



MINUTES OF THE VIRTUAL EXTRA ORDINARY GENERAL MEETING (SPECIAL GENERAL MEETING) OF THE ASSOCIATION HELD ON THURSDAY 30 JULY 2020 AT 2:30 P.M.

| | | |
|-----------------|---------------------------|---------------------------------------|
| Present: | 1. Dr. W. Irungu Ndirangu | - Chairman-Board of Management |
| | 2. Hon. Dr. Chris Bichage | - Vice - Chairman Board of Management |
| | 3. Dr. Richard Baraza | -Board Member |
| | 4. Dr. Jane Kabutu | -Board Member |
| | 5. Dr. Stephen Ochiel | -Board Member |
| | 6. Amb. Charles Amira | -Board Member |
| | 7. Eng. Maxwell Odongo | -Board Member |
| | 8. Mr. Robert Shaw | -Board Member |
| | 9. Mrs. Agnes Odhiambo | -Board Member |
| | 10. Mr. Charles Wambugu | -Board Member |
| | 11. Mr. Victor Miseda | -Board Member |

Seven Hundred and Thirty-Four (734) Members of the Association who had registered via the online platform

| | | | |
|-----------------------|-------------------|---|--|
| In Attendance: | Dr. Allan Pamba | - | Chief Executive Officer |
| | Mr. Maxwell Maina | - | Ag. Company Secretary |
| | Image Registrars | - | The Company coordinating the virtual meeting |

MIN.NO.1/2020: INTRODUCTION

Dr. W. Irungu Ndirangu, Chairman, Board of Management welcomed members to the Electronic Special General Meeting and called the meeting to order at 2:30 P.m. He called upon Rev. Owour, the Hospital Chaplain, to pray. He thereafter introduced the members of the Board of Management and Officers of the Company present.

MIN.NO.2/2020: REPORT ON REGISTRATION AND QUORUM

The Chairman called upon the Ag. Company Secretary to report on the registration and participation of members of the Association and to confirm the presence of a quorum.

The Ag. Company Secretary reported that in accordance with the Order dated and delivered on 11 June 2020 pursuant to Miscellaneous Application No E757 of 2020, the Association had met all the required conditions with respect to convening and conducting the Special Meeting. He reported that a total of Seven Hundred and Thirty-Four (734) members registered for the Electronic Special General Meeting out of which Six Hundred and Sixty-Three (663) are paid up and Seventy-One (71) are not paid up. He confirmed that in accordance with the current Articles of Association of Kenya Hospital Association, the quorum of any Special Meeting is Twenty (20) members, and therefore the quorum had been met.

The Chairman declared the meeting duly convened and properly constituted.

MIN.NO.3/2020 NOTICE CONVENING THE MEETING

The Chairman called upon the Secretary to read the highlights of the Notice and the Agenda convening the meeting.

The Secretary confirmed the notice was published in the Daily Nation on 3rd July 2020 and additionally the notice was sent to members of the Association on email and that the Notice was available on the Company's website.

The Secretary read out the highlights of the Notice and the Agenda for the Meeting as follows:

1. To table the proxies and apologies and note the presence of a quorum.
2. To read the Notice convening the meeting.
3. To consider and approve the proposed Amendments to the Kenya Hospital Association Memorandum and Articles of the Association by voting for each Amendment.

MIN. NO. 4/ 2020: CHAIRMAN'S STATEMENT

The Chairman gave a highlight of his statement as follows:

- He noted that this was the first Meeting of the Association to be held electronically necessitated by the Covid-19 pandemic in the country and the Government of Kenya directives against public meetings.
- He noted that the Board of Management had to apply to the High Court of Kenya to be granted permission to hold this meeting virtually since the Kenya Hospital Association Memorandum and Article of Association only recognized a physical meeting.
- He gave a brief review of the Hospital's history noting that the Hospital is the leading healthcare provider in East and Central Africa.
- He reported that the Governance structures of the Hospital were wanting and after an inspection of the Hospital's record and Forensic Audit reports, it was clear that the governance structure required an urgent transformation.
- The Chairman stated that the current Board of Management took office in 27 November 2019 and the first business was to carry out a forensic audit for the year 2019 which was conducted early in the year 2020. The fears of the Board of Management with regards to the poor governance structures were confirmed.
- He noted that the Hospital's developments were not under control because the governance structures were too weak to support the institution. He noted that the Hospital was similar to a construction site and its performance was nose diving.

