

KEFRI DC RETIREMENT BENEFITS SCHEME



MINUTES FOR THE MEMBER'S ANNUAL GENERAL MEETING HELD ON WEDNESDAY 30TH SEPTEMBER 2021 AT KEFRI HEADQUARTERS AND ON 5TH, 6TH AND 7TH OCTOBER 2021 AT OTHER REGIONAL CENTRES

HEADQUARTERS

PRESENT

1. Dr. George Muthike - Chairman
2. Mrs. Sarah Mogaka - Deputy Chairperson
3. Mr. Francis Ochung' - Trustee
4. Mr. Charles Koech - Trustee

ABSENT WITH APOLOGY

1. Dr. Sammy Letema - Trustee
2. Dr. Joshua Cheboiwo - Trustee
3. Comm. Rose Osoro - Trustee

IN ATTENDANCE

1. Juliana Makau - Trust Secretary
2. Robert Rotich - Minet Kenya - Fund Administrator
3. Mathew Mue - Sanlam Investments - Fund Manager
4. Amos Ogwang - Standard Chartered - Custodian
5. Edwin Bariu - King'ang'i Kamau &Co - Auditor
6. Mary Luvisia - King'ang'i Kamau &Co - Auditor

MEMBERS PRESENT

Headquarters, Karura & Nyeri - 208

MIN 1/AGM/2021: INTRODUCTION AND ADOPTION OF AGENDA

The Chairman called the meeting into order at 10.15 a.m with a word of prayer from Stephen Ndungu. The Deputy Director, Dr. Tito Mbuvi welcomed all members and visitors present to KEFRI Headquarters on behalf of the Director-KEFRI.

The Chairman introduced the Trustees and service providers who were present at the meeting.

The agenda of the meeting was adopted as follows:

- 1.1 Introduction and opening remarks
- 1.2 Confirmation of the Minutes of the last AGM held on 8th October, 2020
- 1.3 Statement from the Sponsor – Chairman, KEFRI Board of Directors
- 1.4 Statement from the Chairman, KEFRI Board of Trustees
- 1.5 Audited Financial Statements for the year ended 30th June 2021
- 1.6 Investment Management Report for the year ended 30th June 2021
- 1.7 Custody Report for the year ended 30th June 2021
- 1.8 Administration Report for the year ended 30th June 2021
- 1.9 Question and Answer
- 1.10 Closing Remarks and Wrap-up

MIN 2/AGM/2021: CONFIRMATION OF MINUTES

The Trust Secretary, Juliana Makau, presented the Minutes for the last AGM that took place on 8th October 2020 at the Headquarters. The Minutes were confirmed as a true recording of the proceedings and was proposed by Anselum Muniu and seconded by Mathews Mauya.

MIN 3/AGM/2021: STATEMENT FROM THE SPONSOR

The Deputy Director, Dr. Tito Mbuvi presented the Statement from the Sponsor. Dr. Letema's statement began by pointing out that since the onset of COVID-19 last year every aspect of the economy was unknown and the Sponsor expected the Scheme performance to follow the trends in the local and global arena. However, the Board of Trustees outperformed the expectations. Further, the Chairman informed members that as an institution, we remained resilient and retained all our staff with all their salaries, remuneration and benefits. As a Sponsor, we remitted a total of over Kes.191 Million to the Scheme by the close of the financial year 2020/2021.

Dr. Letema also informed members that the Board of Directors and Management remains cognizant that the institute population is aging and there is great need to replace the retiring staff with equally talented and experienced professionals. During the last financial year, a total of sixty new staffs, (compared to seventeen in the last financial year) were brought on board on permanent and pensionable terms of employment, which means that they immediately joined the Scheme.

The Chairman continued to encourage all members to continue increasing their retirement benefits contributions by making Additional Voluntary Contributions (AVCs). This is to assist them in attaining the 40-60% income replacement ratio as envisioned by the Board of Trustees, and overall contribute to them having a comfortable and seamless transition to retirement.

In conclusion, Dr. Letema appreciated the Board of Trustees and other stakeholders for their continued support in managing the Scheme for the benefit of members and beneficiaries. We look forward to our continued engagement in the coming year to ensure that our members remain confident in this Institute and the Scheme.

MIN 4/AGM/2021: STATEMENT FROM THE CHAIRMAN

The Chairman of the Board of Trustees, Dr. George Muthike, began his statement by informing members that the year was quite a challenging one, as a result of the extraordinary times presented by the COVID-19 pandemic and other related effects. However, the Board of Trustees remained resilient, and adapting to the “new normal”. The Trustees, both the incumbent and those who retired at the end of the year, together with the Scheme consultants were able to take measures to ensure that we remain within the set targets and worked towards achieving the vision.

