



7TH ANNUAL GENERAL MEETING OF SAFARICOM INVESTMENT CO-OPERATIVE LIMITED HELD AT 10 AM ON 13TH FEB 2016 AT HQ1 CAR PARK – SAFARICOM HQ2

Having achieved quorum, the meeting was called to order at 10.15AM by the MC Phyllis Kiarie after which an opening prayer was made by David Kamotho

The agenda was presented as outlined below:

- 1) Confirmation of the 2015 Annual General Meeting Minutes
- 2) Report from the Chairman
- 3) Report from the Supervisory Committee
- 4) Presentation of the 2015 Audited Financial Statements
- 5) Report from the Treasurer
- 6) Presentation of the year 2016 budget
- 7) Appointment of Auditors
- 8) Disposal of surplus for the year 2015
- 9) Resolutions
- 10) Elections
- 11) Any other Business (A.O.B.)

MIN1: Confirmation of the 2015 Annual General Meeting Minutes

The Hon. Secretary confirmed that minutes had been circulated to members and asked if there were any matters arising from the minutes.

There were no matters arising from the minutes.

The minutes were proposed by Michael Borino member number 609 and seconded by Arnold Njagi member number 1624 before being adopted by the AGM.

MIN2: Report from the Chairman

The Chair made an introduction of the officials and staff who served in the year 2015

She then read through her report as written on the financial report.

The Chairman's report was proposed by Chrispines Oloo member number 2868 and seconded Jackson Mulwa member number 410 after which it was adopted by the members in the AGM.

MIN 3: Report from the Supervisory Committee

Supervisory Committee Chair Richard Gitahi presented his report as printed on the financial report

The Supervisory report was proposed by Anthony Situma member number 2340 and seconded by Lily Kipkirui member number 3141 after which it was adopted by members.

MIN 4: Presentation of the 2015 Audited Financial Statements

The audited statements were presented by the auditor, Francis Njenga Kigo 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 Elizabeth Kyengo member number 2711 after which it was adopted by the general meeting.

Min 5: Report from the Treasurer

Treasurer presented both his report together with the 2016 budget in comparison to the 2015 budget

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

Min 6: Presentation of the Year 2016 budget

The budget was proposed by Arnold Njagi member number 1624 and seconded by Rebecca Bisanju member number 28

Matters arising from all the reports that were presented:

1. Winfred Waweru member number 2725 asked why for Private Equity (PE) pillar SIC had not identified a project. She also asked if there is there room for members to propose some projects.

The Chair explained that SIC will scout for more opportunities. Some proposals were received but they did not meet what SIC expectations. Most projects presented required very heavy financial investment. SIC has learnt that businesses on growth path are not ready to include partners.

Contacts have been expanded to look out for PE opportunities. Chair confirmed that members can propose PE projects for evaluation. The budget for the year is 50 million.

2. Chrispines Oloo, member number 2868 stated that in the course of the year 2015, a natural calamity (flood), happened on some property in Syokimau. With that reference how has SIC assessed Bluebells against flooding risks?

Chair responded to this by informing members that SIC assessed Bluebells and this impacted Bluebells positively as some affected people moved in as tenants from the affected estate.

No infrastructure improvement is required in Bluebells in relation to flooding.

Chrispines further noted that some of the properties have not been fast moving such as Ngong Kibiko. What has been identified as the challenge with this property?

Chair explained that SIC engages in thorough checks before during and after making a purchase. These checks may not be adopted by all other land buyers but SIC is open to improvements to enhance pricing.

She also explained that there were initiatives to push sales which would address the slow moving products.

3. Erastus Cheti member number 2498 made a query in regards to the dividend policy. He asked that the workings be expounded to show the impact on returns. Further he mentioned that in the previous AGM, members asked for land buying in other counties as well.

Chair explained that dividends declared is a function of the profitability achieved. SIC wants to achieve stability since financing waits until the AGM to ascertain if the budget will be approved. With the dividend policy being approved more long term investments can be done.

