

MAISHA BORA VENTURES PLC

MINUTES OF THE 6th ANNUAL GENERAL MEETING OF THE COMPANY HELD AT MAISHA BORA SACCO GROUNDS, COMMERCIAL STREET, INDUSTRIAL AREA, NAIROBI ON SATURDAY 15TH FEBRUARY 2020 AT 10:00 AM

PRESENT:

George Namisi Wafula	Chairman
Joseph Njogu Kiando	Non-Executive Director (Vice Chairman)
George Karanja	Non-Executive Director
Vitalis Oduor Onyango	Non-Executive Director
Japheth Magomere	Non-Executive Director
Joseph Were	Non-Executive Director
Agnes Chepkurui	Non-Executive Director
Peter Ogola	Non-Executive Director
Peter Korir	Non-Executive Director
Sameul N. Ngure	Acting Chief Executive Officer

IN ATTENDANCE:

Catherine Musakali	Company Secretary
James Mukabwa	Dorion Associates
Dennis Wambua	External Auditor
Joseph Sila	External Auditor

1. OPENING

The meeting was opened with a word of prayer at 11:00 AM. The Chairman introduced the Board members, Mr Joseph Njogu Kiando, Mr George Karanja, Mr Vitalis Oduor Onyango, Mr Japheth Magomere, Mr Joseph Were, Ms Agnes Chepkurui, Mr Peter Ogola, Mr. Peter Korir and Mr Samuel Ngure the Acting Chief Executive Officer. The Chairman also introduced Dennis Wambua for D.K Wambua & Associates and the Company Secretary.

2. PROXIES AND QUORUM

The shareholders noted that over 60% of the shareholders were present. The Company Secretary informed the Shareholders that she had received one proxy form from Maisha Bora Sacco appointing Mr. Peter Ogola to attend the A.G.M. on its behalf. The Shareholders, therefore, noted that the meeting was quorate.

3. NOTICE CONVENING THE MEETING

The Company Secretary confirmed that the notice convening the meeting had been sent to all Shareholders on 25th January 2020.

At this juncture, the Chairman proposed the amendment of the notice by the removal of the following sections under the Special Business section:

9. *To resolve as follows:*

9.1 *THAT the Board be and is hereby authorized to issue and allot shares or grant rights to subscribe for cash consideration 50,000 shares ("Initial Offer") at a price of Kshs. 1000 per share (inclusive of the premium) to persons who as at 15th February 2020, are shareholders of the Company at a ratio of 1 share for every 3 shares held on the aforesaid date ("Entitled Shareholders"), on the following terms and conditions:*

- i) *That the full amount of Kshs. 1000 (including the premium) shall be payable along with the application for such shares in the prescribed application form of the Company.*
- ii) *That the Board shall make the offer to all shareholders and such offer shall be open from 16th February 2020 and shall remain open until close of business on 9th March 2020.*

9.2 *THAT in respect of Shares not taken up by 10th March 2010, Shareholders other than the Entitled Shareholders in respect of any proportion of the Initial Offer, be entitled to apply for any additional shares out of the Initial Offer not taken up by 10th March by the respective Entitled Shareholders in the proportion to be decided by the Board of Directors at its discretion having due regard to the proportion such shareholders have to the paid-up share capital of the Company on the following conditions ("Second Offer");*

- i) *That the full amount of Kshs. 1000 (including the premium) shall be payable along with the application for such shares in the prescribed application form of the Company.*
- ii) *That the offer shall be open from 10th March 2020 and shall remain open until close of business on 9th April 2020.*

9.3 *THAT the Board be and is hereby authorized to issue and allot shares or grant rights to subscribe for cash consideration all and/or any remaining shares as at 10th April 2020 to Members of Maisha Bora Sacco at a rate of Kshs. 1300 per share on the following conditions;*

- i) *That the full amount of Kshs. 1300 (including the premium) shall be payable along with the application for such shares in the prescribed application form of the Company.*
- ii) *That the Board shall make the offer ONLY to the Members of Maisha Bora Sacco.*

And replace the removed section with the following Special Business:

9. *To resolve as follows:*

9.2 *THAT the Shareholders, at their own will, as and when it is desirable, and upon approval by the Board, be allowed to transfer any of their shares in whole or in part, ONLY to Maisha Bora Sacco Members.*

The Chairman explained to the shareholders that the Company initially intended to raise capital for a project that would enable the Company to achieve its long-term goals. However, the project did not pass the due diligence, and therefore the Company no longer needed to raise capital.

The Company Secretary thereafter read the Notice.

Upon a proposal by Mr Simon Arunga and secondment by Mr Robert Maoga the notice convening the meeting was unanimously amended and adopted.

4. CONFIRMATION OF MINUTES FOR THE ANNUAL GENERAL MEETING HELD 16TH MARCH, 2019

The Chairman informed the Shareholders that the Board at its meeting held on 27th April 2019 confirmed the minutes for the 4th Annual General Meeting as a true record of the proceedings of the said meeting. The Chairman further informed the shareholders that, as a matter of good practice, AGM minutes would be confirmed by the Board moving forward.

5. APPROVAL AND ADOPTION OF THE COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON.

The Chairman read his statement as captured in the Annual Report and informed the Members that the total comprehensive income for the Company was Kshs. 25,565,056 compared to Kshs. 20,583,761 in 2018 and that the total liabilities and equity was Kshs. 225,927,207 compared to the previous year Kshs. 198,769,256.

The Chairman then invited D.K Wambua & Associates to read the Auditor's Report.