Dr. Muthike informed members that the Scheme membership stood at 749 active members by the end of the year compared to 759 in a similar period last year. This drop in membership was attributed to 70 members who left the Scheme out of which 3 members passed on while still in service. The Chairman was pleased to announce that the year ended successfully, hitting the KES. 3 Billion mark, compared to KES. 2.79 Billion at the end of the financial year 2019/2020. The tremendous growth was attributed to employee and employer contributions of KES. 189.8 million, Additional Voluntary Contribution (AVCs) of KES. 1,236,000, transfers from other schemes of KES. 322,576, and investment income of KES. 300.98 million compared to KES 152.27 million in the year ended 30th June 2020. The growth was equivalent to

14.2%, nearly double the return distributed in the previous financial year. This was not an easy achievement as it is the highest interest declared since the DC Scheme was established in the year 2011. The Chairman appreciated the effort by the Trustees and all stake holders and prayed that in the coming years, the Scheme shall maintain the trend and generate optimal returns.

Members were informed that during the year the Board of Trustees embarked on reviewing its Policies and aligning them to the Good Governance Practices as directed by the Retirement Benefits Authority (RBA). That led to the subsequent amendment of the Scheme Trust Deed and Rules. In the year 2020/2021, the Board further developed the Mortgage Policy of the Scheme and that also required amendment to the Trust Deed and Rules. The Board also adopted the Mortgage Policy and shall submit it to RBA for review and approval. Once approved, the Board shall embark on educating all Scheme Members on the Policy and how one can benefit from that facility. The Board looks forward to issuing a new Member Handbook in the second half of the year, which shall include all the changes that have occurred since 2018 when the last Handbook was revised.

The Chairman informed members that during the financial year, our immediate former Chairman Mr. Paul Tuwei, who was also representing Scientists, retired from the Board having served for nine years as a Trustee and three years as a Board Chairman. He was replaced by Mr. Charles Koech, a Research Officer based at the Headquarters. The Scheme Independent Trustee, Mrs. Mary Gitahi also retired from the Board, having served for a period of six years as a Trustee and three years as a Vice Chair to the Board. The two retired Trustees made great contributions during the development of the Strategic Plan 2017-2030 and the general growth of the Scheme. The Board continue to wish them well in their new assignments. The Trustees elected Dr. George Muthike and Mrs. Sarah Mogaka as Chair and Vice Chair respectively. For the new Trustee Mr. Koech, was taken through an induction session to enable him understand the general Scheme operations and his new role. He was also expected to be vetted by RBA, through the Trustees Development Program-Kenya in line with the Retirement Benefits Regulations, before the close of the current calendar year.

Finally, the Chairman expressed his gratitude to all members for their continued encouragements and support towards the achievements, despite the challenges within the year. Dr. Muthike also thanked his fellow Trustees and the immediate

former Trustees, Mr. Tuwei and Mrs. Gitahi for their humility, working in a cohesive way and a great team spirit. To the Scheme Sponsor, the Chairman expressed his gratitude for the unwavering support to the scheme.

MIN 5/AGM/2021: AUDITOR'S REPORT AS AT 30TH JUNE 2021

Ms. Mary Luvisia presented the Auditor's report as at 30th June 2021. In their report, the Auditor gave highlights on the schemes' financial performance and their financial position as at the end of the financial year. The Scheme's financial performance for the year was summarized as follows:

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Shs	2020 Shs
CONTRIBUTIONS AND BENEFITS			
Contributions	4	191,090,441	191,490,352
Transfers in from other schemes		322,576	-
Benefits payable	5	(275,029,722)	(224,969,761)
		<hr/>	<hr/>
Net surplus from dealings with members		(83,616,705)	(33,479,409)
		<hr/>	<hr/>
RETURNS ON INVESTMENTS			
Investment income	6	274,736,135	272,354,182
Loss on disposal of treasury bonds	9	(913,513)	(3,945,232)
Gain/(Loss) on disposal of quoted equity investments	13	1,681,759	(525,904)
Fair value loss on treasury bonds	9	(3,695,930)	(5,928,563)
Fair value (loss) on equity investments	13	142,293,058	(39,839,530)
Fair value gain on offshore investments	15	9,126,979	-
Investment management expenses	7	(10,718,345)	(10,058,567)
		<hr/>	<hr/>
NET RETURNS ON INVESTMENTS		412,510,143	212,056,386
Administrative expenses	8	(21,642,010)	(21,159,790)
		<hr/>	<hr/>
Net return before taxation		390,868,133	190,896,596
Taxation charge on income from unregistered scheme	22	(6,274,267)	(5,150,925)
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Net return for the year	384,593,866	185,745,671
Increase in net assets	300,977,161	152,266,262