Buying land in different counties is ongoing, the variety should increase in the year.

4. Peter Njeru Member number 1848 asked about the progress of Lukenya title deeds

Chair acknowledged that projects that have had difficulties were acquired earlier in the years of SIC operations and this has been streamlined thus new projects should get titles faster

5. Arnold Njagi member number 1624 commented that Kajiado governor was to freeze title processing. He wanted to know if this affects SIC. The auditor confirmed that this information was not accurate as the county government does not have the mandate to stop processing of titles.

6. Eric Macharia member number 3451 noted that value of land current assets looks big. Is SIC operating on loans from members or banks? Is the land purchased at a very high rate?

Chair mentioned that some of the land is on hold – land banking

7. Geraldine Kavembe member number 1968 mentioned that she was informed that Olchore Nyore parcel had a problem. She bought the parcel in 2013 and asked about her refund.

Chair confirmed that buyers into Olchore Nyore project were asked to take an option of a refund or transfer to another project. As per process, there is no provision for paying interest on the refund

8. Fredrick Omondi member number 2669 asked if SIC exists on the digital platform. He mentioned that for a short while members could not get statements, why were members not informed before?

Chair confirmed that SIC website is used to communicate on products, SIC is running on a system called Navision. She acknowledged that SIC is open to improving systems further. She asked the member to share some of the things that SIC can improve in this area.

9. Anne Kibe member number 2873 while referring to the budget noted an income of 28%, expenditure growth of 67%, admin costs growing by 56%.
Chair commented that SIC is recruiting more competitive staff and making additional modules to the software that currently exists and this caused the increase.

10. Martin Mulinge member number 1156 made a query on agribusiness. He wanted to know how the Ksh.40 million returns will be achieved.

Chair informed members that SIC has 90% ownership of Top Farm and would target to achieve the set target. Approach is to have contracted farming where farm product being harvested is exported. The farm will have French beans, okra, water melons among other crops.

11. Juanita Omanga member number 3359 commented that it is difficult getting information from SIC. The statement does not explain the full amount withdrawn. She asked that customer service should be improvement. This was noted.

12. Agnes Marete member number 2271 noted that in 2014 a number of staff who were on contract and were made permanent. She shared her feeling that SIC could be spending too much on staff.

Chair informed members that a consultant was engaged to review the compensation and remuneration for staff is guided by the consultant. Hiring is done when a need arises, SIC is open to challenge on areas that they find that improvements can be done.

One members asked for personnel growth in a graph. This is available and can be shared. Some members cautioned that the value being created by staff should also be appreciated. It was noted that leadership had taken feedback positively on managing costs.

John Orutwa member number 511 while making reference to the 2016 budget noted a proposal to have 3 new vehicles. He proposed that SIC considers a car contracting model. Feedback was noted.

13. Tom Mackackiage member number 1325 referred to the report on receivables. He sought information on the strategies in place to collect owed debts and strategies used to value land.

Min 7: Appointment of Auditors

The outgoing auditor, Kigo Njenga was presented for reappointment to members.

Paul Ilado proposed that Kigo Njenga be reappointed as the auditor for the year 2016
George Otieno seconded the proposal.

The auditor was unanimously re- appointed by members.

Min 8: Disposal of Surplus for the year 2015

The Board proposed that Ksh.200 million be paid as surplus and further proposed that a minimum of 65% be retained, a maximum of 35% be paid out.

Martin Mulinge member number 1156 proposed the suggestion by the Board, he was seconded by Rebecca Achia member number 506 after which the members adopted the proposal.

Min 9: Resolutions

Mr. Davis Kathurima from the Ministry of cooperatives presented the proposed resolutions to members.

He also gave guidance to members that the ministry of cooperatives act does not allow a society to stop entry of new members. This means that SIC in its current form will not stop taking in new members.

Members then passed the following resolutions after clarifications were made by the Chair and the ministry of cooperatives representative.

