested. He also appreciated the support and cooperation from the Apex bodies especially KUSCCO and CIC. In addition he appreciated the support from Safaricom Limited which included physical hosting of the offices as well as IT infrastructural support.

He then presented his report for the year 2012 with the following highlights:-

- i. An overview of the macro-economic environment in which the society operated, that was characterized by high interest rates and inflation. The interest rates saw many members demanding for Sacco loans to retire loans they were having in commercial banks, but it also meant that the Sacco could not borrow from the commercial banks to finance loan demand from members. The chairman however appreciated the financial services support received from KUSCCO which was the only lender that the society engaged in 2012.
- ii. He also highlighted products innovations during the year. These included the fixed deposit product that the society also used as a source of funding for members' loans, the mobile banking platform M-SACCO, the Sacco branded VISA ATM cards where he reported that there were only two SACCOs in the country that had customized branded visa ATM cards. He highlighted that the ATM cards and the M-SACCO platform had accorded members variety in flexible and convenient access to their funds
- iii. He highlighted that the Board would be drawing up a new strategic plan for the subsequent five years, the previous plan was expiring in December 2013
- iv. On member growth the Chairman communicated that the Board had proposed to put in place a recruitment drive that will see 2,000 new members join the society in 2013. This would include commission based rewards of Ksh. 200 to any member or champion who recruited a new member.
- v. The Chairman highlighted that the Board had maintained high levels of responsibility, ethics and commitment in the governance of the society that saw the society scoop awards in the 2012 Ushirika Day celebrations especially in member training and cost management.
- vi. He highlighted that with the consistent growth of the society, it was becoming increasingly important that the society considers acquiring its premises especially for ease of access by members who were not within Safaricom Limited, as well as for optimal operations of the FOSA. He said that the treasurer had made budgetary provisions towards building a fund for this.
- vii. The Chairman also appreciated the champions for their support in the regions, especially in coordinating the member training in their regions, which were a great success and helped the SACCO achieve an informed membership.
- viii. He proposed that the AGM considers approving a direct nomination of one member from the newly incorporated open bonds, into the Board as an ex officio for representation purposes, pending institution of proper representation structures.
- ix. He appreciated members of the Board, staff members and the CEO for a good work done during the year.
- x. Finally, the Chairman encouraged the members to vote wisely and peacefully in the National Elections, stating that the SACCO operates in

the macro environment and would be impacted by any issues that impact the nation.

Min 5.1 /23/2/2013 Adoption of the Chairman's Report

The Chairman's report was adopted as proposed by Alex Okoth and Seconded by Stephen Were.

Min 5.2 /23/2/2013 Reactions to the Chairman's Report

- i. Steven Were commended the Board for the good work done during the year.
- ii. Linda Ogunde observed that the SACCO was much better in terms of service delivery. Also Appreciated the Fosa advance loan product that she said was very handy in moments of short term need for cash.

Min 5.3 /23/2/2013 Chairman's Appreciation to the Guests

The Chairman then appreciated the invited guests that had graced the AGM including:

- i. Mr. Nelson Kuria – CEO CIC and Chief Guest
- ii. Mr. Arnold Munene - Senior Regional Manager for KUSCCO.
- iii. Mr. Maosa from the Ministry of Cooperatives Development and Marketing.
- iv. The Auditors

Min 6/23/2/2013 Remarks from the CEO

The CEO Mr. George Ochiri welcomed members and guests to the AGM and gave a chance to Mr. Munene who greeted the AGM and conveyed greetings from the KUSCCO MD Mr. George Ototo. He also invited the members to visit the KUSCCO stand at the AGM and learn more about the products available for them.

Min 7/23/2/2013 Speech from the Chief Guest

The Chief Guest Mr. Kuria - Group CEO CIC gave a speech with the following highlights:-

- i. A brief history of the transformation of CIC from an entity under receivership to a profitable organization listed in the Nairobi Securities Exchange, a story that had become a subject for MBA level studies.
- ii. He shared his life experience at CIC from 1998 when he joined as a Chief of Strategy and Marketing
- iii. He emphasized that in all organizations, everything starts and ends with leadership, advising that leadership alone without vision and strategic planning and entrepreneurial approach to business will definitely fail.