STATEMENT OF NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 Shs	2020 Shs
ASSETS			
Treasury bonds	9	1,909,276,944	1,917,040,548
Treasury bills	10	333,478,274	167,812,854
Term deposits	11	30,030,096	112,947,642
Corporate bonds	12	-	18,625,998
Quoted equity investments	13	713,616,319	492,020,645
Property, plant and equipment	14	3,151,948	3,882,498
Offshore investments	15	109,126,979	-
Bank balance	16	4,017,255	91,059,932
Contributions due	17	13,436,376	13,138,045
Benefits held in trust	18	137,029,794	104,898,612
		<u>3,253,163,985</u>	<u>2,921,426,774</u>
LIABILITIES			
Benefits held in trust	18	137,029,794	104,898,612
Benefits payable	19	5,194,756	8,289,625
Accrued expenses and other payable	20	10,814,429	8,383,943
Tax payable	22	1,103,343	1,810,092
		<u>154,142,322</u>	<u>123,382,272</u>
NET ASSETS		<u>3,099,021,663</u>	<u>2,798,044,502</u>

REPRESENTED BY:

Balances allocated to members	21	3,099,021,663	2,798,044,502
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Ms. Luvisia stated that in the Auditor's opinion, the accompanying financial statements give a true and fair view of the financial transactions of the scheme as at 30th June 2021.

MIN 6/AGM/2021: INVESTMENT MANAGEMENT REPORT

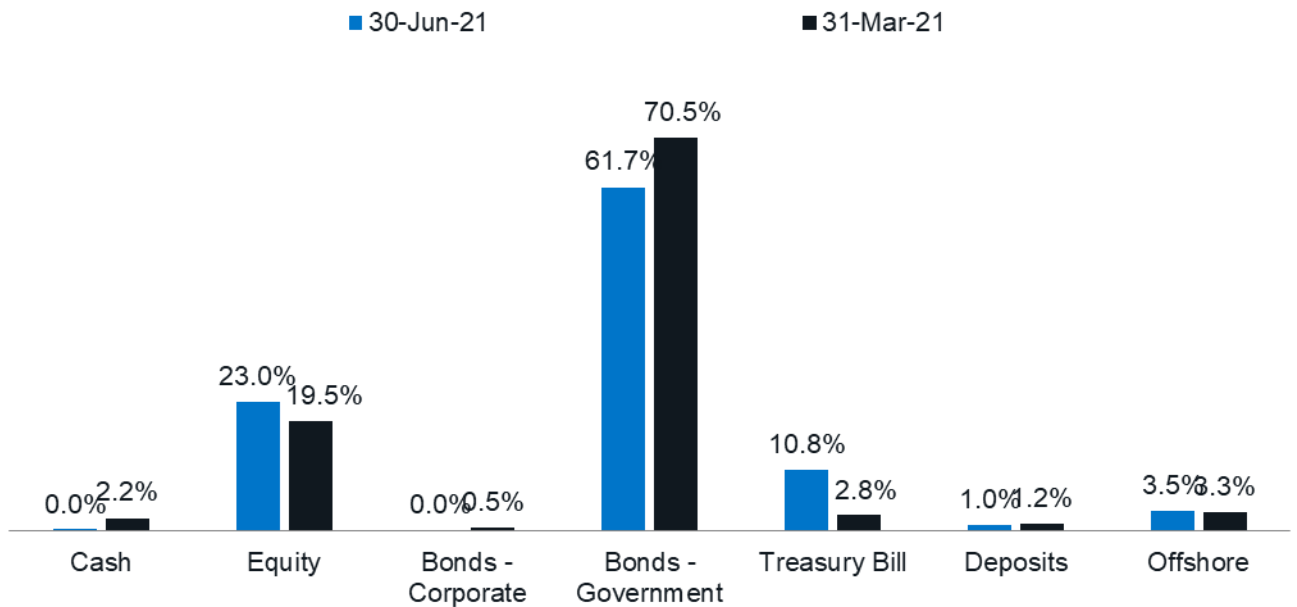
Mr. Mathew Mue gave the presentation of the Scheme's investment report as at 30th June 2021. In his report, Mr. Mue made an introduction on Sanlam Investments EA Limited. He further explained the role of a Fund manager in Pension Schemes which included:

1. Advise the Trustees on the available investment options:
 - Fixed Income – Treasury bills & bonds, Commercial paper & Corporate bonds and fixed deposits
 - Domestic Equities
 - Offshore Investments
 - Alternative Investments e.g. unlisted equities
2. Invest scheme assets according to the approved Investment Policy.
3. Report to the Trustees on the performance of the Scheme Funds.
4. Submit appropriate quarterly returns to RBA.

