

## **CPS GOVERNANCE CENTRE LIMITED**

**MINUTES OF 6<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) OF THE COMPANY HELD ON THURSDAY, 7<sup>TH</sup> JUNE 2018 AT THE CPS GOVERNANCE CENTRE, KILIMANJARO ROAD, UPPER HILL AT 11.30 A.M**

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### **PRESENT**

- |                             |   |                          |
|-----------------------------|---|--------------------------|
| 1. FCS Pius M. Nduatih      | - | Member/Director/Chairman |
| 2. CS Calvin Nyachoti       | - | Member/Director          |
| 3. CS Lipio Mugambi         | - | Member/Director          |
| 4. CS Tom O. Omariba        | - | Member/Director          |
| 5. FCS Fredrick Wasike      | - | Member/Director          |
| 6. FCS Peterson K. Mwangi   | - | Member/Director          |
| 7. CS Beatrice Meso         | - | Member/ ICS Chairman     |
| 8. FCS Peter K. Macharia    | - | Member                   |
| 9. FCS Erastus Gitau        | - | Member                   |
| 10. FCS Gilbert Otieno      | - | Member                   |
| 11. FCS Patrick Mutemi      | - | Member                   |
| 12. CS Ibrahim Yunis        | - | Member                   |
| 13. CS Anne Matu            | - | Member                   |
| 14. CS Julius Mungai        | - | Member                   |
| 15. CS Dorcas Mbalanya      | - | Member                   |
| 16. CS Doris Thangei        | - | Member                   |
| 17. CS Felix Kimoli         | - | Member                   |
| 18. CS Enock O. Mogere      | - | Member                   |
| 19. CS Charles Muya         | - | Member                   |
| 20. CS E. K. Minju          | - | Member                   |
| 21. CS Robert Ochieno       | - | Member                   |
| 22. CS Nelson Nyongesa      | - | Member                   |
| 23. CS Mercy Wanjau         | - | Member                   |
| 24. CS Symon Mbanya         | - | Member                   |
| 25. CS Samson Kibii         | - | Member                   |
| 26. CS Rose Awero           | - | Member                   |
| 27. FCS Lazarus Kimang'a    | - | Member                   |
| 28. CS Lucy Kabuka Waichari | - | Member                   |
| 29. CS Tim Mweseh           | - | Member                   |
| 30. CS Peter Njuki          | - | Member                   |
| 31. CS Alvin Gateria        | - | Member                   |
| 32. CS Ben Achode           | - | Member                   |
| 33. CS Julia Kinandu        | - | Member                   |
| 34. CS Francis M. Nyagari   | - | Member                   |
| 35. CS Grace Kamuyu Kimata  | - | Member                   |

### **ABSENT WITH APOLOGIES**

1. FCS. James P. T. Foster
2. FCS. Dr. Nicholas K. Letting'

3. FCS. Joe M. Mbuthia
4. CS Obare Nyaega - Member/Director/CEO
5. CS. Joseph A. A. Adera
6. CS. Joseph Z. Abuta
7. CS. Freddie E. K. Kihara
8. CS. Margaret C. Osure
9. CS. Beatrice A. Oluoch
10. CS. Susan I. Kaisha
11. CS. Solomon O. Awino
12. CS. Julius N. Mwangi
13. CS. Anthony J. S. Kisia
14. CS. Dr. Consolata S. Mwimali
15. CS. Doris N. Ngugi
16. CS. Yvonne N. Masinde
17. CS. Charles K. Gitonga
18. CS. Juliet I. Khamasi

#### **IN-ATTENDANCE**

1. CS. Nellie Kithuka - Representing Olmara Registrars LLP Company Secretaries
2. CS. Paulina Munyua - “
2. CPA Edah Macharia - Representing the Auditors, King’ang’i Kamau and Company

#### **PRELIMINARIES**

The Chairman welcomed members to the 6<sup>th</sup> AGM of the Company and called the meeting to order at 11.30AM. CS Mercy Wanjau led with a word of prayer. The Chairman introduced the Directors and the Company Secretary and also recognized the presence of CS Beatrice Meso who was the newly elected Chairman of the ICS.

#### **MIN. 01/AGM/2018: NOTING OF QUORUM AND MEETING AS PROPERLY CONVENED AND CONSTITUTED**

The Company Secretary confirmed that there was quorum and that the meeting was properly convened and constituted. The apologies from 17 members was also received.

#### **MIN. 02/AGM/2018: NOTICE CONVENING THE ANNUAL GENERAL MEETING**

The Chairman informed the members that there was change in Company Secretaries as CS Gatehi had resigned and Olmara Registrars LLP, who also acts for the ICS, were appointed.

The Company Secretary read the notice convening the meeting and the Agenda thereof.

#### **MIN. 03/AGM/2018: ADOPTION OF MINUTES OF THE 5<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 8<sup>th</sup> MAY 2017**

It was unanimously **resolved** that the minutes of the last AGM held on 8<sup>th</sup> May 2017 be and are hereby adopted, as proposed by CS Symon Mbanya and seconded by CS Samson Kibii.

