

NASFUND CONTRIBUTORS SAVINGS & LOANS SOCIETY

MINUTES OF BOARD MEETING NO.2 OF 2003

DATE : Wednesday 3rd December 2003

TIME : 10:30 am

VENUE : Nasfund Board Room

1. Meeting Opened

The Interim Chairman Mr. Ian Tarutia opened the meeting at 10:40 am

1.1 Members Present:

:	Ian Tarutia	-	Interim Chairman
:	Dr. Moseley Moramoro.	-	Member
:	Stephen Beach	-	Member
:	Reginald Monagi	-	Member
:	Reuben Elijah	-	Member

1.2 **Apologies:** Nil

1.3 **Absentees:** Nil

1.4 **Attending:** Erastus B. Kamburi - Secretary

2. DISCLOSURE OF CONFLICT OF INTEREST

Nil

3. MINUTES OF 1st MEETING OF 29th SEPTEMBER 2003.

3.1 The Chairman informed the Board that Mr. Stanislaw Tao had tendered his resignation before the notice of termination could be issued and the Chairman had accepted the resignation.

3.2 The Board accepted the Minutes as presented.

4. CHAIRMAN'S SUMMARY REPORT

4.1 The Chairman gave an abridged version of his report to the Board:

- K6 million invested in Treasury Bill giving a gross interest of K141,178.00
- Cash at hand as at 28th November 2003 stands at K212,000.00
- Net profit as at 30th November stands at K10,628.22 (derived from interest on T/Bills)
- Net assets as at 30th November stands at K6,085,851.25
- Interim Credit Rate of 5% for members transferring to NCSLS.
- As at 17th November 2003 a total of K31,202.68 was paid out to 40 members from NCSL Contributions Account on separate NCSL cheques.

4.2 Appointment of Auditors and Chief Accountants.

The Chairman recommended that the Board endorse the current NASFUND Auditors and Chief Accountants, KPMG and Deloitte Touche Tohmatsu as its Auditor and Accountant.

The Board **resolved** to:-

- **Accept the recommendation as presented and endorsed KPMG as the Auditors and Deloitte Touche Tohmatsu as the external Chief Accountants of the NCSL.**

4.3 Staffing Issues.

4.3.1 The Chairman informed the Board that currently there is only one full time employee which is doing education processing. There is a requirement for:-

- One receptionist; and
- A marketing and Public Relations Officer; and
- One Client Service Officer

4.3.2 The Board noted that the number of permanent staffs will increase up to 5 over the next 3 months.

4.3.3 The Board also noted that the Savings & Loans Society Act does not specifically create the position of Manager or General Manager and therefore the Board is at liberty to either create that position or a position of a lesser status. Such an appointment will be made either in February or March 2004.

4.4 Staffing and Administration Costs.

4.4.1 The Board raised concern as to how NCSL will meet its staff and administrative cost as it does not have an additional income or investment apart from the members contributions.

4.4.2 The Chairman referred to the Memorandum of Understanding signed between the Central Bank, the Federation of Savings & Loans and NASFUND wherein NASFUND as the sponsoring entity agreed to meet NCSL's the initial costs. The staff and administrative cost comes under that MOU and NASFUND is currently meeting those expenses.

5. ADOPTION OF FORMS

5.1 The Board noted that the Forms as tabled complies with the minimum requirements under the Act.

5.2 The Loans Policy will provide for the types of loans, interest, repayments, etc and an appropriate loan application forms

5.3 The Board **resolved** to:

- **Adopt the appended Forms relating to membership application, education withdrawal, deduction authorization and contribution schedule as the official forms of NCSL Society**

6. FINANCIAL STATEMENTS

The Board noted that this Agenda was covered under the Chairman's Summary Report

7. ADMINISTRATION SERVICES AGREEMENT – AON

7.1 The Chairman presented a draft of the Administration Services Agreement with AON and advised that it was sent by email to all Board members requesting for the members perusal and comments.

7.2 The Board enquired and the Chairman clarified the various fee payable under the Agreement and stated that it is not different to the current Agreement that NASFUND has with AON.

7.3 The Board **resolved** that:-

- **The Chairman prepare a report to the full NASFUND Board showing proper projections and outlook for next year; and**
- **Subject to the proposed amendments been made, the Chairman is authorized to execute the Administration Agreement with AON.**

8. INVESTMENT MANAGEMENT AGREEMENT.

The Chairman informed the Board that:-

- The Investment Management Agreement is the same as the one executed between NASFUND and ANZ/Capital Stockbrokers.
- The draft of that Agreement will be circulated to the members for review and comments.

9. OTHER BUSINESS

9.1 Letter From KPMG.

9.1.1 The Chairman circulated to the members the copy of the letter from KPMG raising issues in relation the transfer of Members balances into the NCSL Accounts. Stephen Beach also raised similar concern.

9.1.2 The Chairman reported that all members have been advised through the respective HR Sections of the intended transfer of the funds and the manner in which such transfers are to be made. Appropriate Forms are now been circulated to the members to elect whether to have their funds remain with NCSLS or re-credited back to NASFUND.

9.1.3 The Board noted the contents of the letter from KPMG and the Chairman's response.

9.1.4 The Board directed that the Statement of Accounts to be issued to the members should clearly show a distinction between the education component and the 5% credited to the account.

9.2 Financial Year.

9.2.1 The Chairman informed the Board of the email from KPMG relating to the Financial Year of the NCSL and their advise as contained in the email.

9.2.2 The Board **resolved** that:-

- **The Chairman confirm in writing with the Central Bank the Financial Year of the NCSLS.**

9.3 Supervisory Committee.

The Board agreed that upon proper election of the Board of the NCSL on or about May 2004, the current interim Board should be elected as the Supervisory Committee of the NCSL.

9.4 Savings & Loans Society Act.

It was noted that the members of the Board had all received copies of the Savings & Loans Society Act.

10. CLOSE OF MEETING.

There been no further matters the Chairman closed the Meeting at 11:30 am.

**SIGNED AS A TRUE AND CORRECT
RECORD OF THE MEETING:**

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Ian Tarutia
INTERIM CHAIRMAN

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Erastus B. Kamburi
SECRETARY