Thereafter, the floor was opened for questions, observations and/or comments. The following matters were discussed:

1. A shareholder sought to understand why Maisha Bora SACCO had been registered as the shareholder and not members of the Maisha Bora SACCO. In response, the shareholders were informed that the SACCO Societies Act. No. 14 of 2008 permitted SACCO's to invest in equity shares. Therefore, Maisha Bora SACCO was an ordinary shareholder as permitted by the said Act hence being registered as the shareholder of the Company.
2. The Shareholders also noted that the Company and Maisha Bora SACCO were separate legal entities; therefore, Shareholders were advised to treat the two (2) entities as such.
3. Shareholders were also informed that the administrative expenses had increased from Kshs. 16,801,988 in 2018 to Kshs. 20,511,254 in 2019 because an Operations Manager had been hired during the year under review. Shareholders also noted that the governance expense had increased because the Company Secretary had been requested to develop a compliance checklist and conduct a desktop review on the Company's compliance with the Companies Act 2015. It was however suggested that compliance matters should be included in the terms of reference of a committee of the Board. Management was requested to ensure that this is done. **Action Party: Management**
4. The shareholders were also informed that the Company's current account at Cooperative Bank had Kshs. 35,965,387 because the Company had called back money invested in CIC Unit Trust account to invest; however, the expected investment did not materialize. Management would, therefore, reinvest the money in the unit trust.
5. The Shareholders also noted that the tax of Kshs. 13,959,384 was paid in accordance with the law.
6. Concern about the number of women on the Board was raised, and the Board informed the Shareholders that the Board was cognizant of the fact the that Board had one (1) female Director and that the Board was working on addressing this matter.

Upon a proposal by Mr Peter Kimoni and secondment by Mr Julius Maundu the shareholders **RESOLVED** that the Audited Financial Statements of the Company for the year ended 31st December 2019 together with the Directors' and Auditors' Report thereon be and are hereby approved and adopted.

6. TO APPROVE THE PROPOSED DIVIDEND

The Chairman informed Shareholders that the Board had considered the performance of the Company and was proposing a dividend of Ksh. 165 per share. Upon a proposal by Mr. James Kariithi and secondment by Ms. Maryanne Disii the shareholders **RESOLVED** that the proposed Dividend of Kshs. 165 per share be and is hereby approved.

7. TO ELECT DIRECTORS

The Chairman confirmed that there were three vacancies on the Board as a result of three Directors retiring. The Chairman handed over to the Vice-Chairman to lead this session. The Vice-Chairman informed the Shareholders that the retiring Directors were Mr. George Wafula, Mr. George Karanja, and Mr. Vitalis Oduor.

The Vice-Chairman then briefed the meeting that being eligible for reappointment, the three candidates had offered themselves for reappointment. The Vice-Chairman then invited the three candidates to address the meeting, and thereafter he invited proposals for each candidate.

Upon a proposal by Mr. Washington Okech and secondment by Mr. Geoffrey Ng'eno, it was **RESOLVED** that Mr. George Wafula be and is hereby elected as a Director

Upon a proposal by Mr. Peter Kimoni and secondment by Ms. Caroline Kiruthu, it was **RESOLVED** that Mr. George Karanja be and is hereby elected as a Director

Upon a proposal by Mr. Kennedy Muriuki and secondment by Mr. Michael Muhanda, it was **RESOLVED** that Mr. Vitalis Oduor be and is hereby elected as a Director.

8. TO APPROVE DIRECTORS REMUNERATION

The Chairman directed the Shareholders to page 25 of the Annual Report and requested the Shareholders to approve the remuneration of the Directors for the year ended 31st December 2019.

Upon a proposal by Mr. Julius Maundu and secondment by Ms. Margarete Adhiambo the shareholders **RESOLVED** that the Directors remuneration be and is hereby approved.

9. TO RESOLVE THAT D. K. WAMBUA & ASSOCIATES BE APPOINTED AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND THAT THEIR REMUNERATION BE FIXED BY THE DIRECTORS.

The Chairman informed the Shareholders that the term of service for the Company's external auditors D.K Wambua & Associates had come to an end and that D.K Wambua & Associates had expressed their willingness to be reappointed as the Company's Auditors under the terms of Section 721 of the Companies Act 2015.

Upon a proposal by Mr Felix Maingi and secondemnt by Mr Simon Arunga, it was **RESOLVED** that D. K. Wambua & Associates be appointed auditors of the Company to hold office until the conclusion of the next annual general meeting and that their remuneration be fixed by the Directors.

10. SPECIAL BUSINESS – MODIFICATION OF THE ARTICLES OF THE COMPANY

1.1 Transfer of Shares

The Shareholders noted that some shareholders desired to transfer their shares in part or whole. Upon a proposal by Mr Julius Maundu and secondemnt by Mr James Kariithi, the Shareholders **RESOLVED** that the shareholders, at their own will, as and when it is desirable, and upon approval by the Board, be allowed to transfer any of their shares in whole or in part, ONLY to Maisha Bora Sacco Members.

1.2 Related Party Borrowing

The Shareholders noted that Article 84 of the Articles of Association of the Company delegated to the Board powers to borrow. However, in accordance to sections 166 and 168 of the Companies Act 2015, Shareholders are required to approve borrowing of funds from persons connected to Directors and from persons related to the Company. The Shareholders therefore noted that the Board's proposal to borrow a maximum of Kshs. 50,000,000 from Maisha Bora SACCO.

Upon a proposal by Mr Felix Maingi and secondemnt by Mr. Washington Okech, the Shareholders RESOLVED that the Board be and is hereby authorized to borrow money to the maximum of Kshs. 50,000,000 from Maisha Bora Sacco on such terms and conditions as the Board deems fit.

11. CLOSING

The Chairman concluded the meeting by thanking the shareholders for their attendance. There being no other business, the meeting was closed with a word of prayer.

The meeting ended at 1.00 PM.

Confirmed as a true record:

Chairman _____

Date _____