

MINUTES

Minutes of the Safaricom Sacco 14th Annual General Meeting Held on Saturday 21st February 2015 At Safaricom Sacco Grounds – Waiyaki Way, Westlands

Attendance:

1. Sacco members
2. Sacco regional champions
3. Sacco Board
4. Supervisory Committee
5. Sacco Auditors for Year 2014
6. Invited Guests
7. Chief Guest – Mr. George K. Wachiuri – CEO Optiven Limited

The agenda was adopted as proposed by Jack Kitche and seconded by Eric Ouko

Min 3/21/2/2015 Review and adoption of the 2013 AGM minutes

The secretary read the minutes of the previous AGM held on 22nd February 2014.

There were no noted corrections in the minutes.

The minutes were then adopted as proposed by George Ochido and seconded by Alex Okoth.

Min 1/21/2/2015 Preliminaries

Upon confirmation of quorum, the meeting was called to order by the Chairman at 10:50am after which Connie Khayundi led the AGM in an opening prayer.

Min 4/21/2/2015 Matters arising from previous minutes

There were no matters arising from the previous minutes.

Min 2/21/2/2015 Confirmation of the Agenda

The secretary read through the agenda of the meeting as below:

1. Confirmation of Agenda
2. Review and confirmation of the 2014 Annual General Meeting minutes
3. Report from the Chairman
4. Remarks from the Chief Guest
5. Launch of the Share Drive
6. Amendment of By-Laws
7. Supervisory Committee Report
8. Presentation of the 2014 Audited Financial Statements
9. Treasurer's Report
10. Presentation of the 2015-2016 Budget
11. Appointment of Auditors
12. Resolutions
13. Elections
14. AOB

Min 5/21/2/2015 Acknowledgement of and brief remarks by the invited guests

The Hon. secretary invited the CEO to acknowledge the invited guests that were present.

The following Guests made brief remarks:

Arnold Munene and Rachael Wafula - KUSCCO

- i. Mr. Munene congratulated the Sacco on their good performance for the year ended 2014.
- ii. Rachael reminded the members that investments have never been anyone's cup of tea. Members need to be reminded every so often to motivate them to invest. She highlighted that the proposed investment in shares for the office block was a worthy

Minutes

investment.

- iii. She particularly cautioned the male members to stop being too generous with their money in unnecessary expenses and ensure they were investing.
- iv. She challenged members to aim at doing better than their parents did.
- v. Invited members to consider the KUSCCO houses in Kitengela as an investment.
- vi. She reminded members that poverty is bad and no one should ever plan to be poor.

Kenneth Bichanga and David Chepkwony - SASRA

- i. The SASRA team acknowledged the growth in the Sacco and urged them to keep in that direction.
- ii. Encouraged members to retain earnings as these avail affordable funds to the Sacco to lend for developments and also helps the Sacco meet the regulatory prudential ratios.
- iii. Highlighted the role of SASRA as mainstreaming SACCOs into the financial sector, information sharing, policy on central liquidity funds, new product development guidelines for Sacco's and risk management framework

Titus Karanja and Josephine Ireri – Co Operative Bank

- i. Acknowledged that the Sacco was doing very well, and was proud to be associated with the Sacco.
- ii. Highlighted partnership areas on Sacco link, bankers cheques, and soon stock brokerage
- iii. Encouraged members to relook their strategic partnerships with the Sacco in their personal growth strategies.
- iv. The future belongs to savers. Low savings

meant lower borrowable loan multiplier.

Rose Gitari (representing the County Director of Cooperatives), Musa Karani and Nancy Murda – County Co-operatives office Nairobi

Rose Gitari read the speech from the County Director which had the following highlights:-

- i. Urged members to actively participate in the AGM decisions and chart their Sacco's growth and service delivery improvements
- ii. Urged members to consider and give the required approvals for the Management and Board to meet Sacco objectives
- iii. Acknowledged the role Sacco's play in enhancing member economic betterment as well as National development.
- iv. Highlighted the commitment of the government in ensuring the Sacco societies were having good governance.
- v. Congratulated the Board on their commitment in putting down necessary policies to ensure good governance of the Sacco.
- vi. Urged continued member education and training.
- vii. Advised members to get loans within their means and pay promptly to avoid pain to guarantors and extra expenses in recovery of the loan.
- viii. Commended the growth recorded by the society in 2014 in almost all areas of operation stating that this was an indication of good governance, member commitment and staff excellence.
- ix. Congratulated the Sacco on utilizing internally generated funds as opposed to external borrowings
- x. She laid emphasis on the new requirement for a nominations committee, but cautioning that this needed to be done with care so it does not turn into an electoral college like that of US, and to ensure members sanctity

Minutes

and right to final decision on elections is maintained.

