



THE NAIROBI HOSPITAL

MINUTES OF THE ANNUAL GENERAL MEETING OF THE KENYA HOSPITAL ASSOCIATION HELD VIRTUALLY ON 29TH SEPTEMBER 2022 AT 2.00 PM

Present	:	Dr. W. Irungu Ndirangu (Maj. Rtd)	-	Chairman
		Hon. Dr. Chris M. N. Bichage	-	Vice Chairman
		Dr. Richard Baraza	-	Board Member
		Mr. Philemon Mwaisaka, EBS, SS	-	Board Member
		Mrs. Ludmila Shitakha, HSC	-	Board Member
		Dr. Jane Kabutu	-	Board Member
		Dr. Magdalene Muthoka	-	Board Member
		Mr. Robert Shaw	-	Board Member
		Dr. Loius Litswa	-	Board Member
		Dr. David Githanga, MBS	-	Board Member
		Hon. Justice (Rtd) Philip Waki, EBS	-	Board Member
		Eng. Godfrey Marambe	-	Board Member
		Mrs. Catherine Kola	-	Board Member

One thousand four hundred and twenty-five (1425) members of the Association had registered via the online platform.

In Attendance:	Mr. James Nyamongo, MBS	-	Chief Executive Officer
Taking Minutes:	Mr. Gilbert Nyamweya	-	Company Secretary
	Image Registrars Limited	-	Meeting Facilitator
	Deloitte & Touche	-	Auditor

The Chairman called the meeting to order at 2.00 PM and welcomed members to the virtual Annual General Meeting. He called upon Father Paul Kizito to open the meeting with a word of prayer. Thereafter the Chairman introduced the members of the Board of Management, the Board of Trustees and Officers of the Company.

The Chairman called upon the Company Secretary to report on the status registration of members and confirm members' participation for purposes of establishing the presence of quorum.

MIN 1//29/09/2022: QUORUM OF THE AGM

The Company Secretary confirmed the required quorum was 50 members and therefore the meeting was quorate by 1,425 members had registered for the meeting.

On this basis, the Chairman declared the meeting to be properly convened and duly constituted. He reported that resolutions put to a vote at the meeting would be passed by a poll and participating members would receive an SMS or email prompt to cast their vote.

The Chairman further reported that the results would be published on the company's website within 24 hours after the meeting and the results would be deemed to be resolutions duly passed at the meeting and become enforceable with immediate effect.

MIN 2//29/09/2022: NOTICE AND AGENDA CONVENING THE MEETING

The Chairman called upon the Company Secretary to render a highlight of the Notice and the Agenda convening the meeting.

The Company Secretary confirmed that the Notice was published on 1st September, 2022 in the Daily Nation newspaper at page 10 and in the Standard newspaper at page 18. The following were the highlights of the notice:

Agenda

1. Tabling of proxies, apologies and noting the presence of a quorum.

2. Reading the notice that convened the meeting.
3. Confirmation of the minutes of the Annual General Meeting held on 27th July, 2021.
4. To receive, consider and if thought fit, adopt the Report of the Board for the year ended 31st December, 2021.
5. To receive, consider and if thought fit, adopt the audited Financial Statements of the Company for the year ended 31st December, 2021 together with the Auditor's Report.
6. To approve the Board Remuneration report in accordance with Article 41 of the Company's Articles of Association.
7. Retirement by Rotation and Election of Directors:
 - 7.1 To note that **Dr. W. Irungu Ndirangu (Maj. Rtd)** shall retire by rotation in accordance with Articles 42 and 43 of the Articles of Association of the company and being eligible, offered himself for re-election as a Director of the Company at the Annual General Meeting.
 - 7.2 To note that **Hon. Dr. Chris M. N. Bichage** shall retire by rotation in accordance with Articles 42 and 43 of the Articles of Association of the company and being eligible, offered himself for re-election as a Director of the Company at the Annual General Meeting.
 - 7.3 To note that **Mr. Robert F. Shaw** shall retire by rotation in accordance with Articles 42 and 43 of the Articles of Association of the company and being eligible, offered himself for re-election as a Director of the Company at the Annual General Meeting.
8. To authorize the Board of Management to appoint the External Auditors for the Financial Year 2022 in accordance with section 719 (2) of the Companies Act, 2015 and to fix the External Auditors' remuneration for the Financial Year 2022.