## **MIN 04/AGM/2018: TO RECEIVE, CONSIDER AND ADOPT THE CHAIRMAN'S REPORT**

The chairman took members through his detailed annual report and highlighting the following matters:

### **1. Board of Directors**

The Chairman mentioned that the Company has been served by six (6) Directors since inception, three (3) representing the Institute of Certified Secretaries of Kenya (ICPSK), the majority Shareholder and three (3) representing the rest of the shareholding in the Company.

The Chairman introduced the Board Members and mentioned that Ms Beatrice Oluoch had retired on 6<sup>th</sup> November 2017 and Mr Nelson Nyongesa was thereafter appointed to fill the vacancy on 18<sup>th</sup> April 2018. He also mentioned that Mr Tom Omariba who was representing the ICPSK by virtue of him being the Chairman of the Institute of Certified Secretaries was to be replaced by Ms Beatrice Meso who was appointed as the Chairman in the 2018 AGM and the council had communicated to the Board about that change.

### **2. Progress report on the CPS Governance Centre project**

The Chairman emphasized on the need to have the Company converted from a private Company to a public as Company as it was intended at incorporation. He mentioned that Olmara Registrars had started the process and this will soon be finalized.

Members were encouraged to purchase more shares in the Company and also market the Company to the other members of the ICPSK to also purchase the shares as the ICPSK incorporated the Company ie CPS Governance Centre Limited, to act as an investment vehicle and to enable members participate in the ownership of the Office Complex.

### **3. Appointment of Project Consultants**

The Board of the company appointed a consortium of consultants led by Cadplan Architects through a competitive process, to carry out the project.

### **4. Information Memorandum**

The Board of the company issued an information memorandum to members of the Institute on the development of the CPS Governance Centre.

### **5. Purchase of shares in the CPS Governance Centre Limited**

The Board of the Company had invited members of the Institute to purchase shares of the Company to mobilize funds to start financing the preliminary expenses of the project. The Chairman informed members that the share price was revised upwards from Kshs 5,000/= per share to Kshs 6,000/= per share with effect from 1<sup>st</sup> March 2017.

Chairman reported that as at 31<sup>st</sup> December 2017 members had subscribed for shares worth Kshs 49,520,929/=. He further mentioned that there was no much improvement from 2016 when the subscription was at Kshs 42,232,929/=. He further urged the members to continue buying shares as the project was viable and will be profitable.

## **6. Purchase of office space in the CPS Governance Centre Limited**

Members were invited to express interest to purchase office space in the CPS Governance Centre. The Chairman mentioned that he always invites members of the institute at all AGM Meetings to purchase shares and office space in the CPS Governance Centre Limited.

## **7. Transfer of plot from ICPSK to CPS Governance Centre Limited**

The Chairman reported that it was necessary to have the plot transferred and registered in the name of CPS Governance Centre Limited in order to give the Company sufficient autonomy and flexibility in the development of the plot. CPS Governance Centre Limited had discussions with the Institute and they opted to register a sub-lease to the Company for the remainder of the lease term, less six months. In May 2014 at the AGM members had received, considered and adopted the necessary resolutions on sub leasing the land to the CPS Governance Centre Limited. The Chairman mentioned that this was yet to be done.

## **8. Statutory Approvals**

- The Chairman informed the Members that the Board of the Company had been able to secure several approvals including:
- Change of user by Nairobi City County.
- NEMA Certificate – granted in July 2015.
- Geotechnical Survey – University of Nairobi did the survey. It was completed and the final report received.
- Approval of Architectural and Structural Plans by Nairobi City County - granted in December 2015.
- Bills of Quantities.

## **9. Appointment of a legal team for the CPS Governance Centre Limited**

In 2014, the Board appointed Muma & Kanjama Advocates and Cyrus Maina Advocates as the legal advisors for the Company, through competitive bidding from members of the Institute in good standing.

## **10. Project Implementation Committee**

The Board constituted a Project Implementation Committee comprising of its Board Members to progress the activities of the Project.

## **11. Engagement of a property Agent**

The Board shall engage a property agent to commence the sale of the office space but this has been put on hold.

## **12. Tender Funding and Construction of the CPS Governance Centre Limited**

The Board advertised for the Expression of Interest for funding and construction of the CPS Governance Centre in the Daily Nation newspaper. The Evaluation and Award Committee prequalified three bidders to proceed to the tender stage. Tender documents were thereafter sent to the prequalified bidders but only two submitted their bids. The two Contractors were shortlisted. The Chairman mentioned that the Company had written to the Treasury on financing but no response had been received.

### **13. Site Visits for the Project**

Site visits had been conducted as part of due diligence of the two shortlisted Contractors.

### **14. Financing for the project**

The Contractor was expected to provide adequate funding for the whole construction on a turnkey basis. The Board had held discussions with the two shortlisted Contractors and they both required a bank guarantee. The Chairman mentioned that the Board had held discussions with several banks and financial institutions on providing a bank guarantee and financing of the project. Also the Board had approached the Government through the National Treasury for financing support so as to reduce the cost of borrowing funds for the construction. The Chairman also mentioned that discussions with KCB were still ongoing and had made some progress and once the letter of guarantee is available things will move forward.