Rose then gave her own comments urging good governance, continued benchmarking with success stories for improvements.

Mr. Simon Tanui - Deputy CEO Kenya Police Sacco

Mr. Tanui represented his CEO Mr. Solomon Atsiaya who had been invited by the Sacco Board to come and share the success story of Kenya Police Sacco that had managed to put up a Kes. 600 million office block in Ngara and were still meeting and exceeding key prudential ratios. Kenya Police Sacco had moved into their office block in December 2014 and thus was better placed to give peer advice to our Sacco on the process of funding and construction of an office block.

Mr. Tanui shared the progress Police Sacco had made, their performance and the process they undertook to mobilize share capital for the construction of the office block.

- i. He highlighted that all members need to buy into the proposed share drive and to commit to buying the shares
- ii. He said Police Sacco started by raising the minimum shares from Kes.1,000 to Kes. 3000 and eventually to Kes. 20,000 in 2013 and from this they were able to raise Kes. 500,000.
- iii. They also got member approval for strategic retention of profits. In 2010 retained Kes. 105 million, in 2011 Kes.133 million, in 2012 Kes. 300 million and in 2014 Kes. . 300 million was earmarked for retention. This ensured that they had sufficient funds for construction without commercial bank borrowing.
- iv. The strategic retention and share capital mobilization also helped their Sacco meet and exceed the prudential ratios set by

the regulator. The Sacco was worth over Kes. 15 billion yet in 2009 it was negatively capitalized!

- v. He encouraged the members highlighting that while Kenya Police Sacco was much older and only achieved all these success in the past seven years or so, Safaricom Sacco was much younger and was making good strides towards similar success. All that was needed to fast track that progress was member commitment, loyalty and support.
- vi. He emphasized that with such approach, the Sacco will enjoy strong liquidity position that will result in loan efficiency in terms of short turnaround time in loan disbursements.

Mr. George Wachiuri – the CEO of Optiven Limited, gave an inspiration talk to members on personal development with the following highlights and challenges:

- i. Highlighted that Kenya was suffering from lack of serious investors and the space was being taken by foreign investors.
- ii. Reminded members that recently, Kenya was ranked the best investment destination in Africa and 7th best in the world – thus heralding great investment opportunities for citizens.
- iii. Challenged members to map onto development agendas from the national government like the Standard Gauge Railway and find a place of relevance in the grand scheme of development initiatives.
- iv. Motivated the members to dream big and think of wealth creation.
- v. He gave advice on how a serious investors day should be including the need to rise up early, in style, and not carelessly. He indicated that no wealth creating individual

Minutes

can afford to wake up from sleep after 6am. Rich people and wealth creators wake up at 4am.

- vi. He gave advise that a few minutes meditation and thinking about the day ahead helps keep the wealth creators focused and have an overall view of the whole day from the time they wake up, and not just stumble on events during the day. Spend at least 6 minutes sitting on your bed thinking.
- vii. He then emphasized the importance of spiritual connection with God in the morning. "Say a prayer, read scriptures"
- viii. He advised the members that great people learn from great people, and thus it's important to read books, listen to tapes and be challenged and inspired by the lives of other people as well as learning from their mistakes. and avoiding such mistakes. .
- ix. George also emphasized the need for a healthy body and recommended early morning exercise for physical fitness.
- x. He then advised on the "Power of the Mirror" In the morning look at yourself in the mirror and talk positively to the fellow you see in the mirror declaring greatness and victory for the day. Avoid negative talk and complaints and speak positively. Put on a positive attitude, get out of the comfort zone, and take risks. Walk with power.
- xi. Avoid dream killers including yourself. Energize yourself. Tell yourself the right time to invest is now!
- xii. He advised members that they had the right to select their friends. Get rid of dream killers and connect with people who will help you achieve your dreams. Build good networks because network is net-worth!