MIN 3//29/09/2022: ADOPTION OF THE AGENDA

The Chairman reported that having tabled the Agenda for the meeting, Agenda 3 and 4 were considered to have been read and tabled and directed that the members proceed to Agenda number 5.

The Chairman thereafter issued guidance to members on how to vote for various items and highlighted his address as follows.

- The Chairman noted that there was a revenue growth of 19% in 2021 over 2020.
- He noted that the Hospital was compelled to look into welfare of its clinical staff to manage attrition of the flight risk of experienced clinical staff to mature economies in a quest to improve their wellbeing.
- The Chairman noted that the Board of Management was implementing 2019-2021 Strategic Plan that aimed at strengthening the governance of the Hospital.
- He noted that the infrastructure of the Hospital was key and priority including the digital transformation. The Hospital was at an advanced stage in acquiring a new HMIS and ERP to improve efficiency in the Hospital's operations and processes.
- He informed members that the constructions works at the Main Entrance shall house two new Main Theatres, new pharmacy and new laboratory and new suites for Physical Medicine clients.
- The Chairman reported that the Hospital had acquired its own oxygen plant and that this shall significantly reduce the reliance on outsourced gases.
- He noted that the above projects were being expedited to recover lost years in the past when the projects were halted owing to financial challenges and disputes with contractors.
- He noted that the projects in the pipeline included; a bed and seat MRI scanner; a bone marrow transplant; facility, a renewable solar plant; conversion of East Wing facility once deliberations with United Nations were concluded; development of five major outpatient centers in Nairobi and major counties; and completion of all stalled infrastructure projects.

MIN 4//29/09/2022: FINANCIAL POSITION AND PERFORMANCE OF THE HOSPITAL

The Chairman called upon the Chairman of the Finance and Investment Committee, Mr. Philemon Mwaisaka to report on the financial performance and position of the company for the year 2021. The following were the highlights made by Mr. Philemon Mwaisaka:

- The Hospital had turned around from the deficit reported in 2019 and 2020 to a surplus of KES. 320 Million in 2021. He noted that this was despite the Covid 19 Pandemic that had raged the world.
- The Hospital's revenue grew by 19% over 2020 and that the total income was KES. 11.8 Billion compared to 9.9 Billion that was in 2020.

1. Bed Occupancy:

Bed occupancy was at 54% which was a dip from 61% in the year 2020. Prescriptions grew by 19%, laboratory tests grew by 30% and radiology services grew by 11%, resulting to a growth in revenue by 19%. Total income was reported at KES 11.8 billion compared to KES 9.9 billion in 2020.

2. Expenses:

Expenses were reported to have been 10% higher than 2020 and this was attributed to revenue growth of 19%. Payroll costs had increased by 4% and the total expenditure was KES 11.5 billion compared to KES 10.5 billion in 2020.

3. Debtors:

The Hospital's net worth grew as a result of positive performance and had increased from KES 12.4 billion in 2020 to KES 12.75 billion in 2021. The cash conversion from debtors had improved, resulting into increased collection.

4. Investment Balances:

Investment balances were reported to have increased from KES 2.1 Billion to KES 2.4 Billion in 2021.

5. Infrastructure Works:

There had been progress in infrastructure works and medical equipment upgrades that was aimed at improving the patient experience.

MIN. 5//29/092022: AUDITOR'S REPORT

The Chairman called upon Mrs. Anne Muraya from Deloitte & Touche to read the Auditor's report contained in the Annual Report. Mrs. Muraya made the following highlights:

Deloitte & Touche audited the financial statements of the Company as set out from pages 62 to 97 of the audited reports that comprised of financial position as at 31st December 2021, Statement of Comprehensive Income, Statement of Changes and Fund Balances, Statement of Cash Flow and Summary of Significant Policies and Explanatory Notes. The opinion of the auditors was that the summary gave a true and fair view of the financial position of the Hospital as at 31st December 2021. She noted that this was in accordance to the international reporting standards and the statutory requirement of the Companies Act, 2015.

