

# **MINUTES OF THE 8<sup>th</sup> AGM OF TWIN HUTS LTD HELD ON 26<sup>TH</sup> APRIL 2015 AT PARKLANDS SPORTS CLUB**

## **ATTENDANCE**

1. Lawrence Mugambi Mungania – 8068 – Company Secretary
2. Ian Gakoi Maina – 6611 – Chair, Legal & Administration Committee
3. Wilson Irungu Nyakera – 8162 – Treasurer
4. Nehemiah A. Ndeti – 8817 - Director
5. George Wakaria – 10175
6. Peter Kibogo – 4554
7. Edgar Kalya – 7295
8. Samuel Gitau Mwangi – 8541 – Chair, Investments Committee
9. Philip Kanoti Ogega - 7687
10. Caroline Nkatha Ithura - SGC/116/06
11. Samuel Macharia Karima – 4662 - Chairman
12. Geoffrey Mbogo - 9639
13. Martin Nyanjom – 4883
14. Joyce Wangari – SGC/112/06
15. Paul Olungae – 3221 - Director
16. Samuel Kamau Nganga - 7723
17. Erick Otieno as proxy for Samuel Ouko – 8494
18. Antao Mbuthia as proxy for Mwai Mbuthia – 4736
19. John Karani Ndiwa - 6074
20. Geoffrey Omuse
21. Timothy Njuguna Kuria - 8939
22. Charles Musau Mutua - 6560
23. Philip M. Mwagiru - 6697
24. Wilhelm Mugho – 5262
25. Patrick Muiruri - 7974
26. Ken Ngunjiri - 9447
27. David Gaitho – 6967
28. S. M. Githuku - 7271
29. David Mngolia - 6695
30. Julias Kihara - 4986
31. Wanjau Kahuthu – 7469
32. Kairu Bachia – 4389
33. Timothy Saruni Parsaloi – 7839
34. Edwin Otieno Joseph – 4782
35. Njane Mugambi – 8224
36. Charles K. Maloba - 7500

## **IN ATTENDANCE**

NIL

## **APPOLOGIES**

1. Duncan Goga - 6981
2. Josphat Kariuki – 7976
3. Jackson Sempele - 4354

## **MINUTES**

### **1. Reading the Notice**

The Chairman welcomed those present and on his request Hehemiah Ndeti started the meeting with prayers followed by the introduction of members present.

### **2. Tabling Proxies and Noting Presence of Quorum**

The Company secretary confirmed that there were 16 members present and noted the following proxies.

- (a) Samuel Gitau Mwangi proxy for Lawrence Mwangi Gitau
- (b) Samuel Gitau Mwangi proxy for Samuel Kamau Muhindi
- (c) Samuel Gitau Mwangi proxy for Duncan Goga and failing Samuel Gitau then Paul Olunga.
- (d) Samuel Gitau Mwangi proxy for Pascal Obala
- (e) Nehemiah Ndeti proxy for Evance Logondia and failing Nehemiah Ndeti then Lawrence Mugambi
- (f) Lawrence Mugambi proxy for Isaac Njoro Thendiu
- (g) Samuel Karima proxy for Jomo Gatundu
- (h) Lawrence Mugambi proxy for Dr. Moses Kinuthia
- (i) Edgar Kalya proxy for Ray Charles Musau
- (j) Edgar Kalya proxy for Wilfred Njiri
- (k) Lawrence Mugambi proxy for Joshat Kariuki and failing Lawrence Mugambi then Samuel Gitau Mwangi.
- (l) The members further allowed Martin Nyanjom to be proxy for Somane Ismail and Patrick Kisanya upon writing down their oral proxies on a paper as a one-off exception without it forming a precedent for and in the future.

### **3. Confirmation of the minutes of the AGM of 2014**

The chairman read through the minutes (attached) of the AGM 2014 and invited comments, and Wilson Irungu and Ian Maina commented that they were present while Paul Olunga noted that he had sent apologies even though not included as such. Thereafter he invited comments and Nyanjom noted that he had raised the matter of rotation of directors suggesting that the terms be fixed but no one could remember and there being no further comments, on the proposal of Nehemiah Ndeti and secondment of Samuel Gitau the same were confirmed as a true record.