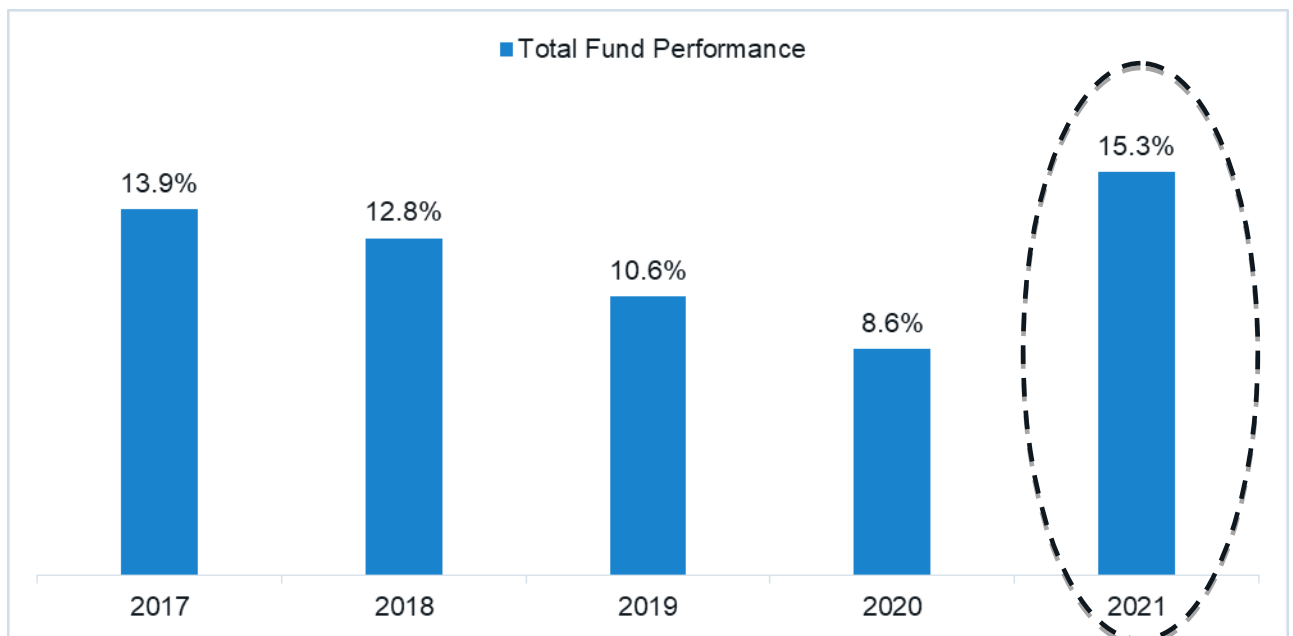
SUMMARY VALUATION OF THE FUND

KEFRI Defined Contribution RBS	
Value of investment portfolio as at 30th June 2020	2,800,574,467
Pension Contributions	193,408,236
Pension Withdrawals	(318,436,975)
Investment growth	(420,506,807)
Value of investment portfolio as at 30th June 2021	3,096,052,536

Asset allocation



Total Performance for the Year 2020/2021



The Scheme's return fared well in a period of uncertainty due to the COVID-19 pandemic.

MIN 7/AGM/2021: CUSTODY REPORT

Mr. Amos Ogwang of Standard Chartered Bank presented the Custody Report as at 30th June 2021. In his report, he informed members on the role of the Custodian which include the following:

- 1) Safekeeping/Custody of scheme assets;
- 2) Investment administration and
- 3) Asset servicing (for example: collecting dividend payments on shares and interest on bonds, deposits advising on the scheme's corporate action entitlements, etc.).

The custodian then gave a summary of the Scheme assets in custody as shown below:

ASSETS HOLDING CONFIRMATIONS FOR KENYA FORESTRY RESEARCH INSTITUTE DC RBS (KE0000014840) AS AT 30.06.2021

ASSET	VALUE (KES) AS AT 30.06.2021	RATIO (%)
Bank Balance	523,895.85	0.02
Fixed Deposits	30,032,410.96	0.97
Equities	713,616,320.30	23.05
Corporate Bonds	109,127,505.80	3.52
Treasury Bills/Bonds	2,242,834,074.79	72.44
Total	3,096,134,207.90	100.00

(Note: Difference with Fund Manager's & Auditors Figures/Numbers due to timing and valuation methodologies)

Confirmation of Scheme Assets under Custody for the Trust Fund

ASSET	VALUE (KES) AS AT 30.06.2021	RATIO (%)
Bank Balance	143,208.50	0.14
Fixed Deposits	900,308.22	0.87
Treasury Bills/Bonds	101,873,175.88	98.99
Total	102,916,692.64	100.00

(Note: Difference with Fund Manager's & Auditors Figures/Numbers due to timing and valuation methodologies)

Further, the Custodian gave an explanation for the difference in figures with the Auditor and the Fund Manager. She pointed out that the difference is due to timing and valuation methodologies.

