

MINUTES OF THE 11th AGM OF TWIN HUTS LTD HELD ON 26TH MAY 2018 AT PARKLANDS SPORTS CLUB

ATTENDANCE

1. Dr. Moses Kinuthia - 7960
2. Simon M. Githuku - 7271
3. David M. Mngolia - 6695
4. Lawrence Mugambi Mungania – 8068
5. Caroline Nkatha Ithula - 116
6. Wanjau Kahuthu - 7469
7. Timothy N. Kuria – 8939
8. George Wakaria – 10175
9. Gideon M. Mulwa - 8727
10. Julius Kihara - 4986
11. Wilhelm Mugho - 5262
12. Nehemiah Ndeta - 8817
13. Ronald Onyango – 8357
14. Simon Chege Kimani – 8526
15. Charles Mukiri Kogi - 4035
16. Stephen C. Wanjala - 5559
17. Joseph Wamwea - 7975
18. Patrick Muiruri – 7574
19. Osman Adow – 5575
20. James Ngigi Kamau – 9109
21. Peter Mwangi Njuguna - 8291

IN ATTENDANCE

NIL

APPOLOGIES

NIL

MINUTES

1. Reading the Notice

The chairman (Dr. Moses Kinuthia) welcomed those present and invited Mr. Timothy Kuria to pray for the meeting.

The company secretary read the notice convening the meeting.

2. Tabling Proxies and Noting Presence of Quorum

The company secretary confirmed that there were 10 members present hence there was quorum and no proxies received as yet.

3. Confirmation of the minutes of the AGM of 2016

The Chairman read through the minutes (attached) for the AGM of 2016 AGM. Errors were pointed out and corrections made. The chairman invited other comments:

Mr. Kihara: whether the directors' remuneration be after tax or before tax.

Mr. Wakaria: this is because you won't be able to expense the item after taxes. The remuneration is not distribution of profits.

There being no further comments, on the proposal of Simon Githuku and secondment of Wanjau Kahuthu the minutes were confirmed as a true record.

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

The chairman read his report (attached) and was proposed and seconded for adoption by David Mngolia and Wanjau Kahuthu respectively and the chairman invited queries and comments.

Comments:

- Julius Kihara (4986): suggested that the last part of paragraph two of page three of the chairman's report requesting 'that the current BOD as constituted to continue in office' ought not come up until at election time.
- Dr. Moses Kinuthia: replied that he believed that the item is properly placed in his report and forms his opinion which he brings up when he has the opportunity. Many other present agreed with him.
- Julius Kihara: further to his comment regarding the same paragraph, he felt that the contents over appeals, yet it is the company's performance that should be attracting.
- George Wakaria: emphasized that the board is imploring members to give the necessary support.
- Dr. Moses Kinuthia: the board requires resources to execute its mandate, which resources have been short. Therefore, shareholders need to put more resources into the company.
- Simon Githuku & David Mngolia: explained that our monies have been put in fixed investments and we need more to invest in other areas before earlier ones are realised. Hence shareholders need to bring in more monies to invest more.
- Ronald Onyango: said it was his first AGM and supported Mr. Kihara's position. Since investment 10 years ago only a dividend of Kshs. 30,000/= has been paid. Kshs. 100,000/= put 10 years ago should not be belittled.
- Dr. Moses Kinuthia: urged those present and wish to bring up other comments and suggestions be brought up during the AOB session which he would open up.

5. **Financial Statements and Reports 2017**

The treasurer George Wakaria took the members through the audited financial report. The highlights are: -

- (i) Capitalised Kshs. 6.5 M of expenses by Gatkeyland in exchange of 2 units in Gatkeyland.

- (ii) The main income has been from a treasury bound, i.e. an income of Kshs. 126,027/=.
- (iii) Change in equity on paper we.
- (iv) The auditor has suggested that we need to have an accountant

Upon the proposal and secondment by Wanjau Kahuthu and Julius Kihara respectively the financial statements and reports were adopted.

The chairman invited comments:

Query: Julius Kihara – Interest income was the same for the 2 years.

Answer: George Wakaria – the bond is for 12 years.

Query: Kahuthu – weren't the moneys in the bank not invested.

Answer: Mr. Wakaria & Dr. Kinuthia – we were working on a project to invest and expected to utilise the money anytime. If no project comes up, we can fix.