### **4. Receiving of the chairman's report**

The Chairman read his report (attached) and expounded on the same assisted by the various heads of departments particularly Samuel Gitau on Syokimau project and opened the report for discussions after the same was adopted upon the proposal of Samuel Nganga and secondment by Edgar Kalya and invited comments:

- (a) Samuel Kamau (7723) – suggested that the ownership structure of the Windsor Project be reflected in the Financial Reports instead of reflecting it as a direct investment.

SAMUEL GITAU clarified that earlier financial reports indicated the true structure as of 60% of the 17.65% shares in Newgate Investments Limited and interest in 2.4 acres of LR No 18068, Mika Estate and Wilson Irungu promised that the same would be rectified.

- (b) GEORGE WAKARIA wanted to know whether the attractiveness of SYOKIMAU Project will be improved with sufficient parking and SAMUEL GITAU confirmed that will be so as even approvals will be obtained on that basis.

## 5. **Financial Reports 2014**

The Chairman invited the Treasurer Wilson Irungu to table the financial reports 2014 and he highlighted several aspects:

- (i) Profits before tax were Kshs.1,891,406/= as opposed to Kshs. 11,117,094/= of 2013 which was explained by the fact of no realisation of a major project.
- (ii) No revaluation was done in 2014.
- (iii) Wilfred Njiri's loan was cleared upon sale of part of his shares (41).
- (iv) All commercial papers were realised.
- (v) Kshs. 20 Million was placed as deposit for the Syokimau project at a big bargain that may be worth Kshs. 35 million if re valued now.
- (vi) Dividends of Kshs. 5,800,000/= were paid out in the year.

Upon the proposal and secondment by Timothy Kuria and Wilhem Mugho the financial report were adopted and the chairman invited comments:

- (a) Julius Kihara – suggested that the dividends retained on members account be reflected as a debt due.
- (b) Julius Kihara – advised that because of capital gain tax, it may be necessary to review payment of directors' remuneration to be based on profit after taxes, to which Wilson Irungu (Treasurer) responded that it is necessary to retain the policy as it is so that directors' remuneration is an expense before tax, hence lessening the tax amount.
- (c) Philip Mwagiru – inquired as to where we had not grown in shareholding in the year and Wilson Irungu (Treasurer) explained that priority was given to the sale of Njiri's shares and the price of shares was split to make them affordable and the nominal capital increased from Kshs. 30 Million to Kshs. 60 Million.

## 6. **Election of directors**

The Chairman indicated that pursuant to the Articles of Association there are 3 vacancies available upon the retirement of Nehemiah Ndeta and Paul Oungae who are offering themselves for re-election and to fill the vacancy left by Martin Nyanjom who had resigned.

Paul Olungae clarified that he was not seeking to be re-elected.

Nehemiah Ndeta indicated that he has so far served for 4 years, and has what it takes to serve again as even when it was suggested that the company winds up he resisted the suggestion.

The Chairman thanked the two for good service.

Timothy Kuria inquired as to whether voting would be by one-man one-vote or by way of shares.

The company secretary (Lawrence Mugambi) explained that we can vote by one-man one-vote or one can demand a poll.

Ian Maina and Julius Kihara supported that the members' shareholding be felt in elections to give the company the proper traction that is required. Samuel Gitau commented that he was pleased that there is now interest among shareholders to join the board as opposed to the past when people had to be begged. Nehemiah Ndeta's suggestion that we carry out election by one-man one-vote method and if not satisfied, a poll be carried out was unanimously adopted.

Mr. Julius Kihara offered himself as the returning officer and was elected unanimously as such. Upon inviting candidates the following were nominated and garnered votes as follows: -

<b><u>Candidate</u></b>	<b><u>proposer</u></b>	<b><u>seconders</u></b>	<b><u>Votes</u></b>
1. Timothy Kuria	Wilhelm Mugho	Geoffrey Omuse	5
2. Edgar Kalya	Peter Kibogo	John Karani	29
3. Nehemiah Ndeta	Ian Maina	Philip Mugho	26
4. Joyce Wangari	Martin Nyanjom	Kairu Bachia	29

The returning officer declared Edgar Kalya, Nehemiah Ndeta and Joyce Wangari as newly duly elected directors of the company.