- iv. He also highlighted that there is everything in a name, citing the transformation that accompanied the change of name for the organization from CIS to CIC
- v. Shared the story of the transformation of CIC.
- vi. Mr. Kuria also laid a lot of emphasis on the importance of staff and people development for organizational success
- vii. He mentioned that Kenya was leading in the Cooperative movement in Africa, and was ranked 7th in the world.
- viii. He appreciated the innovations at both Safaricom Limited and Safaricom Sacco, underscoring the power of leadership and Vision. He encouraged the Sacco members that with a focused leadership the Sacco could achieve its highest possible goals. He said the sky should no longer be the limit, but the launching floor for greater success.
- ix. He also gave his own personal experience, stating that he had come the far he had because of the involvement of his parents on the cooperative movement.

Min 7.1 /23/2/2013 Reactions to the Chief Guest's Speech

- i. The CEO in response to the motivating speech by the Chief Guest, then made a commitment to the members on behalf of the Board and Staff that in the next 5 years the SACCO will have moved from position 54 in the country to position 10 and promised the Chief Guest that he will be invited back to celebrate that achievement.
- ii. The Chairman appreciated the very motivating speech by the Chief Guest saying that he had spoken to the members from his heart.
- iii. The Chairman then presented the Chief Guest with a token of appreciation.

Min 8 /23/2/2013 Supervisory Committee Report

Bernadette Mutune presented the Supervisory Committee Report
The Report was adopted as proposed by Musalia Kiamba and seconded by Elizabeth Nderitu.

Min 8.1 /23/2/2013 Reactions to Supervisory Committee Report

- i. Fred Okinda sought clarification on loan security for car loans. Bernadette clarified the security arrangements for car loans being co-registration of the car.

Min 9/23/2/2013 Auditors Report

The treasurer invited the auditor to present the accounts.
Raphael Muriuki from Chubi and Associates took the members through the accounts for the year 2012

The Auditors Report was adopted as proposed by Millicent Ogolla and seconded by Peter Mwalili

Min 9.1 /23/2/2013 Reactions to the Auditors Report

- i. Joseph Ndolo raised concern that some figures were not tallying from the notes and the summary accounts for total income for 2011 figures, especially raising concern about the cash flow issue.
- ii. Langat Robert gave a clarification on revenues pointing that notes 2a and 2b were tallying.
- iii. The treasurer Vincent Opiyo further clarified the changes in the SASRA reporting requirements in the accounts.
- iv. Anthony Odhiambo with a comment on provision for bad debts sought to know why there was a huge drop in the provisions for bad debts between 2011 and 2012. Treasurer advised that what was there was the incremental for P & L purposes but the balance sheet was having the totals
- v. Joseph Ndolo also highlighted the difference in assets and liabilities in the 2011 balance sheet. The treasurer committed to have this updated as it must have been an error of omission during printing and assured the members that the 2011 accounts were balancing as was reported in the previous year.
- vi. Bruno Kimutai also pointed out some balancing issues on note 11 on page 6 that needed correction.
- vii. Alex Siboe requested that the accounts be sent to members earlier for scrutiny and to avoid long discussion on the floor of the AGM. Treasurer advised that this was duly done when the notice of the AGM was sent.

Min 10 /23/2/2013 Treasurer's Report and Budget

The Treasurer Mr. Vincent Opiyo gave a summary report and also presented the budget for year 2013/2014.

The treasurer's report and the auditor's report were adopted having been proposed by Lucy Gitonga and seconded by Henry Nyang'ori.

Min 11 /23/2/2013 Resolutions

Mr. Lumumba DCO Westlands made a few remarks before guiding in the adoption of the resolutions:

- i. He stated that the regulations were now tougher for deposit taking Societies and advised that since the asset portfolio had gone up, there were more requirements for capitalized shares.