MIN. NO. 5/ 2020: HIGHLIGHTS OF THE AMENDMENTS

The Chairman called upon Dr. Jane Kabutu, Chairperson Governance and Legal Committee to give highlights of the amendments to the Memorandum and Article of Association.

- Dr. Kabutu noted that stakeholder engagement on the proposed amendments was conducted and members sent their proposals which were incorporated in to the final amendments. She stated that to make the electronic voting easy, the amendments were grouped into 12 resolutions.
- She impressed upon the members to read the amendments together with the resolutions, which were sent on 16 July 2020 they are always available on the Company's website.
- The first resolution would clarify the role of Medical Advisory Committee, and ensure that the Board of Management runs the affairs of the Hospital in mandatory corroboration with the Medical Advisory Committee.
- The second resolution entails aligning the Memorandum and Article of Association with the current trends such as introducing remuneration to the members of the Board of Management.
- The third resolution would ensure that the assets of the Hospital are secured. This resolution proposed to set up a Board of Trustees to govern and manage the Hospital's assets.

- The fourth resolution would ensure that the Memorandum and Article of Association of Kenya Hospital Association are compliant with the Companies Act 2015.
- The fifth resolution would ensure that annual subscription of Kenya Hospital Association members is due by 1 January of each year.
- The sixth resolution would align the notices of the Kenya Hospital Association. The amendments will ensure notices are aligned with the Companies Act 2015.
- The seventh resolution would increase the quorum of general meetings from current twenty (20) members to fifty (50) members since the company had grown.
- The eighth resolution would guard against conflict of interest. This amendment would remove the discretion of the Chairman in meetings and ensure that Board members are disqualified from doing business with Hospital on the duration of their tenure.
- The ninth resolution would align with the current trends that would ensure electronic voting is introduced.
- The tenth resolution would to reinstitute the key role of Admitting Staff Association and Medical Advisory Committee by increasing the number of admitting staff from two (2) members to three (3) members.
- The eleventh resolution is on governance. The amendment will ensure that cooption to the Board of Management is done in a timely manner and will be at the discretion of the Board of Management.
- The twelfth resolution is on governance and conflict of interest; this amendment seeks to reduce the term of the Board members from three terms to two terms. Additionally, the amendment seeks to introduce the years of absence on the Board of Management to five (5) years.

The Chairman thanked Dr. Kabutu and requested members to continue voting for the resolutions as the meeting was going on and the results would be announced at the end of the meeting. He requested the voting guide video to be played and gave an opportunity to those members who had not voted to vote.

MIN. NO. 5/ 2020: QUESTIONS

The Chairman noted that several members had raised questions and requested clarifications on some issues. He responded to some questions and assigned other questions to the directors. The Chairman requested members to continue asking questions which would be responded to and posted on the website. He stated that due to time limitations, all the questions might not be responded to but they would all be posted on the Company's website.

The Chairman indicated that the voting had been closed and he would announce the results which would also be posted on the Company's website twenty-four (24) hours after the meeting.