Query: Ronald Onyango – the gain in equity is about 4.3M annually which is far too low. It means that the board must have better investment plans. The strategy need to be relooked.

Answer: George Wakaria – the 4.3M annually is about 12%, is not optimal and is the reason why the board re-strategised last year especially in investing in low income housing which has no yet received support from shareholders. If shareholders can bring in resources and create this income generating activity, then the company can attract more investment.

Query: Ronald Onyango – what is the loss of Kshs. 551,764/=?

Answer: George Wakaria – the expenses mainly administration (which were less than the previous year) exceeded the income of Kshs. 126,000/=.

6. **Election of directors**

The chairman reminded the meeting that there are 3 vacancies in the board and invited the company secretary to explain the process.

Lawrence Mugambi explained that the first step is to elect a returning officer who will not contest. The returning officer will conduct the election. He will conduct nominations for the 3 positions. Each candidate will be proposed and seconded. An eligible candidate must have at least 2 shares. If only 3 candidates are nominated, the 3 would be declared elected. If there are more than 3 candidates, voting will be carried out.

Mr. Osman Adow was elected the returning officer.

The following candidates were nominated: -

<u>Candidate</u>	<u>Proposer</u>	<u>Secunder</u>
1. Dr. Moses Kinutha	Peter Mwangi	Nehemiah Ndeti
2. George wakaria	Caroline Nkatha	Ronald Onyango
3. David Mngolia	Simon Githuku	Dr. Moses Kinuthia
4. Ronald Onyango	Peter Mwangi	George Wakaria

Voting was carried out by secret ballot and results were as follows: -

	votes
1. Dr. Moses Kinuthia	17
2. George wakaria	18
3. David Mngolia	12
4. Ronald Onyang	7
5. Spoilt	3
TOTAL	57

Having obtained the majority votes were declared as newly elected directors of the company.

7. **Appointment of Auditors & Remuneration**

The chairman invited comments on the proposal to reappoint M/s Umuro Wario & Associates CPA.

Joseph Wamwea: suggested that a lower audit fees ought to be paid in view of the few transactions.

Members unanimously resolved that a reasonable fee be negotiated with the existing auditor and if not, a suitable auditor charging a reasonable (affordable) fee be appointed by the board.

8. **Directors Remuneration**

Upon the proposal of Ronald Onyango and secondment by Simon Chege it was agreed that directors' remuneration be retained as 10% of profits before tax and the sitting allowance be reviewed to Kshs. 5,000/= per sitting.

9. **AOB**

The secretary confirmed that he had not received any AOB as prescribed.

The chairman invited members to raise any other matter in particular he invited George Wakaria to present the low-cost unit. Mr. Wakaria made a presentation for ¼ acre as per the attached spreadsheet. In brief the investment would require Kshs. 10,690,045 and bring an annual return of about Kshs. 2.8 million or 37% for about 15 years. to finance the project THL would utilise Kshs. 4,000,000/= in the bank and raise Kshs. 6,690,045 from members. Each member would bring about Kshs. 200,000/=.

Dr. Kinuthia – testified that certain directors have piloted in similar projects and found them viable and within 2 years the full recovery of the investment will have been made.

- Julius Kihara - suggested that apathy may negate achievement of the project with the general membership. He suggested that inventory be targeted/head hunted amongst shareholders.
- Ronald Onyango - many alumni members have a low view of the company. We need to articulate why an investment matter to the whole group and finally to the individual who gets interested.
- Dr. Kinuthia - the idea of getting all shareholders financing THL is to ensure that all shareholders/company having an equal benefit.
- Joseph Wamwea - we need to be realistic. Only 20% will pay up if you approach the general shareholding.
- Members unanimously agreed that a practical approach be taken which ensures all shareholders are given an opportunity but also designed to ensure there is a plan in place to ensure a project doesn't fail.
- Ronald Onyango - suggested that there be a minimum return that directors must make.
- George Wakaria - agreed that the minimum return commitment is good but suitable for employed staff and not a board that is not fully engaged routinely.
- Julius Kihara - wondered why the group doesn't seem to move as quickly and grow as just as a single individual?
- Osman Adow - permanent employees will be necessary to effect the ideas.

There being no other business the meeting ended at 14.15 p.m.

Signed:

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CHAIRMAN

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COMPANY SECRETARY