Min 6/21/2/2015 Chairman's report

The Chairman Mr. Vincent Opiyo welcomed the members and guest to the 14th AGM and noted that this was a very important occasion as

the AGM was being held for the first time on the Sacco's own grounds.

He then gave his report which highlighted the following:-

- i. Overview of the macro and micro economic environment where the Sacco operated in 2014 including improvements in the country's inflation
- ii. Improved ranking of Safaricom Sacco by SASRA from position 56 in 2012, 43 in 2013 to position 34 in 2014 highlighting that the Board and Management remained committed to the strategic plan target of moving the SACCO to top 10 by the year 2018.
- iii. He informed the members that in the year 2014 the Board had developed for the first time a board charter which among other things gives direction that a Board members could only serve for two consecutive terms of three years each and then must retire from the Board for at least one year before seeking re-election. The charter also institutionalized the Board Nominations committee that will ensure those seeking election into the Board met certain key criteria and were adding value into the Board.
- iv. He also informed members that in 2014 the Board had developed and signed off key policy documents that would improve the operations of the society and help achieve the aspirations of the 2014-2018 strategic plan.
- v. The Board and Management were committed to ensuring compliance to regulatory standards and quality processes. He mentioned that the Board will start the process of ISO certification and aim at being certified by the end of 2016.
- vi. He highlighted that at the end of 2014 the Sacco upgraded the core ERP system to a more robust version that will

Minutes

give more efficiencies and improved documentation. The next step in the first half of 2015 was to improve the website and the members portal

- vii. He asked members to support the Board initiatives and especially the proposed share drive to construct the Sacco office and also urged members to grow their deposits with the Sacco
- viii. The Chairman highlighted that the Board also made strategic improvements in the staff during the year, employing a Human Resource Manager and a competent ICT Manager to ensure the CEO was freed to manage strategic direction of the society.
- ix. On the office space, the Chairman informed the members that the Board and Management executed the 2014 AGM resolution to source for office space. He informed members that the Sacco got funding of Kes. 160 million from Equitorial Commercial Bank at 12.5% interest for the purchase of the space where the AGM was being held in the rich Westlands area. The total cost of land purchase was Kes. 180 million excluding conveyance costs. He informed the members that the Board was keen to develop the office Block as soon as possible so members could start enjoying the returns on their investments.

The Chairman's report was adopted as proposed by Nicholas Bitok and seconded by Charles Ndegwa

Min 6.1/21/2/2015

Reactions to the chairman's report:

Samuel Karanu appreciated the Chairman's report. He then sought clarification on the deficit of Kes. 300 million between the share drive target of Kes. 700 million and the budget of Kes. 1 billion.

The Chairman confirmed that there were projections that a good number of members would take up more than the proposed minimum of Kes. 100,000 in share capital and that would bridge the gap.

Min 6.2/21/2/2015

Presentation of Proposed Safaricom Sacco Towers

There being no other comments and reactions, the chairman then invited Engineer Josephat Ndambuki to present to the members a proposed design of the Safaricom Sacco Towers. The chairman clarified to the members that Eng. Ndambuki was a member of the Sacco from Nokia and thus volunteered to prepare the designs as a member and not as a consultant on pay.

Eng. Ndambuki took the AGM through the presentation including design images, proposals and space utilization for the office block. One of the images was actually used on the front page of the Annual Report booklet.

Min 7/21/2/2015 Launch of the share drive

The Chairman and the chief guest Mr. George Wachiuri led the AGM in launching the share drive by ceremonially unveiling a picture representation of the proposed Safaricom Sacco Towers. This was done amidst much applause by the members as the chief guest declared the Share Drive open.