MIN. 6//29/092022: ELECTION AND RE-ELECTION

The Chairman informed members that there shall arise three vacancies in the office of the directors following the retirement of three (3) directors who shall retire by rotation. There were eight (8) other candidates who had been nominated to vie for election. However, an injunction suspending and staying the election had been issued in High Court Commercial Constitution Petition No. 33 of 2022. Thus it was not possible for the Agenda on election to be conducted. The Chairman informed the members they shall be notified once the court disposes with the matter before it. However, the Chairman encouraged members to continue voting on the other resolutions.

MIN. 7//29/09/2022: VOTING ON OTHER RESOLUTIONS

Item	Motion	In Favour	Against	Abstained	Resolution
1.	To approve the minutes of the Annual General	667	6	9	Passed

	Meeting held on 27 th July 2021				
2.	To receive, consider and if thought fit adopt the report of the Board for the year ended December 31, 2021	658	8	16	Passed
3.	To receive, consider and if adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 together with the Auditors Report therein	657	24	30	Passed
4.	To approve the Board Remuneration report in accordance with Article 41 of the Company's Article of Association	628	24	30	Passed
5.	To authorize the Board of Management to appoint the external auditors for the fiscal year 2022, in accordance with section 719 (2) of the Companies Act 2015, and to fix the external auditor's remuneration for the financial year 2022	666	6	10	Passed

Resolution

Pursuant to the results of the vote on the resolutions, the meeting passed the following:

1. **IT WAS RESOLVED THAT** the Minutes of the Annual General Meeting held on 27th July 2021 **BE AND ARE HEREBY CONFIRMED.**
2. **IT WAS RESOLVED THAT** the report of the Board OF Management for the year ended December 31, 2021 **BE AND IS HEREBY APPROVED.**
3. **IT WAS RESOLVED THAT** the Audited Financial Statements of the Company for the year ended December 31, 2021 together with the Auditors Report therein **BE AND ARE HEREBY ADOPTED.**
4. **IT WAS RESOLVED THAT** the Board of Management Remuneration report in accordance with Article 41 of the Company's Article of Association **BE AND IS HEREBY APPROVED.**
5. **IT WAS RESOLVED THAT** Board of Management to appoint the external auditors for the fiscal year 2022, in accordance with section 719 (2) of the Companies Act 2015, and to fix the external auditor's remuneration for the financial year 2022 **BE AND ARE HEREBY APPROVED.**

MIN. 8//29/09/2022: QUESTION AND ANSWERS SESSION

No.	Name	Question	Responses
1.	Hon. Esther M. Passaris	Criteria used to appoint Directors. Successes and failures. What have we learnt and how have we avoided abuse of office.	The requirement to be complied with for election of Director are clearly stipulated in the Memorandum and Article of Association under 46 and 47. The criteria to be used is the professional qualifications and working experience of the candidates which is then circulated to members for them to determine the best candidates with appropriate

			skills set to contribute to the Hospital.
2.	Mr. Samuel Mithamo Muchiri	Why are we not using the hybrid format for the Annual General Meeting i.e both physical and virtual? Am looking at the Covid numbers now and physical meetings are possible	We acknowledge your concern. however, virtual meetings are allowed under our Memorandum and Articles of Association under Articles 22 (b) and (c). Virtual AGMs are conventional, easier to manage with the added advantage that members can easily participate remotely from any location such as their own offices, home, within the country or from overseas.
3.	Mr. Joram K. Mbui	I propose that the Kenya Hospital Association considers amending its By-Laws to include a date by which the Annual General Meeting should be held, preferably six months after the close of the financial year. The amendment could read as follows: "The Association shall hold its Annual General Meeting not later than six months following the close of the Association's financial year." This guideline will provide certainty to all stakeholders of the Association regarding the timing of the AGM. Moreover, it will provide an important timeline for the Board of Management, as well, as the Executive Management Team, regarding the audit process	We appreciate your proposal Mr. Mbui. The financial year for Kenya Hospital Association ends on the 31 st day of December every year. Article 17 of the Articles of the Association provides that a General Meeting shall be held once in every year at such time, not being more than fifteen months after the holdings of the last preceding General Meeting. However, we have noted your suggestion of pegging the date of the AGM on 'not later than six months following the close fo the Company's financial year.' And we will take that into consideration in the review of the Articles of Association.