1. To retain borrowing powers at 1 billion shillings
Proposer: Erastus Cheti – member number 2498
Secunder: Esther Njagi – member 2985

2. Adoption of policies
 - i) Electoral policy
 - ii) Dividends policy

Proposer: Peter Njeru – member number 1848
Secunder: Agnes Marete –member number 2271

3. To adjust share price from 350 to 435 based on the percentage increase in the value of members' investments

Proposer: Jackson Mulwa – member number 410
Secunder: Brian Munyasia – Member number 1476

4. To pay honoraria to the serving Board

- Based on performance at 1% of achieved profit target and 5% for surpassed targets
- John Orutwa member number 511 proposed that the Board maintains honoraria as a lump sum instead of a percentage of achieved profits

Guidance was given by Mr. Kathurima who proposed that the policy should be drafted and presented in the next meeting. Workings to be done in conjunction with the ministry of cooperatives. Members were encouraged to present proposals should they need to do so.

Members then proceed to make proposals on various amounts that should be paid an honoraria to the serving Board and after discussions Ksh. 2.5 million was adopted as proposed by John Orutwa –member number 511 and seconded by Tom Macakiage member number 1325.

Min 10: Elections

Mr. Davis Kathurima from department of cooperatives presided over the election.

Elections rules were set to be:

- Members agreed on show of hands as the way of voting
- One needed to have the minimum stated shareholding so as to qualify for the position
- One needed to have been a member for at least 2 years

For the CMC

The following were retiring from the Board

1. Belsheba Nyabwa – Secretary
2. Alexander Kinyae – Member

2 more positions were added to CMC

One position was given to non-Safaricom staff and one given to Safaricom staff

Only members with a wrist band were eligible to vote

Members without wrist bands were requested to step aside

It was suggested that the election policy will be implemented in the next AGM

Retiring members were presented and they both expressed their interest for re-election to office

They needed a proposer and a seconder.

Alexander Kinyae

Proposer: Jackson Mulwa

Secunder: John stone Kamunde

Belsheba Nyabwa

Proposer: John Orutwa
Secunder: George Wahome

Other candidates who were presented for the position of the CMC were:

1. Antony Clement Odhiambo

Proposer: Chrispines Oloo
Secunder: Francisca Omunga

2. Jackson Mulwa

Proposer: Richard Gitahi
Secunder: Jackson Mutie

Each candidate was given time to request for votes from members.

All the 4 candidates were eligible for elections after meeting minimum requirements on shares held. Outcome of elections based on number of votes per candidate was as below:

Alexander Kinyae – 138
Belsheba Nyabwa – 152
Anthony Clement Odhiambo – 59
Jackson Mulwa – 111

Alexander Kinyae, Belsheba Nyabwa and Jackson Mulwa therefore made it for the 3 positions

Non Safaricom staff

1. James Ouma

Proposer: Peter Mugo
Secunder: George Singo – member number 3389

2. Erastus Cheti

Proposer: Michael Borino
Secunder: Martin Mulinge – member number 1156

3. Agnes Marete

Proposer: Mary Wangu Musasia -member number 3852
Secundered by: Joseph Kimanzi member number 325

James Ouma and Erastus Cheti did not meet the minimum requirements thus Agnes Marete was left to fit in to the position of a CMC Board member.

For Supervisory Committee

Richard Gitahi – Supervisory Committee Chair retired. He did not present himself for re-election

The following were presented for election:

1. Anthony Clement Odhiambo

Proposer: Chris Agunga

Secunder: John Orutwa

2. Raymond Bett

Proposer: Dolories Kotut

Secunder: None

Anthony Clement Odhiambo therefore passed for the Supervisory committee position

Min 11: Any other Business (A.O.B.)

The AGM agreed that freezing of membership should be discussed in the next meeting

The meeting ended with closing remarks from the Operations Manager, Mercy Gakonyo

Signed by

The Secretary
Belsheba Nyabwa

Chairperson
Mackrine Abukah

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