Min 8/21/2/2015 Supervisory committee Report

The Chairman of the Committee Mr. David Mwangi presented the Supervisory Committee Report for 2014 highlighting the key areas as below:-

- i. An outline of the mandate of the Supervisory Committee and the objectives of the supervision and audits including:-
 - a) Review of the Sacco's internal controls, processes and procedures in place to ascertain their adequacy
 - b) An examination of the monthly Financial Statements to confirm their accuracy
 - c) Examination of the loans portfolio
 - d) Review of statutory compliance
 - e) Presentation of an Annual Report to the AGM with a view of highlighting key issues of concern to the members.
- ii. Key findings and reports to the AGM

Minutes

included the following:

- a) An observation that the Sacco had not attained the minimum capital adequacy ratio of 8% and core capital requirement of 10%. The Supervisory Committee therefore recommended that the Board aggressively pursue the boosting of the society's capital position and advised that this could be achieved by the cooperation of the members through several options including lump sum share capital injection, higher retention of profits, and continued lobbying with the regulators on this requirement
- b) The Committee ascertained to the members that they had audited and monitored the process of acquisition of the office block space and confirmed it was done as per procedure and above board.
- c) An observation that the operations space in the current Sacco offices remained a challenge, as well as access to the said offices by outside bonds. They thus urged the Board and Management to consider opening some satellite offices on member locations to ease access.
- d) Acknowledged the successful cut over in the core ERP system upgrade at the end of the year and the appreciated the stability of the mobile money and Sacco link channels through the year 2014.
- e) Raised concern that the issue of loan default was still a main challenge and urged members to be faithful in repaying their loans and the Board and Management to be consistent in recovery.

The Supervisory Committee Report was adopted as proposed by Edwin Kamar and seconded by Augustine Atsari.

Min 8.1/21/2/2015 Reactions to the supervisory committee report:

Stephen Kagunya sought to know if there were

any default recovery recommendations that the Supervisory Committee had given to the Board and if those were implemented.

Augustine Atsari asked to know the number of cases that had been forwarded to CRB for listing David Wachira sought to know if it was possible to increase the Supervisory committee meetings to four times a year.

In response to these David Mwangi confirmed that the Board had engaged positively on debt collection including having two debt collectors whose work was already yielding results. On meetings he clarified that the minimum supervision meetings were once quarterly but as and when there was need the Supervisory Committee sought to meet the Board on such need basis for example during the period of sourcing the office space there were meetings to ensure the process was above board.

On further reactions John Awuor sought to know the timelines for the member web portal. Charles Ndegwa sought to know the Sacco's position on compliance issues and the issues of lobbying the regulator to extend the compliance period. Alex Okoth sought clarifications of timelines for the construction of the office block and what would happen if the proposed shares drive would not have raised sufficient funds for the construction.

The Sacco Chairman responded to these concerns. He highlighted that the web portal was urgent and important and thus would be prioritized. Sourcing for suppliers was already underway and the portal should be ready by end of June 2015 so members could have the full benefits of the new robust ERP system. On compliance and regulator lobbying he advised that the regulators (SASRA) had already extended the period to June 2015 and he was confident that the proposed shares drive will help the Sacco meet the required ratios and also raise the levels of capital in the Sacco by June 2015. On the concerns of fund raising

Minutes

for the construction, the Chairman highlighted that from two test campaigns that were done just before the AGM, there was strong indication that members were very excited and ready to take up the shares even beyond the proposed minimum and thus the project will be successful.

On specifics and delivery timelines, he advised that the Board will set up an expert team that will run with the project and who will guide the Board into the project calendar. Regular updates on every milestone will be shared with members.

Final reactions were from Jackson Nzioka Mwanzia who sought to know what the management was doing to meet the regulatory requirements, and also whether the issue of proposed satellite offices was already in the pipeline, Charles Ndegwa who wanted to know how far or how well the Sacco was comparing to other peer Saccos in the area of compliance and Leonard Okoth who sought to know why the Supervisory Committee was reporting that there was an increase in defaults yet the Chairman's report highlighted marked reduction in defaults?

David Mwangi while responding to these reactions highlighted that the Supervisory Committee report indicated that the issue of default was still a concern because as much as there was a reduction in the amounts in default, the incidences of new defaults were still occurring and this bore direct responsibility on members to ensure they repaid their loans. On regulation compliance, David challenged the members to cooperate to increase the institutional capital and this was thus going to address the issue from as early as the proposal for share drive was approved in the AGM.

The Chairman then highlighted that one of the ongoing measures towards meeting the regulatory requirements was to propose a plough back of the dividends on shares this year, as had been in the previous two years. He also informed the members that the Board had actually recommended a pay-out of 10% rebates on weighted deposits, but during the reviews with the

Regulator, the latter actually recommended as a further means of working towards attaining the required ratios, that the Board ploughs back 1% of the proposed rebates and this was done.