		for the financial statements of the Association.	
4.	Ms. Sheila Njeri Gichuhi	Can the board elaborate on the calls for a meeting of all KHA members by another group and the concerns raised regarding procurement, resignation of senior staff, status of hospital equipment. Also confirm who the staff provident fund manager is and that all fund contributions have been submitted and are fully up to date.	Dear Ms. Sheila, We wish to inform you that these messages did not originate from the board. Moreover, the matters you have outlined are purely operational and are well managed by the Management of the Hospital.
5.	Mr. Francis Mureithi	Why are board members called directors and staff also directors? We need to have a distinction.	A Director is a person who is in charge of an activity, department, or organization. It is a term that can be used interchangeably both in management and at the board. The usage of this term is used distinctively as the directors in the Board are clearly distinguished from directors of divisions who are employees of the Hospital.
6.	Ms. Channa Commanday	How much remuneration are the directors requesting and why is it so much for this previously voluntary board? The deadline for submitting special agenda issues was the same date as the notice went out-making it impossible for a member to request an agenda item. How will you rectify it or what are the consequences?	The remuneration report of the board is contained in the annual report on page no 85 and 96. The deadline for submitting a special business was on 16 th September 2022 as indicated in the first notice that was published in the newspapers (both daily nation and standard newspaper) and sent to members on 1 st September 2022.

7.	Dr. Sarah Doreen Agunda	What new investments have been done in the last year and how are they performing	Several investments have been made by the board which include but not limited to the purchase of a Bi-plane cardiac machine, infrastructure projects such as main entrance that houses the new pharmacy and corridors, new laboratory amongst others. The board has also revived the condemned oxygen plant and constructed as additional oxygen and medical air plant to supplement the needs of oxygen and medical air in the Hospital.
8.	Mrs. Susan Shijehi Murila	Good afternoon. During the last AGM some money was reported missing during the other boards tenure. Have they been prosecuted? There has been no feedback just silence.	The matter was reported to the relevant authorities for investigations as required under Kenyan law.
9.	Dr. Nyawira Wahome-Ng'ayu	What is the source of all the internal conflicts/factions within the Association? What is the boards position/ solution to address the same?	Management through the board has introduced town hall meetings with the members of the Admitting Staff Association where members speak freely about their concerns and management gives guidelines on how to address their concerns. The board has also organized events such as golf tournaments and KHA open days where members discuss openly about the management of their Hospital.
10.	Mr. Peter Gitaa Koria	When is the Chairman's term coming to an end	A chairman of the board serves until they retire as a

			director upon which they are either eligible or ineligible for reelection as Director in accordance with the provisions of the Articles of Association.
11.	Dr. Gordon Oluoch Ogweno	Why is there nepotism in filling of senior management positions? vice chair of board, CEO, company secretary and procurement manager all come from one village! What is the value for money for creating position for deputy medical director in charge of Research and Publications, what research is ongoing at the Nairobi Hospital to warrant such position? Was it created to provide employment for a particular individual related to somebody?	There is no nepotism at the Hospital. All positions of the Hospital were duly advertised and recruited competitively. The position of Assistant Director Medical Services and Research was established under the new organogram to spear head research in the Hospital. We have already produced two journals and more are on the way.
12.	Mr. W.M. Muturi	We have been receiving emails raising concerns about the running of the hospital that seem to be from KHA management. I have come to believe that some of these communications are not from the management/board but are a bit disconcerting. What is going on?	Any communication not from the Kenya Hospital Association offices or the Nairobi Hospital should be disregarded. The Hospital is currently managed by a competent team of senior management team who have worked hard to steer the Hospital in tough economic times characterized by the covid 19 pandemic.