MIN 8/AGM/2021: ADMINISTRATION REPORT

The Administration report was presented by Mr. Robert Rotich from Minet Kenya. His presentation was as follows:

a) Compliance Profile

Mr. Rotich reported that Scheme was compliant in all aspects of law governing Retirement Benefits Schemes. Some of the aspects in which the Scheme was compliant were:

- Contribution remittance
- Filling of abandoned assets
- Trustees Certification
- Trustees Board Composition
- Trust Deed and Rules
- Holding Annual General
- Member statements
- RBA levy
- Statement of Investment Principle
- Scheme Financial Statements as at 30th June 2020

b) Budget Changes

- i) Inclusion of “or post-retirement medical cover” into the definition of “Retirement Benefits Scheme-

The operators of such funds will therefore be required to be registered with the Retirement Benefits Authority and therefore subject to its oversight.

The insertion of these “stand alone” medical covers into the definition of a Retirement Benefits Scheme effectively places these previously unregulated funds into the ambit of the Act and accordingly under the regulatory purview of the Retirement Benefits Act.

ii) Powers to recover unremitted contributions - Trustees may with the approval of the Authority, appoint the Kenya Revenue Authority, as an agent, to collect unremitted contributions, interests, and penalties.

iii) Taxation of Members Benefits

- Removal of relief previously extended on tax against members' dues; reinstatement of scales applied in determining tax payable to benefits accessible by members preceding to retire.
- Taxation of cash lump sum benefits accessible by members over the age 65 years.

c) Peer Performance Review

The Scheme registered the best performance over the last eight years. It was further noted that investment income has been the biggest driver of this growth; as at June 2021 Net Returns accounted for 80% of all investment income, with the balance of 20% being accounted for by net contributions remittances.

This has led to an accelerated change in assets under management over the same period by Kes. 1.73B.

Over the last five years, the median industry performance stood at 12.1%; the Scheme over the same period registered a return of 12.8%.

Thus, the Scheme, despite its weighted average age of over 50 years has continued to outperform its peers; Members are thus encouraged to consider this scheme as a viable investment vehicle and inject contributions by way of Additional Voluntary Contributions. Members are also encouraged to consolidate benefits from schemes of previous employers to this Scheme.

MIN 11/AGM/2021: QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ What kind of investment is offshore?
 - These are investments outside of East Africa.

- ❖ The Financial Statements is not accompanied with all the notes. Why?
 - The annual report contains a few extracts of the financial notes, however all the notes were posted on the KEFRI website.
- ❖ If you have two spouses who do you choose as the guardian?
 - The member has the final decision but one should act fairly.
- ❖ Some of the administrative expenses like Trustees allowances, AGM and Member education are so high. Why?
 - Trustees allowances – there were several Board meetings during the year which inflicted the expenses.
 - AGM Expenses - the increase was attributed to changes in prices
 - Member Education – the member education was conducted to every centre thus the increase in the expenditure.
- ❖ The expenditure on the Member education is very high and the food that was provided was on small amounts. Why?
 - The cost of the member education includes all the expenses in the Headquarters and in the regions.
- ❖ Is the Trivial pension in line with the minimum wage bill?
 - It is set by RBA and it is in line with the minimum wage bill
- ❖ Can members be given cash instead of the AGM lunch?
 - The current structure does not allow the Trustees to pay cash to members during AGMs.
- ❖ RBA used to invite members for pre-retirement training but for the last two years they have not invited members. Why?
 - The trainings were done in Nairobi during the years but now RBA are concentrating on other regional areas.
- ❖ Trustees have been amending the Trust Deed and Rules to accommodate the Mortgage policy. Have they been doing public participation before the amendment?
 - The amendment are done as per the government rules and after the approval the Trustees will go back to members.

MIN 12/AGM/2021: FINAL REMARKS

Mr. Francis Ochung gave the final remarks on behalf of the Trustees. The meeting at 12.45pm with a word of prayer.

MIN 13/AGM/2021: COAST ECO-REGION RESEARCH CENTRE-GEDE

PRESENT

1. Dr. George Muthike - Chairman
2. Dr. Sammy Letema - Trustee
3. Mr. Francis Ochung - Trustee

IN ATTENDANCE

1. Ali Dzitu - Pension Assistant - Taking Minutes
2. James Akello - Sanlam Investments - Fund Manager
3. Mary Gitau - Minet Kenya - Administrator

MEMBERS PRESENT

Gede & Lamu - 37

PRELIMINARIES AND PRESENTATIONS

The meeting at the Coast Eco-region Research Centre was held on 5th October 2021. The Assistant Regional Director, Dr. Nadir called the meeting into order at 09.55am. He then welcomed the members, Trustees and service providers to Gede. The meeting was chaired by Dr. George Muthike who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Mr. Francis Ochung who presented the Auditor's report on behalf of King'ang'i Kamau & Company.