On the issue of infrastructure and offices, the treasurer responded that this was a real challenge, but expansion could only be implemented within acceptable spending levels that would see a clear balance in branch roll out and returns to members.

Min 9/21/2/2015 Presentation of audited accounts for year 2014

Jeremiah from Omanwa and Associates presented the Audited reports, guiding the AGM through various accounts, explanations and notes to the accounts as outlined in the Annual Report booklet.

Min 10/21/2/2015 Treasurer's report

The treasurer Mr. Johnstone Kamunde gave his report with the following highlights:

- a) The need for members to continually honour their obligations to pay loans.
- b) The Board communicated to members on CRB listing and a number of potential defaulters made good their payments. However, Total 59 members are not credit worthy as they have been listed with CRB.
- c) He raised a concern as to why the Sacco bank, Co-operative Bank could not give the Sacco the loan for purchase of office block at a better rate than other commercial banks such that the Sacco had to get the facility from another bank.
- d) Urged members to ensure their membership status remained active and not go dormant as a few were.
- e) The treasurer assured members that the Board and management continued to ensure that the spending was managed

Minutes

not only within budget but also within prudential levels.

- f) He further assured members that most of the regulatory concerns will be resolved once the members took up the proposed share drive and the Sacco invests into its own premises.
- g) He also urged members to increase their deposits, plough back their rebates so as to improve the liquidity and have more loan efficiency like issuing loans within 2 days.
- h) Finally, the treasurer re-emphasized the commitment of the Board and Management to have a functional interactive web portal.

Both the Auditors and the Treasurer reports adopted as proposed by Martin Mulinge and seconded by Alex Okoth.

Min 10.1 /21/2/2015 Reactions to auditors' and treasurer's Report

Jackson Nzioka Mwanzia sought clarification on the 300% growth in depreciation and amortization between 2013 and 2014.

Edwin Kamar, while congratulating the Board on the impressive results also sought recommended that there should be a comparison of the year's performance against the budget that was approved by the AGM for the year.

Charles Oyare sought a clarification on behalf of a member from his bond that was reportedly not given a loan he had qualified for on basis of his contribution because of his payslip could not support the applied amount.

George Ochido while commenting on the changes in member equity sought clarification on the date that was used for the revaluation of Safaricom shares and the number of these shares the Sacco was holding.

James Otunga wanted to know what caused the increase in the sitting allowance and the AGM

expenses. He also observed that some Board members attended only two meetings in the year.

The Treasurer responded to these issues as below:

The members that sat two meetings were outgoing members that served in January and February before AGM in 2014. On expense versus budgets, he highlighted that the only area that was out of budget was the governance cost.

The AGM cost for 2014 was higher than 2013 because the 2013 AGM was held in Kiunga auditorium that proved small and congested given the member growth necessitating that the 2014 AGM be held in a more open space that attracted costs like tents and chairs.

On the sitting allowances, the auditor also clarified that as much as the allowances went up, they were within budget. There were material issues that arose that necessitated more than one meeting per month for example preparations for the 2014 AGM.

On the depreciation issue the treasurer clarified that after the upgrade to new software, the old software had to be written off the books as total depreciation of the value. On the loan issue the treasurer reminded members that the society had duty of care to them while lending loans, to ensure that no one was lent beyond their ability to repay. He however gave a rejoinder that the Board and management were open to discuss with members on case by case basis how best they could be assisted in such circumstances. Finally he advise that the Safaricom shares were revaluated as at 31st of December 2014 and conservatively valued at below the market price for that date which was about Kes. 15 because the shares had not been sold and value thus not yet realized. The total shares held were 425,000.

There were further reactions and questions as below:

Henry Muthomi sought clarification on maximum shares one was allowed to purchase in the proposed shares drive and if there was any risks

Minutes

of a few members ganging up and taking all available shares.

Gibson requested that the treasurer gives a more articulate report, highlighting that there was need for more information on items like income from land, and also wondered why there was no income from tender in 2014 compared to 2013 when some income from tender was reported. He urged the Supervisory Committee to be more vigilant in scrutinizing such income streams.