MIN. 7//29/09/2022: ANY OTHER BUSINESS

- The Chairman thanked members for their participation in the Annual General Meeting.
- Upon the invitation of the Chairman, the Company Secretary confirmed that no business was notified to his office for purposes of the meeting.
- There being no other business the meeting the Chairman ended the meeting with a request to Father Paul to close the meeting with a prayer.

CONFIRMED AS A TRUE RECORD OF THE MEETING’S PROCEEDINGS:

CHAIRMAN:

SIGNATURE:

DATE :



THE NAIROBI HOSPITAL

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE KENYA HOSPITAL ASSOCIATION HELD VIRTUALLY ON 21ST DECEMBER 2022 AT 2.00 PM

Present	:	Dr. W. Irungu Ndirangu (Maj. Rtd)	-	Chairman
		Hon. Dr. Chris M. N. Bichage	-	Vice Chairman
		Dr. Richard Baraza	-	Board Member
		Mr. Philemon Mwaisaka, EBS, SS	-	Board Member
		Mrs. Ludmila Shitakha, HSC	-	Board Member
		Dr. Jane Kabutu	-	Board Member
		Dr. Magdalene Muthoka	-	Board Member
		Mr. Robert Shaw	-	Board Member
		Dr. Loius Litswa	-	Board Member
		Dr. David Githanga, MBS	-	Board Member

and one thousand and ninety-seven 1097 members of the Association had registered via the online platform.

In Attendance:	Mr. James Nyamongo, MBS	-	Chief Executive Officer
Taking Minutes:	Mr. Gilbert Nyamweya	-	Company Secretary
	Image Registrars Limited	-	Meeting Facilitator
	Deloitte & Touche	-	Auditor

The Chairman called the meeting to order at 2.00 PM and welcomed members to the virtual Extra Ordinary General Meeting. He called upon Father Paul Kizito to open the meeting with a word of prayer. Thereafter, the Chairman introduced the members of the Board of Management, the Board of Trustees and Officers of the Company.

The Chairman called upon the Company Secretary to report on the status of registration of members and confirm members' participation for purposes of establishing the quorum.

MIN 1//21/12/2022: QUORUM OF THE EXTRA ORDINARY GENERAL MEETING

The Company Secretary confirmed the quorum of the meeting was present noting the 1097 members who had registered online for the meeting.

The Chairman declared the meeting properly convened and duly constituted. He reported that resolutions put to a vote at the meeting would be passed by a poll and participating members would receive an SMS or email prompt to cast their vote.

The Chairman further reported that the results would be published on the company's website within 24 hours after the meeting and the results would be deemed to be a resolution of the meeting and become enforceable with immediate effect.

MIN 2//21/12/2022: NOTICE AND AGENDA CONVENING THE MEETING

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

The Company Secretary confirmed that the Notice was published on 28th November, 2022 in the Daily Nation newspaper at page 3 and the Standard newspaper at page 15. The following were the highlights of the notice:

Agenda

1. Tabling of proxies, apologies and noting the presence of a quorum.
2. Reading the notice that convened the meeting.

3. Retirement by rotation and election of three directors in accordance with Agenda Number 7 of the Annual General Meeting held on 29th September 2022.
 - 3.1. To note the retirement of three directors in accordance with Articles 42 and 43 of the Company's Article of Association.
 - 3.2. To Re-elect or Elect three directors into office in accordance with Article 48 of the Company's Article of Association.
- The Company Secretary noted that the Agenda on election of three directors being an outstanding Agenda, it shall remain the only Agenda that shall be transacted for the day.
- The Chairman informed members that during the Annual General Meeting that was held on 29th September 2022, that the Hospital had been served with a Conservatory Orders in Nairobi High Court Commercial Petition No. E011 of 2022 Dr. Edwin Rono versus Kenya Hospital Association. The orders were in effect suspending the discussion, participation or conduct of Agenda No. 7 (The Retirement and Election of Directors) in compliance with the orders, the conduct of this Agenda was deferred pending the court ruled otherwise. On 25th November, 2022 he noted the court delivered a ruling discharging the conservatory orders issued on 28th September, 2022 that paved way for the conduct and conclusion of Agenda 7. He noted that prior to the Annual General Meeting the candidates had been proposed and seconded in compliance with Article 47 of the Articles of Association and circulated to members through email. The circulation was again on 5th December 2022 and 15th December 2022.