The Chairman invited the Chairman of the Project Implementation Committee, FCS Peterson Mwangi to brief members on progress made for construction/financing of the project. Members were also notified that CS Calvin Nyachoti had taken over the Chairmanship of the Committee from FCS Peterson Mwangi.

FCS Peterson Mwangi informed members that the Board had tried to engage many regulatory bodies like CMA and IRA to take up the project together with the Company but there was no any commitment yet but the Board had also approached some pension funds for financing but they were apprehensive because of the property pricing in upper hill as the market is over saturated.

FCS Mwangi also mentioned that it has not been easy to engage some partners without the title deed in the Company name as the Company does not own the land, it was still owned by the Institute. The new Chairman of the implementation Committee to take up the matter with the Council.

It was unanimously **resolved** that the chairman's report be and is hereby adopted, having been proposed by CS Peter K. Macharia and seconded by FCS Lazarus Kimang'a.

### **MIN. 05/AGM/2018: ADOPTION OF REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017**

The report and financial statements of the company for the year ended December 31, 2017 were presented to members by CPA Edah Macharia representing the Auditors, King'ang'i Kamau & company, Certified Public Accountants of Kenya (CPAK).

After deliberations, It was unanimously **resolved** that the report and financial statements of the Company for the financial year ended December 31, 2017, together with the reports of Directors and Auditors thereon as presented by the Auditors, be and are hereby adopted, as proposed by CS Felix Kimoli and seconded by CS Robert Ochieno.

### **MIN. 06/AGM/2018: APPOINTMENT OF THE COMPANY'S AUDITORS FOR THE FINANCIAL YEAR 2018 AND TO AUTHORIZE THE DIRECTORS TO FIX THE AUDITORS REMUNERATION**

It was noted that King'ang'i Kamau and Company, CPA(K) had expressed their willingness to continue as the Company Auditors for the next Financial Year. It was unanimously **resolved** that

King'ang'i Kamau and Company, CPA(K) be and are hereby appointed to serve as the Auditors of the Company for the financial year 2018, until the conclusion of the next AGM. It was further **resolved** that the Directors be and are hereby authorized to fix the Auditors' remuneration. The motion was proposed by FCS Charity Muya and seconded by CS Julius Mungai.

It was however agreed that the Company should have a policy on the period that the Auditors should hold office. Directors were tasked to discuss the matter further.

#### **MIN. 07/AGM/2018: DIRECTORS' REMUNERATION**

It was noted that the Directors did not recommend for increase of Directors remuneration. It was unanimously **resolved** that the remuneration in year 2018 remain the same as the previous as proposed by CS Francis Nyagari and seconded by CS Julia Kinandu.

The Shareholders requested the Directors to be of service to the Company without any pay because the Company was not trading.

#### **MIN. 08/AGM/2018: DIVIDEND PAYMENT FOR THE FINANCIAL YEAR 2018**

It was noted that directors did not recommend the payment of dividends for the financial year ended 31<sup>st</sup> December 2017. The Chairman however informed the members that the Company will be having a rights issue in the year ending 31<sup>st</sup> December 2018, for the existing Shareholders.

#### **MIN. 09/AGM/2018: ELECTION OF COMPANY DIRECTORS**

The Chairman reported the following:

9.1 FCS Fredrick O. Wasike had retired by rotation and though eligible did not offer himself for re-election and;

9.2 CS Lipio Mugambi retired by rotation and being eligible offered himself for re-election in accordance with the Articles of Association of the Company.

It was noted that though nomination Forms had been circulated with the notice, the Company Secretary did not receive any nomination form 48hours prior to the meeting as it had been indicated.

The Chairman notified the shareholders that it was their duty to elect Directors and they should give the way forward. After deliberations CS Julia Kinandu was proposed by CS Peterson Mwangi and seconded by CS Francis Nyagari.

It was resolved that CS Julia Kinandu be and is hereby elected as a Director of the Company with immediate effect.

It was further resolved to re-elect CS Lipio Mugambi as a Director of the Company as proposed by Robert Ochieno and seconded by FCS Patrick Mutemi.

The Chairman mentioned to the Members that he was retiring with immediate effect having served the Company for many years. He further mentioned the ICPSK council had nominated CS Mercy

Wanjau to be a Director of the Company to replace him. Board Members to elect another Chairman amongst themselves.

The Chairman gave a chance to the new Directors to introduce themselves to the Shareholders.

CS Calvin Nyachoti thanked the Chairman for his leadership and guidance for the many years he served as the Chairman and wished him well in his endeavors.

The Chairman thanked the Directors for their support during his tenure and for their commitment to serve the Company and urged the remaining Directors to forge ahead to see the Governance Centre become a reality.

**MIN. 10/AGM/2018: ANY OTHER BUSINESS**

The Company Secretary reported that no notice of any motion to be discussed under any other business had been received 48 hours prior to the meeting.

The Chairman thanked members for attending the meeting.

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**THERE BEING NO OTHER BUSINESS THE MEETING ENDED AT 1:25PM.**

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Signed as a true record of the proceedings:

**CHAIRMAN** .....

**DATED:** .....