The CEO responded that the comment on more information on reports will be taken into consideration the following year. He then clarified that the President of the Republic of Kenya had passed a decree that all public institutions were to charge no fees on tender applications, and to largely issue tender documents online. Consequently the tendering process for 2014 did not attract any tender application fees.

Rosemary Chege sought to know when the members were going to vote on or pass the treasurer's proposals. The CEO clarified that the subsequent agenda was on passing the resolutions including those proposed by the treasurer.

Leonard Okoth sought to know the position of the society in terms of the ratio of delinquent loans versus total loans.

The treasurer advised that there were regulatory requirements categorizing loans and provisions. He clarified that the provision that was made was adequate and the regulators were satisfied with this and approved the accounts thereof.

Min 10.2 /21/2/2015 Presentation of the Budget 2015-2016

Treasurer presented the Budget which included an Operating Revenue Budget of Kes. 363 million for 2015 and Kes. 488 million for 2016. Also a Capital Expenditure Budget of Kes. 626,320,000 for 2015 and Kes. 425,775,000 for 2016 including

expenses for projected branch expansion and commencement of office block construction.

Min 10.3 /21/2/2015 Reactions to the Proposed Budget

James Muturo sought a clarification on why administration and personnel expenses were going up.

Treasurer advised that the projected growth in revenue needed congruent growth in spending on administration and human resources to achieve it. He however assured the member that the Board and Management will only spend to grow the Sacco and not just spend because there was a budget.

George sought clarification on server cost, with a question as to whether the Society had considered avenues like outsourcing virtual servers.

The treasurer acknowledged that the Board would be willing to consider outsourced/ hosted servers but such would have to meet costs and security standards of the Sacco.

Min 11/21/2/2015 AGM resolutions 2015

Madam Nancy Murda from the Ministry guided the AGM in considering and passing the Resolution for the year 2015 AGM as below:

Min 11.1/21/2015 That the AGM approves commencement of the construction of the office block (Safaricom Sacco Towers)

This was passed as proposed by David Mwangi and seconded by Angela Ngethe.

Min 11.2/21/2015 That the AGM approved the proposed shares drive for the next two years

This was passed as proposed by Jack Kitche and seconded by Bernard Obande.

Minutes

Min 11.3/21/2015 Payment of Kes. 112,950,000 as rebates on members weighted deposits for 2014

This was passed as proposed by Stephen Kagunya and seconded by Yumbya Nyamai

Min 11.4/21/2015 Declaration and capitalization of Kes. 13,008,363 as dividends on shares held as at 31st December 2014.

This was passed as proposed by Walter Ongondo and seconded by Rosemary Chege.

Min 11.5/21/2015 Payment of Kes. 1,300,000 as honorarium to 12 members of the Board and Supervisory Committee that served in 2014.

This was passed as proposed by Fredrick Lango and seconded by Hirus Njenga.

Min 11.6/21/2015 Pay out of Kes. 2,038,121 as staff bonuses to be distributed on performance basis.

This was passed as proposed by Mohamed Chesula and seconded by Cecilia Tondo.

Min 11.7/21/2015 Proposal to maintain borrowing powers at Kes. 600 million for the ensuing year, as and when necessary

This was passed as proposed by Collete Ongwen and seconded by Safia Isaak.

Min 11.8/21/2015 Proposed Revenue budget of Kes. 363 million in 2015 and Kes. 488 million in 2016; and Proposed Capital Budget of Kes. 626 million in 2015 and Kes. 426 million in 2016.

This was passed as proposed by Francis Ngari and seconded by Lawrence Wesonga.

Min 11.9/21/2015 Setting the board indemnity

There was a proposal by the Board to maintain the indemnity at Kes. 2 million per Board member as was passed in the 2013 AGM, this not having been reviewed in 2014 AGM. Madam Murda clarified that this was per member and not total

for all Board members.

John Orutwa proposed that given the Sacco growth, this amount needed to be reviewed upwards to Kes. 3 million.

His proposal was seconded by Charles Koech.

Samuel Karanu proposed that the indemnity amount be pegged on individual Board member's deposits. This proposal was not seconded by any member and madam Murda clarified that the indemnity amount needed to be the same for each Board member.

The AGM thus passed the Board indemnity amount of Kes. 3 million per Board member as proposed by John Orutwa and seconded by Charles Koech.

Min 11.10/21/2015 Appointment of Auditors.