7. **Appointment of Auditors & Remuneration**

Upon the proposal and secondment of Kairu Bachia and Martin Nyanjom respectively M/s Umoro Wario & Associates CPA were retained as auditors for the next financial 2015. The directors were authorised to fix the auditor's remuneration.

8. **Directors Remuneration**

Upon the proposal of Njane Mugambi and secondment by Patrick Muiruri it was agreed that directors' remuneration be retained as/at 10% of profits before tax.

9. **AOB**

The Chairman reminded the meeting that one agenda item had been received from Martin Nyanjom and invited the company secretary to explain how the said agenda item will be addressed.

The company secretary explained (*in italics*) as follows: -

As regards:

1. The maximum number of directors serving continuously in the Board limits to 3 successive terms of 2 years each be capped to 6. They can then take a hiatus and seek re-election after 2 years. This will ensure that there is adequate rotation and as such not have directors serving almost as a 'permanent basis'. Governance code of conduct developed and signed by board of directors".

*The same are either policy matters which are board matters or are already covered under Article 113.*

“2. The election of the Chairman and Vice Chairman directly at AGM”  
*Articles 100&123 provides for the matter.*

“3. A reviewed strategic plan for the organisation as the previous one are overtaken by event”  
*Article 106 provides that the board shall deal with such matters.*

“4. The timelines for separating management functions from Board functions by having a running secretariat running investment activities of the organisation on a daily basis and the board offering strategic direction – this will also look at the secretarial functions”  
*Article 106 provides that this is a board matter.*

“5. Reviewing of the secretarial functions with a view to outsourcing it to a competent company offering the same services”  
*Article 100 & 106 provides for the issue and this is a board matter.*

“6. Reviewing the rotational appointment of the auditing function. We have had the same auditor since inception and good governance and accounting practices requires that we have rotation after 3-4 years”  
*Articles 154 and Agenda 7 provides for the issue and it is also a policy matter.*

*Further as regards all items that affect an article, the company secretary explained that no change may emanate from the deliberations as the agenda items were not introduced as special resolutions as is required under Section 13 of the Companies Act. However the Board could be called upon to address them in the future.*

Martin Nyanjom indicated that he wished to move his agenda items in an omnibus manner and further that he wished that the agenda items be put into consideration by the Board in her future deliberations.

The Chairman invited members to contribute to the agenda items and the following commented as follows:

Edgar Kalya: It is important to incorporate the agenda items and other suggestion to enrich decision making in order to improve the company’s performance.

Paul Olungae: The status of the company has meant that a few people such as Samuel Gitau and Lawrence Mugambi executed most duties/responsibilities and it was necessary to improve the management structures to improve continuity.

Charles Maloba: Thanked the board of directors for the progress made recently. He noted that the company had previously stalled for a long time. He urged that changes be sustained so that strategies are actualised.

Patrick Muiruri: Suggested that the board be tasked to address the agenda items in the next 12 months.

Nehemiah Ndeta: Said that he was impressed that shareholders were now showing more interest in the company. He noted that he offered himself as a director for the time in the past when no one else wanted to. Further, even when it had been suggested in the past that the company be wound up but he strongly opposed the idea as he was even ready to go the streets to sell 'sukuma wiki' just to sustain the company.

Lawrence Mugambi: Said that it is true that certain individuals had played a big role in the running of the company affairs and by large the board members had made heavy sacrifices as individuals. However this was necessary to save the capital for business/investment purposes instead of exhausting the limited available cash in routine expenditure and so far the said had borne fruit. It was now necessary for the board to put in place investments that raised income and cash routinely. This would be able to sustain a workforce and guide in its recruitment. He said he was keen to have a self sustaining management. He urged shareholders to be sensitive to the communications that they made as some scared away would be investors. He urged shareholders to support the investment opportunities presented to lift the company.

Samuel Karima: Informed the meeting that organisational changes were in progress starting with the employment of an executive officer now in place and the development of a strategic plan which was in progress.

The chairman invited the members for lunch and there being no other business the meeting ended at 13.25 hours.

Signed:

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**CHAIRMAN**

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**COMPANY SECRETARY**