

MINUTES OF THE 12th ANNUAL GENERAL MEETING OF THE ZIMELE PERSONAL PENSION PLAN AND ZIMELE GUARANTEED PERONAL PENSION PLAN HELD AT THE MAKUTI ROOM, NAIROBI CLUB, NAIROBI ON THURSDAY, 30th MAY 2019 AT 10.00 A.M.

PRESENT

As per attendance list on annexure

N ATTENDANCE:

1. Mr. Timothy Wambui- Trustees' Representative (in the Chair)
2. Mr. James King'ara- King'ara & Associates – Scheme Secretary
3. Mr. Dennis Paul Ileri- Dennis Paul & Associates – Scheme Auditors
4. Mr.. Peter Odera - Custodian's Representative
6. Mr. Martin Kinuthia – Fund Administrator's Representative
7. Mr. Isaac Njuguna- Fund Manager's Representative

ORDINARY BUSINESS:

Miniute1/2019: NOTICE

The Chairman called the meeting to order at 10.48 a.m.

Thereafter the Chair requested the Secretary to read the Notice convening the meeting.

Both the Notice and the Agenda were taken as read.

Minute 2/2019: QUORUM:

The Secretary confirmed the presence of a Quorum. Chair declared the meeting duly convened and constituted.

Minute 3/2019: INTRODUCTION OF SERVICE PROVIDERS:

The Chair took the opportunity to introduce the service members present at the meeting, and who were as follows:

- (i) Dennis Paul & Associates –Scheme Auditors represented by Mr. Dennis Paul Ileri **and Ms.Cecilia Mukami.**
- (ii) K.C.B.Bank Kenya Ltd (Corporate Trustees) - Scheme Custodians- represented by Mr. Peter Odera
- (iii) Natbank Trustees & Trustee Services Ltd - Scheme Trustees-represented by Mr. Timothy Wambui.
- (iv) Zimele Asset Management Company Limited- Fund Managers- represented by Mr. Isaac Njuguna.
- (v) Pacific Insurance Brokers Limited- Fund Administrators – represented by Mr.Martin Kinuthia.
- (vi) King’ara & Associates- Scheme Secretary- represented by Mr. James King’ara

Minute 4 /2019: MINUTES OF THE LAST AGM:

The minutes of the previous meeting held on 25th May 2018 were confirmed as a correct record of the proceedings.

Minute 5/2019: MATTERS ARISING

Minute 12/2018 –page 4 –

Line 2 – the word “the” is repeated and should be deleted.

Minute 13/2018 –page 4 –

Paragraph 2 – the abbreviation “p.m.” should read “a.m”.

Minute 6/2019: CONFIRMATION OF THE MINUTES

Subject to the amendments noted and upon proposal by Mrs. Mary Mutuku and upon secondment by Mr. Francis Sang the minutes of the last Annual General Meeting were duly adopted by members as presented and were subsequently signed by the Chair.

Minute 7/2019: PRESENTATION OF THE SCHEME'S ANNUAL FINANCIAL AND PERFORMANCE REPORTS:

The balance sheet, profit and loss accounts for both the Personal Pension Plan and the Guaranteed Personal Pension Plan respectively for the year ending 31st December 2018 together with the Scheme Managers' performance reports and the unqualified Auditor's reports respectively were tabled by the Scheme's Auditors.

Guaranteed Personal Pension Plan: Key Audited Matter:

It was reported that the provision in the accounts in relation to a sum of Kshs.15,494,000.00 belonging to the Scheme and held by Chase Bank Limited (under statutory management) had been significantly reduced (by 75%) to the current sum of Kshs.3,980,180.00 following the acquisition of the said bank by SBM Holdings Ltd and the subsequent partial release of the outstanding sums to the Fund. Efforts by the Fund Manager to recover the latter amount are ongoing and members will in due course be duly updated on the progress.