MIN. NO. 6/ 2020: RESOLUTIONS

The Chairman announced the results of the resolutions as follows:

| No. | RESOLUTION NO. | RESOLUTION | VOTES FOR | VOTES AGAINST | VOTES WITH HELD | VERDICT |
|-----|-------------------------------|--|--------------|---------------|-----------------|---------|
| 1 | Clarity of The Role of MAC | THAT , by way of a Special Resolution Article 1(b) of the Memorandum is hereby added immediately after Article 1 as proposed. | 250 - 85.32% | 43 - 14.68% | 6 | PASSED |
| 2. | Alignment with Current Trends | THAT , by way of a Special Resolution Article 4 of the Memorandum be and is | 235 - 82.17% | 51 - 17.83% | 13 | PASSED |

| | | | | | | |
|----|--|--|--------------|-------------|---|--------|
| | | hereby amended by adding the words <i>'The Board of Management will be remunerated appropriately as approved by the Members.'</i> and deleting the other words as proposed. | | | | |
| 3. | Security of Assets | THAT , by way of a Special Resolution Article 2 and Article 38 of the Articles of Association of the Company be and is hereby amended by adding another Article 2 (c) (ii) and 38 (f) immediately after Article 2 (c) and article 38 (e). | 262 - 89.12% | 32 - 10.88% | 5 | PASSED |
| 4. | Alignment with the Companies Act, 2015 | THAT , by way of a Special Resolution Article 6 of the Memorandum of Association, and Articles 1, 17, 18 and 51 of the Articles of Association of the Company be and are hereby amended as proposed. | 284 - 95.95% | 12 - 4.05% | 3 | PASSED |
| 5. | Compliance | THAT , by way of a Special Resolution, Article 10 (2) (b) of the Articles of Association be and is hereby amended as proposed. | 257 - 88.01% | 35 - 11.99% | 7 | PASSED |
| 6. | Alignment of Notice periods | THAT , by way of a Special Resolution Article 21 and 47 (b) of the Articles of Association be and is hereby amended as proposed. | 281 - 94.93% | 15 - 5.07% | 3 | PASSED |
| 7. | Quorum of General Meetings | THAT , by way of a Special Resolution Article 22 of the Articles of Association of the Company be and is hereby amended. | 283 - 95.61% | 13 - 4.39% | 3 | PASSED |
| 8. | Guarding Against Conflict of Interest | THAT , by way of a Special Resolution Article 29, 63 (a) and (b) of the Articles of Association of the Company be and is hereby amended as proposed. | 280 - 94.59% | 16 - 5.41% | 3 | PASSED |

| | | | | | | |
|-----|---|---|--------------|-------------|---|--------|
| 9. | Alignment with Current Trends | THAT , by way of a Special Resolution Article 30 (a) and 41 of the Articles of Association of the Company be and is hereby amended as proposed. | 265 - 90.44% | 28 - 9.56% | 6 | PASSED |
| 10. | Reinstitute the Key Role of MAC and ASA | THAT , by way of a Special Resolution Article 38 (a) (ii) of the Articles of Association be and is hereby amended as proposed. | 251 - 85.96% | 41 - 14.04% | 7 | PASSED |
| 11. | Governance | THAT , by way of a Special Resolution Article 38 (c) (i) and 38 (c) (ii) of the Articles of Association of the Company be and is hereby amended as proposed. | 261 - 89.08% | 32 - 10.92% | 6 | PASSED |
| 12. | Governance and Conflict of Interest | THAT , by way of a Special Resolution Article 47 (a) of the Articles of Association the article is hereby amended as proposed. | 278 - 93.60% | 19 - 6.40% | 2 | PASSED |

The Chairman declared that all resolutions presented to the members had passed and thanked the members for taking part in the voting process. He stated that the results would be posted on the Company's website within twenty-four (24) hours.

The Chairman acknowledged the support given by Image Registrar in making sure that the Electronic Special General Meeting is successful. He declared the meeting officially closed at 4:30 p.m.

SIGNATURE:

DR W. IRUNGU NDIRANGU

CHAIRMAN

DATE.....

SIGNATURE.....

MR. MAXWELL MWANGI MAINA

Ag. COMPANY SECRETARY

DATE.....