- ii. He advised that that salary processing through the FOSA should be compulsory for all the members.
- iii. He also clarified the difference between shares and deposits
- iv. He challenged the Board to bring more products including mortgage

He then guided the AGM in adopting the below resolutions

Resolutions

1. That the surplus amount of Ksh. **62, 683, 905** being 10% rebate on member weighted deposits as at 31st December 2012 be distributed to members.
Adopted as proposed by Michael Borino and seconded by Fred Okinda.
2. That the amount of Ksh **4,998,239**, being 12% dividends on members shareholdings as at 31st December 2012 be uploaded to members share accounts but be capitalized - ploughed back to enhance the required ratios.
Adopted as proposed by Jediel Mbogo and seconded by Safia Isak.
3. That in appreciation of the Board and Supervisory committee members that served in 2012, an amount of Ksh 600,000 be paid to them as honorarium.
Adopted as proposed by Collette Ong'wen and seconded by Naomi Wariara.
4. That an amount of Ksh 1, 181, 519 be paid out to staff that served as at 31st December 2012 as bonus appreciation of their positive contribution in the Sacco.
Adopted as proposed by Steven Were and seconded by Sarah Indetie
5. That the Board be mandated with borrowing powers of up to 600 million shillings, which will be utilized as and when required during the year.
Adopted as proposed by Eric Ouko and seconded by Musalia Kihamba
6. That the AGM approves the 2013/2014 Budget as presented by the treasurer.
Adopted as proposed by Langat Robert and seconded by Charles Koech
7. That the Board co-ops a member of one of the newly incorporated common bonds into the Board for a transitional period of one year pending institutionalization of representation models for the incorporated bonds out of Safaricom Limited.

There were some deliberations on this proposal as below:

- i. Johnstone Kamunde sought clarification on cost implication of the resolution as well as if it was the right time to discuss incorporation into the Board. Treasurer advised that in recognition of the critical mass of their funds. He advised that the only cost implication would be sitting allowance
- ii. Alexander Kinyae wondered whether SASRA had any reservations, and if there were any issues with culture.
- iii. Walter Ongondo sought to know if there could be a minimum threshold of members or value before being represented.

Mr. Lumumba read Section 16 of Cap 490 to clarify the act was read confirming that there must have been a resolution of the AGM to open the bonds. He also advised that the Board need to take care to ensure that there was no infiltration of undesired culture.

The resolution was then adopted as proposed by Fred Okinda and seconded by Evans Muga

Min 12 /23/2/2013 Appointment of Auditors

Treasurer communicated that the auditors did not display sufficient resourcefulness to the level of the requirement and expectation of the SACCO. The treasurer therefore proposed that the auditor be replaced. Paul Msava and Johnstone Kamunde added to that comment especially in the

Patricia Mososi sought to know whether the SACCO was going to pay the auditor for work not done sufficiently. Treasurer clarified that the auditor will not be paid until he presents proper accounts as was reviewed by the board and SASRA.

Paul Msava sought to know what measures had been put in place to avoid similar errors to which the treasurer advised that the Board had tendered and sourced for new auditors. He advised that the Board had interviewed shortlisted auditors and was recommending Omanwa and Associates, on the basis of the criteria that had been set by the Board.

Four members Mr. Were Stephen, Mr. Nyambok, Mr. Kamunde, and Mr. George Nyambuti

Mr. Maosa from the Ministry clarified that the appointment of auditors was a direct mandate of AGM. The Board only shortlists and recommends auditors for AGM appointment.

The AGM appointed Omanwa and Associates as the Society's auditors for the year 2013 as was proposed by Johnstone Kamunde and seconded by Alexander Kinyae

Min 13 /23/2/2013 Elections

Mr. Maosa from the Ministry presided over the elections process. He clarified that the process of elections is a democratic right and a legal right for members.

He clarified that Rule 23 sub rule 1 as amended through legal notice no.3 of 2008 provides for retirement through rotation for continuity i.e. one third of the Board and Supervisory Committee must retire on rotation.

As a result of the annual retirement on rotation, Mr. Maosa declared vacant the offices previously held by the following officers:

- i. Samuel Karanu - Board
- ii. Vincent Opiyo - Board
- iii. Felix Gakuru - Board
- iv. Bernadette Mutune – Supervisory Committee

John Orutwa sought clarification on a third of either gender.

Mr. Maosa clarified that these were competitive elective positions and thus he could only encourage the members of either gender to come forward for elections

He then advised that the members of other committees who wanted to vie for the board had to resign from their posts in those other committees. Consequently David Mwangi announced his resignation from the supervisory committee to vie for the Board. His position was thus declared vacant to be filled as a bi-election.