Personal Pension Plan: Key Audited Matter:

It was reported that the provision in the accounts in relation to a sum of Kshs.21,277,020.00 belonging to the Scheme and held by Chase Bank Limited (under statutory management) had been significantly reduced (by 75%) to the current sum of Kshs.5,748,188.00 following the acquisition of the said bank by SBM Holdings Ltd and the subsequent partial release of the outstanding sums to the Fund. Efforts by the Fund Manager to recover the latter amount are ongoing and members will in due course be duly updated on the progress.

The Chair then extended an opportunity to members to raise any queries with regard to the Schemes' performance and Accounts and which queries were appropriately and satisfactorily explained by both the Scheme's Auditor and Fund Manager's representative respectively.

On proposal by Mr. Kennedy Njenga and upon secondment by Mr. Philip Bor respectively the accounts for both the Personal Pension Fund and Guaranteed Personal Pension Fund respectively were duly adopted by the members as presented.

Minute 8/2019: PRESENTATION OF FUND MANAGER'S REPORT:

The Fund Manager's representative presented the Fund Manager's Report which was by and large adopted from the report on pages 7 of the respective Abridged Reports circulated to Scheme Members prior to the meeting. The Fund Manager took the opportunity to elaborate on the position regarding with regard to the recoverability of the Scheme's funds held at Chase Bank Ltd (in receivership following the acquisition of the latter by SBM Holdings Limited. In his report the Fund Manager's representative was categorical that 75% of the funds in relation to monies belonging to both Funds held in the Chase Bank Ltd (under receivership) had actually been recovered leaving a balance of 25% as more enumerated in the Auditor's report. He further assured members that he was optimistic that the remaining 25% was feasibly recoverable within the medium term depending on the recovery success rate of certain assets belonging to Chase Bank Limited (in receivership) by SBM Holdings Limited and the Central bank of Kenya.

Minute 9/2019: PRESENTATION OF TRUSTEES' REPORT:

The Trustees' representative tabled their unqualified report together with an explanation to Members of their role in the running of the Scheme's affairs, which is largely that of an oversight nature to ensure that the Fund Managers adhere to the covenants and conditions set out for their performance and observation in the Trust Deed.

Minute 10/2019: APPOINTMENT OF SCHEME AUDITORS

Dennis Paul & Associates Certified Public Accountants having expressed their willingness to continue in office have been appointed as Scheme Auditors for the next one year.

Minute 11/2019: PRESENTATION OF THE ADMINISTRATOR'S REPORT:

The Fund Administrator's representative tabled his report in which he registered his satisfaction with the running of the Scheme by the Fund Manager as well as the other Service Providers in compliance with statutory requirement.

Minute 12/2019: PRESENTATION OF CUSTODIAN'S REPORT:

The Custodian's representative tabled their unqualified report together with a brief but detailed explanation of their role in the running of the Scheme's affairs-which is principally to hold the Scheme's assets and to ensure that the Investment Policies of the Scheme are complied to by the Fund Manager and also ensuring that such investments are undertaken to ensure the greatest return for value to the Scheme members.

Minute 13/2019: OTHER BUSINESS:

(i) Chair opened the floor to members for a Question and Answer session during which members posed queries on various issues arising from the report, and to which the relevant Service Providers' representative supplied satisfactory answers to.

(ii) Low Attendance of Members at the Annual General Meeting:

An explanation with regard to the issue of low attendance by members at the Annual General Meeting was sought by members. Chair explained that appropriate notices had been sent to the members via different channels. In his view this was not a unique situation facing the Scheme. It was a common phenomena across the industry with the exception of years of underperformance when members will invariably flock to the Annual General Meeting to query the reasons behind their Scheme's misfortunes.

There being no other business the Chairman declared the meeting duly closed with a word of prayer at 12.10 p.m.

The date of the next meeting will be on notice to members.

CONFIRMED.

CHAIRMAN

DATE.....

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Distribution

Minute Book

Annex of Members Present