QUESTION AND ANSWER

Members gave their gratitude to Trustees for declaring the best interest rate. Further, Members were given a chance to ask questions which were answered as follows:

- ❖ How will I be paid when I take early retirement?
 - If the member is below 50years of age the employee's benefits portion is paid in full and half the employer's portion. The other half of the employer's benefits will be deferred until the member reaches 50years of age.
 - If the member is above 50yrs he/she will be paid a third as lamp-sum and the two third will purchase an annuity.
- ❖ Mortgage Rules: If my 40% is not enough to purchase a house, what will happen?

- The Trustees will release the 40% but the member should meet the balance.
- ❖ What happens if the retiree dies after a few months of receiving the monthly pension?
 - The insurance will pay the nominated beneficiaries if the member chose a guarantee period and the death occurred before the guarantee period.
- ❖ If I fill two Nomination of Beneficiaries Form, what will happen?
 - The most relevant is the latest filled.
- ❖ Can the employees under contract contribute their gratitude to pension?
 - The law does not allow but they can join a personal pension plan.

MIN 14/AGM/2021: KIBWEZI SUB-CENTRE

PRESENT

- | | | |
|-----------------------|---|----------|
| 1. Dr. George Muthike | - | Chairman |
| 2. Dr. Sammy Letema | - | Trustee |
| 3. Mr. Francis Ochung | - | Trustee |

IN ATTENDANCE

- | | | | | |
|-----------------|---|--------------------|---|----------------|
| 1. Ali Dzitu | - | Pension Assistant | - | Taking Minutes |
| 2. James Akello | - | Sanlam Investments | - | Fund Manager |
| 3. Mary Gitau | - | Minet Kenya | - | Administrator |

MEMBERS PRESENT

Kibwezi & Taita Taveta - 31

PRELIMINARIES AND PRESENTATIONS

The meeting at Kibwezi Sub-Centre was held on 6th October 2021. The assistant Regional Director, Mr. Michael Okeyo called the meeting into order at 10.00am. He then welcomed the members, Trustees and Service Providers to Kibwezi. The meeting was chaired by Dr. George Muthike who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Mr. Francis Ochung who presented the Auditor's report on behalf of King'ang'i Kamau & Company.

QUESTION AND ANSWER

- ❖ From the Administrative Expenses, what is Strategic Plan Implementation?
 - That is the total expenses incurred in setting up the Mortgage policies and amending the Trust Deed and Rules for the year.
- ❖ Is lamp-sum the total benefits or 1/3?
 - Those members who qualify for Trivial Pension will be paid Lamp-sum as their total benefits and for those who do not qualify, will be paid 1/3 as lamp-sum.
- ❖ When is the Nomination of Beneficiaries Form filled?
 - The member can fill the NOB form any time and liaise with the Administrator to get the form.
- ❖ What if the 40% is not enough to purchase a house? Can one be given cash to construct a house?
 - No. The member has to buy the house from a registered seller.
- ❖ How will the Trustees help the Spouse if he/she was not included in the Nomination of Beneficiaries form?
 - The Trustees have the powers to make the final decision based on justice and fairness.

Mr. Michael Okeyo, the ARD, gave a vote of thanks on behalf of the members. The meeting ended at 13.30pm with a word of prayer from Dr. George Muthike.

MIN 15/AGM/2021: DRYLANDS ECO-REGION RESEARCH CENTRE-KITUI

PRESENT

- | | | |
|-----------------------|---|----------|
| 1. Dr. George Muthike | - | Chairman |
| 2. Dr. Sammy Letema | - | Trustee |
| 3. Mr. Francis Ochung | - | Trustee |

IN ATTENDANCE

- | | | | | |
|-----------------|---|--------------------|---|----------------|
| 1. Ali Dzitu | - | Pension Assistant | - | Taking Minutes |
| 2. James Akello | - | Sanlam Investments | - | Fund Manager |
| 3. Mary Gitau | - | Minet Kenya | - | Administrator |

MEMBERS PRESENT

Kitui and Garissa - 32

PRELIMINARIES AND PRESENTATIONS

The meeting at Drylands Eco-Region Research Centre-Kitui was held on 7th October 2021. The Deputy Regional Director, Mrs. Josphine Musyoki called the meeting into order at 09.20am. He then welcomed the members, Trustees and Service Providers to Kitui. The meeting was chaired by Dr. George Muthike who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Mr. Francis Ochung who presented the Auditor's report on behalf of King'ang'i Kamau & Company.

QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ Do you have the Nomination of Beneficiaries Forms with you now?
 - The NOB forms are with the Administrator and the members can get a copy any time.
- ❖ The Bank balances as presented by the Auditor and the Custodian are not equal. Why?
 - The Custodian presents the actual figures at hand while the Auditor presents even the expected figures which are yet to be received by the Custodian.
- ❖ Now that Kenyans have complained about investments outside the country like the Pandora Bond. How will the Scheme counter that?
 - Only a small percentage of the Fund is invested outside the country in form of Offshore which RBA has provided a limit to it.
- ❖ How and how much can one contribute to the Post-retirement Medical Scheme?
 - The Sponsor is in the process of hiring a consultant to give the way forward on the contribution rates depending on the age of the member.
- ❖ How can an individual invest in Treasury Bill?
 - One need to visit the Central Bank, fill a form and open an account. The minimum amount is Kes.100,000.00
- ❖ The Schemes current accounts has very minimum amounts. Why?
 - Pension money is for investment to earn interest not to be kept in the bank.
- ❖ How can one invest in the Sanlam money market fund?

- You can get a form to fill your details from the secretariat office and someone from Sanlam will contact you after receiving the filled form.
- ❖ Why not put more money on offshore investment?
 - RBA has put a limit to every category of investment of Pension Funds with an aim to promote local companies.
- ❖ Give highlights on the Mortgage Regulations and how the Trustees can help members not to lose their benefits in the process.
 - The Trustees have developed the rules and forwarded them to RBA for approval. The maximum benefits to be released is only 40% to be paid directly to the seller of the house. Any top-up should be met by the member and should provide the evidence or ability to pay the balance. After the house has been acquired the title will be deposited with the Trustees.

Mr. Elyas, gave a vote of thanks on behalf of the members. The meeting ended at 12.30pm with a word of prayer from Mr. Muthoka.

MIN 16/AGM/2021: RIFT VALLEY ECO-REGION RESEARCH CENTRE-LONDIANI PRESENT

- | | | |
|------------------------|---|--------------------|
| 1. Mrs. Sarah Mogaka | - | Deputy Chairperson |
| 2. Dr. Joshua Cheboiwo | - | Trustee |
| 3. Mr. Charles Koech | - | Trustee |

IN ATTENDANCE

- | | | | | |
|------------------|---|--------------------|---|----------------|
| 1. Juliana Makau | - | Trust Secretary | - | Taking Minutes |
| 2. Mathew Mue | - | Sanlam Investments | - | Fund Manager |
| 3. Robert Rotich | - | Minet Kenya | - | Administrator |

MEMBERS PRESENT

Londiani and Marigat - 41

PRELIMINARIES AND PRESENTATIONS

The meeting at Rift Valley Eco-Region Research Centre-Londiani was held on 5th October 2021. The Regional Director, Dr. David Langat called the meeting into order at 10.15am. He then welcomed the members, Trustees and Service Providers to

Londiani. The meeting was chaired by Mrs. Sarah Mogaka who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Ms. Juliana Makau who presented the Auditor's report on behalf of King'ang'i Kamau & Company. The Trustees urged Members to fill and update their Nomination of Beneficiaries Forms as well as make Additional Voluntary Contributions to the Scheme.

QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ What are the taxation rates for members who retire at the age of 65 years?
 - Lumpsum benefits to Members who retire at age 65 years shall be taxed at a graduating scale; they are in bands of Kes.400,000 up to Kes. 1.6 Million at taxation rates of 10% graduating by 5% upto 30%. Annuity payments are tax exempt after age 65 years.
- ❖ How can members access their statements online?
 - Members can access through an online platform with their Surname and Benefit numbers as username and password.
- ❖ Can a Member utilize the mortgage facility to complete his house which is under construction?
 - No. The mortgage facility is for purchasing a house constructed by an entity and has a certificate of occupation.
- ❖ Are contributions to NHIF after retirement different from the current rates?
 - Contributions to NHIF after retirement is voluntary and shall be same as those of a private citizen.
- ❖ If a Member has a Sacco loan at the time of retirement, how can it be offset?
 - The Retirement Benefits Act stipulates that retirement benefits are not assignable. However, the retiree can work with the Trustees to clear his loan using his benefits.

Mr. Joram Mbinga gave a vote of thanks on behalf of the members. The meeting ended at 12.30pm with a word of prayer from Priscah Cheruto.