Min 13.1 /23/2/2013 Board Elections

The following were the candidates for the Board elections:

1. Bernadette Mutune – proposed by Naomi Wariara and seconded by Sally Mwenesi
2. David Mwangi - proposed by Charles Ndegwa and seconded by Wilson Ndiwa
3. Vincent Opiyo – proposed by Joshua Bungei and seconded by Sarah Indetie
4. Samuel Karanu – proposed by Peter Ndungu and seconded by David Kabage
5. Felix Gakuru – proposed by Damaris Gakunga and seconded by Millicent Ogolla
6. Josephine Ndambuki – proposed by Elizabeth Nderitu and seconded by Doloris Kotut
7. Collins Ogutu – proposed by Collete Ongwen and seconded by Lucy Gitonga

8. Alex Siboe – proposed by Johnstone Kamunde and seconded by Mugomi Kange

All contenders were confirmed qualified as per the by- laws on non-default and minimum deposit amounts

They were then given opportunities to briefly summarize their manifestos.

The elections were then held after the nominees were asked to move out of the auditorium. The respective proposers acted as their agents in vote verification.

The results of the elections were announced as below:

1. Bernadette Mutune – 39 votes
2. David Mwangi - 13 votes
3. Vincent Opiyo – 151 votes
4. Samuel Karanu – 14 votes
5. Felix Gakuru – 119 votes
6. Josephine Ndambuki – 91 votes
7. Collins Ogutu – 110 votes
8. Alex Siboe – 11 votes

Mr. Maosa announced the top 3 candidates as winners and new Board members:-

1. Vincent Opiyo
2. Felix Gakuru
3. Collins Ogutu.

Min 13.2 /23/2/2013 Supervisory Committee Elections

Bernadette retired on rotation and Mr. Maosa clarified that she was eligible because she retired on rotation

The following candidates were thus nominated for election:

1. Josephine Ndambuki – as proposed by Michael Borino and seconded by Safia Isaak
2. Bernadette Mutune – as proposed by Anthony Odhiambo and seconded by Gideon Chirchir

The supervisory Committee Elections were conducted with the below results:

1. Bernadette Mutune – 41 votes
2. Josephine Ndambuki – 130 votes

Josephine Ndambuki was thus declared winner and new member of the Supervisory Committee

Min 13.2 /23/2/2013 Supervisory Committee By-Elections

David Mwangi having resigned, his position was declared vacant and a by-election occasioned. Mr. Maosa clarified that he could be re-elected and he/his replacement to retire on rotation the following year as was the rotation schedule. David advised that he was not offering himself for re-election. Mackrine Abukah sought clarification on the requirements for Supervisory Committee membership. The clause on requirement for understanding and knowledge of book keeping was thus read.

The following candidates were nominated for the by election:

1. Bernadette Mutune – as proposed by Gideon Chirchir and seconded by Moses Omingo.
2. James Otunga –as proposed by Christine Opiyo and seconded by Arthur Okello.

James Otunga was given a chance to highlight his vision.

The by-elections were done with the following results:

1. Bernadette Mutune – 119 votes
2. James Otunga – 23 votes

Bernadette was thus declared winner and new member of the Supervisory Committee.

Mr. maosa congratulated the members for a democratic and peaceful election and wished that even on 4th March, the country's elections would be more peaceful.

He clarified that those who had been elected anew into the Board were required by law to fill in indemnity forms 14 days from the date of the elections and both those elected a new in to the Board and the Supervisory Committee to fill in Declaration of Wealth forms within 30 days from the date of elections

Min 14 /23/2/2013 Any Other Business (AOB)

The secretary had not received any other business items for AGM deliberations as was requested in the notice of AGM.

However, Mr. Arnold Munene of KUSCOO was given a brief moment to tell members about the KUSCCO housing loans.

He informed members that the housing loan was available to SACCO members and was being issued at 5 times of a member's savings at KUSCCO, at 14%p.a reducing balance. Any member who had saved with the KUSCCO housing for over 6 months was qualifies to apply for the loan.

He also informed members that KUSCCO was opening an account with the Safaricom Sacco FOSA in addition to the pay bill numbers that was already in place, so as to give members easy options of saving with KUSCCO

The CEO Mr. Ochiri George requested members who did not have FOSA accounts to open the same for ease of remittance of the approved rebates.

Min 15 /23/2/2013 Closure

The Annual General Meeting ended at 3:37pm by word of prayer from Selina Kemama.

Signed:

Chairman: _____ Date: _____

Secretary: _____ Date: _____

Member: _____ Date: _____