The treasurer informed the AGM that the auditors for 2014 had done a good job and were very keen on guiding the Board and Management on compliance issues as well as having been very instrumental in stakeholder engagements especially the regulators. He thus advised the AGM that the Board was recommending Omanwa and Associates for reappointment a term of one year.

This resolution was passed as proposed by Jediel and seconded by Augustine Atsari

Min 12/21/2015 Changes in the by laws

- i) Changes in the By Laws to re-align the naming of sub committees to the below nomenclature:
 - Finance and Administration
 - Credit
 - Business Development
 - Audit and Risk
 - Nominations Committee (Not part of the Board, but as recommended by the ministry)
- ii) Changes in By Laws to limit the term of Board members to two consecutive terms.

Minutes

These resolutions were passed as proposed by Kephers Ombewa and seconded by Alex Okoth.

nominated and seconded for election as Board members, and the votes they garnered in the elections:

Min 13/21/2/2015 Elections

Mr. Musa Karani from the ministry conducted the elections assisted by Madam Murda and Madam Rose. The members agreed to a voting by show of hands.

Min 13.1/21/2/2015 Board Indemnity

The Three Board members below were retiring on rotation and eligible for re-election into the Board.

Joseph Alando
Connie Khayundi
Eunice Kibathi.

Their positions in the Board were thus declared vacant

Below table shows the members that were

Nominee	Proposed By	Seconded by	Votes
Connie Khayudi	Michael borino	Colleta Ongwen	180
David Mwangi	Peter Ndungu	Edward Mugweru	127
Samuel Karanu	Wilson Kimonyo	Fred Kamwati	115
Alex Okoth	sospeter onyango	Peter Ngugi	102
Augustine Atsali	Mercy Macharia	Caroline Makena	101
Joseph Alando	Asha Kisio	Safia Isak	100
Leornard Okoth	George Nyambutu	Mackrine Abukha	18
Eunice Kibathi	George Ndegwa	Jack Kitcher	17
Charles Ndegwa	John Bosco Mulei	Eric Muriungi	6
Stephen Kagunya	Lawrence wesonga	James Kinuthia	Stepped Down

The below top Three candidates were thus declared winners and joined the Board:

Connie Khayundi
David Mwangi
Samuel Karanu

Minutes

Min 13.2/21/2/2015 Supervisory committee elections

David Mwangi was due for retirement on rotation from the Supervisory Committee, and having been re-elected into the Board was not available

for re-election. His position was thus vacant and below members was nominated, seconded and voted for to fill the vacancy:

Nominee	Proposer	Seconder	Votes
Alex Okoth	Alice Nyambura	Charles Oyare	153
Stephen Kagunya	George Ndegwa	Bernard Obande	67
Leonard Okoth	Edwin Kamar	Millicent Ogina	17
Joseph Alando	Sophia Isaac	Asha Kisio	Stepped Down

Alex Okoth was thus declared winner and joined the Supervisory Committee.

The CEO advised that this would be taken up as part of the Nominations Committee's deliverables.

Min 14/21/2/2015 Unveiling the staff of the Year

The treasurer, who was also the staff committee chairman, unveiled Diana Mutua as the Sacco Staff of the Year. He highlighted that the process of selecting the Staff of The Year was all inclusive and Staff members were involved in voting on various parameters. The Staff of the Year was presented with the award voucher of KES 60,000.

Min 16/21/2/2015 Closure

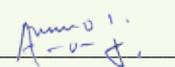
The AGM was closed by word of prayer from Philemon Kiprop at 5pm.

Members and guests were then invited to a late lunch.

Signed:

Chairman: _____ Date: _____

Secretary:  _____ Date: 27/02/2015

Member:  _____ Date: 27/02/2015

Min 15/21/2/2015 AOBs

There was one substantive AOB that had been received as stipulated by the by laws on AGM. This was on proposal for Electronic Voting.

The CEO guided that this proposal was not immediately tenable because it required change of the Sacco act to allow for electronic voting and that involved lobbying members of the National Assembly to do so.

John Orutwa however recommended that there was need for a more robust voting system that would match the growth in members, pointing out that the lifting of hands was losing credibility with large numbers as it was practically impossible for the officers conducting the elections to ascertain that all members were faithful in voting only three times.