**MIN 17/AGM/2021: LAKE BASIN ECO-REGION RESEARCH CENTRE-MASENO
PRESENT**

1. Mrs. Sarah Mogaka - Deputy Chairperson
2. Dr. Joshua Cheboiwo - Trustee
3. Mr. Charles Koech - Trustee

IN ATTENDANCE

1. Juliana Makau - Trust Secretary - Taking Minutes
2. Mathew Mue - Sanlam Investments - Fund Manager
3. Robert Rotich - Minet Kenya - Administrator
4. Yvonne Muthwii - Retirement Benefits Authority

MEMBERS PRESENT

Maseno, Kakamega, Ramogi and Migori - 40

PRELIMINARIES AND PRESENTATIONS

The meeting at Lake Basin Eco-Region Research Centre-Maseno was held on 6th October 2021. The Regional Director, Dr. John Otuoma called the meeting into order at 10.00 am. He then welcomed the members, Trustees and Service Providers to Londiani. The meeting was chaired by Mrs. Sarah Mogaka who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Ms. Juliana Makau who presented the Auditor's report on behalf of King'ang'i Kamau & Company. The Trustees urged Members to fill and update their Nomination of Beneficiaries Forms as well as make Additional Voluntary Contributions to the Scheme.

Ms. Yvonne Muthwii from RBA made remarks on behalf of the Regulator. She confirmed to Members that the Scheme is compliant and on the role of RBA.

QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ What happens to the house that has been purchased using the mortgage facility when the member dies while in service?
 - The Trustees shall lift the encumbrance and the family shall follow the law of succession to access the property.
- ❖ How can members access NOB Forms online?

- The forms are with the Administrative Officer. Once the form is filled and received at the Secretariat, it remains confidential.
- ❖ Will the Trustees adhere to the NOB form filled by the member?
 - Yes, as long as there is no contestation from the family or any other party.
- ❖ How can the Scheme cushion itself against the political risk for its investments?
 - RBA has given guidance on the asset classes to be invested in and the Fund manager has the professional capacity to ensure that there are minimal shocks to the Scheme investments.
- ❖ What is the difference between an offshore investment and an offshore account?
 - Offshore investments by pension schemes are regulated and are through mutual funds, while an offshore account is one that is opened by an investor with a bank.
- ❖ Which benefits does the beneficiary of a deceased member get?
 - The accumulated contributions in the Scheme plus Group Life Assurance benefits (three times the annual basic salary). These are then transferred to the Trust Fund for investments and are drawn down on need basis by the dependants.

Dr. John Otuoma gave a vote of thanks on behalf of the members. The meeting ended at 12.30pm with a word of prayer.

**MIN 18/AGM/2021: RIFT VALLEY ECO-REGION RESEARCH CENTRE-TURBO
PRESENT**

- | | | |
|------------------------|---|--------------------|
| 1. Mrs. Sarah Mogaka | - | Deputy Chairperson |
| 2. Dr. Joshua Cheboiwo | - | Trustee |
| 3. Mr. Charles Koech | - | Trustee |

IN ATTENDANCE

- | | | | | |
|------------------|---|--------------------|---|----------------|
| 1. Juliana Makau | - | Trust Secretary | - | Taking Minutes |
| 2. Mathew Mue | - | Sanlam Investments | - | Fund Manager |
| 3. Robert Rotich | - | Minet Kenya | - | Administrator |

MEMBERS PRESENT

Turbo and Lodwar - 32

PRELIMINARIES AND PRESENTATIONS

The meeting at Rift Valley Eco-Region Research Centre-Turbo was held on 7th October 2021. The Assitant Regional Director, Mrs. Joyce Okumu called the meeting into order at 10.00 am. She then welcomed the members, Trustees and Service Providers to Turbo. The meeting was chaired by Mrs. Sarah Mogaka who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Ms. Juliana Makau who presented the Auditor's report on behalf of King'ang'i Kamau & Company. The Trustees ursged Members to fill and update their Nomination of Beneficiaries Forms as well as make Additional Voluntary Contributions to the Scheme.

QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ What are the taxation rates for members who retire at the age of 65 years?
 - Lumpsum benefits to Members who retire at age 65 years shall be taxed at a graduating scale; they are in bands of Kes.400,000 up to Kes. 1.6 Million at taxation rates of 10% graduating by 5% upto 30%. Annuity payments are tax exempt after age 65 years.
- ❖ Will those who are about to retire be allowed to join the PRMF?
 - A retiree will be given an option of transferring upto 10% of his accumulated benefits to the PRMF.
- ❖ What happens if a Member dies in service and had contributed to the PRMF?
 - The Trustees shall revert to the Member's NOB Form.
- ❖ Trustees are commended for the trainings they organized with RBA for Members to attend in Iten.

Mr. George Mmasi gave a vote of thanks on behalf of the members. The meeting ended at 12.45pm with a word of prayer.

Signed for Circulation

Chairman



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Date

5th July 2022

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Signed for Confirmation

Chairman

Date

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