MIN 3//21/12/2022: ADOPTION OF THE AGENDA

The Chairman reported that having tabled the Agenda for the meeting, the respective profiles of the candidates to be projected. The candidates were as follows;

1. Dr. W. Irungu Ndirangu (Maj. Rtd)
2. Hon. Dr. Chris M. N. Bichage.
3. Justice (Rtd) Philip Waki, EBS.
4. Mr. Robert Shaw.

5. Dr. Anastasia Nyalita.
6. Eng. Erastus Kabutu Mwongera.
7. Prof. Nicholas Othieno Abinya.
8. Dr. Edwin Rono.
9. Mr. Peter Njenga Kamau.
10. Mrs. Esther Bonareri Nyamongo.
11. Mr. Ali Noor Mohamed Ali.

MIN. 4/21/12/2022: ELECTION AND RE-ELECTION

The results of the election were as below.

Position	Candidate	Votes Gathered	Resolution
1.	Maj. (Rtd) Dr. W. I. Ndirangu	318	Duly Elected
2.	Justice (Rtd) Philip Waki	308	Duly Elected
3.	Hon. Dr. Chris Bichage	299	Duly Elected
4.	Mr. Robert Shaw	161	
5.	Dr. Edwin Rono	116	
6.	Dr. Anastasia Nyalita	112	
7.	Prof. Nicholas O. Abinya	65	
8.	Eng. Erastus K. Mwongera	43	
9.	Mrs. Esther B. Nyamongo	9	
10.	Mr. Peter N. Kamau	6	
11.	Mr. Ali Noor Mohamed	4	

Resolution

Pursuant to the foregoing polling results, it is hereby **RESOLVED BY MAJORITY** that the following three (3) members **BE AND ARE HEREBY** elected to the Board of Management constituted under Article 38 of the Company's Article of Association.

- 1. Dr. W. Irungu Ndirangu (Maj Rtd);**
- 2. Justice (Rtd) Philip Waki, EBS; and**
- 3. Hon. Dr. Chris M. N. Bichage.**

MIN 5//21/12/2022: QUESTION AND ANSWERS SESSION

The Chairman noted that members had asked some questions on the online platform which were;

No.	Name	Question	Responses
1.	Mrs. Susan Murila	Who are seeking election	The candidates who were proposed and seconded were circulated through email on 5 th December 2022 and again on 16 th December 2022. The candidates were broadcasted in the live stream earlier.
2.	Mr. Kennedy Musebe	Can we have electronic voting done real time with members being able to see and trace their vote to the preferred candidate if they want to and have the winners known immediately after voting closes to increase transparency.	The electronic voting will be realtime with each paid up member duly registered will receive a link that would direct a member on how to vote. The results will be posted on the Company's website within 12 hours after close of voting.
3.	Dr. Doreen Aguda	Are there any youths in the board as currently constituted? If not, how can we work to ensure the youth are allocated atleast 2 seats at the Board	The proposal is noted, however the Board of Management is currently constituted of 11 directors. Among them 9 directors are duly elected by Kenya Hospital Association and 2 directors elected by the Admitting Staff Association. The Board has a right to co-opt three more directors in so doing the Board considers the dynamics required in the Board which includes age and skill mix just to name but a few.
4.	Lt. Gen (Rtd) Sumbeiywo	I propose the re election of current directors	We thank you Lt. General for th proposal, however the

			members will decide on the subject through voting.
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MIN. 6//21/12/2022: ANY OTHER BUSINESS

- The Chairman acknowledged the support provided by Image Registrars and Management during the meeting.
- Upon the invitation of the Chairman, the Company Secretary confirmed that no business was notified to his office for purpose of the meeting.
- There being no other business the meeting the Chairman ended the meeting with a request to Father Paul Kizito to close the meeting with a prayer.

CONFIRMED AS A TRUE RECORD OF THE MEETING’S PROCEEDINGS:

CHAIRMAN:

SIGNATURE:

DATE :