

MINUTES OF THE 17TH FULL BOARD MEETING HELD ON 21ST FEBRUARY 2007 IN THE BOARDROOM OF THE COMMUNICATION COMMISSION OF KENYA, WAIYAKI WAY, NAIROBI

PRESENT

Victor Kyalo	Chairman
Michael Katundu	Member
Kinoti Mugambi	Member
Jerome Ochieng	Member (Representing GITS)
Violet Mura	Member (Representing e-government)
Hellen Maina	Member (Representing KENET)
Brian Longwe	Associate Member (Representing KICTANET)
Rebecca Wanjiku	Associate Member (Representing KICTANET)
Moses Kemibar	Associate Member (Representing Kenya Web Designers Association)
Ali Hussein	Associate Member (Representing DRAKE)
Michuki Mwangi	Administrative Manager
Lucky Waindi	Secretary

ABSENT WITH APOLOGIES

Eng. John Waweru	Member
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The Chairman called the meeting to order at 10.05 am upon the realization of a quorum.

MINUTE 157/17/2007 NOTICE OF MEETING

Notice of the meeting was taken as read.

MINUTE 158/17/2007 AGENDA

The proposed agenda was adopted.

**MINUTE 159/17/2007 CONFIRMATION OF MINUTES OF THE 16TH
FULL BOARD MEETING**

The Minutes of the 16th full Board meeting were confirmed and adopted, with amendments, as a true record of the deliberations.

Under matters arising, it was explained that the Kenic Management was in the process of organizing a corporate governance course for the Board members, and that the costs thereof had been factored into the 2007 budget. Regarding reconstitution of the board, it was noted that: Telkom Kenya Ltd had applied for Board membership and nominated Mr. Mugambi as its representative for that purpose; and the incoming associate members were reminded to submit their documents of incorporation without delay. The representative of Kenya Web Designers Association stated that the body had decided to change its name to Kenya Internet Marketing Association. Members of the board also agreed to nominate Mr. Brian Longwe as the representative of the industry to the Board and to retain the outgoing chairman on the Board for a period of one year, to facilitate continuity and skills transfer.

The Administration Manager apprised the group of his meeting with Dr. Juma of e-government, where it was agreed that e-government should, within the next three months, organize a workshop for stakeholders to discuss the impact of the transition from .go.ke to .gov.ke. The meeting was also informed that the Kenic management

had identified a home for the Board to visit around Easter holidays this year. The management is also developing a framework for corporate social responsibility and the same shall be circulated on line for members' input.

MINUTE 160/17/2007 ADMISSION OF NEW BOARD MEMBERS AND ELECTION OF NEW BOARD CHAIRMAN

The Chairman took members through the paper, which was generally for information, but in particular meant to guide members in the selection of a new chairperson. After presenting the paper, the chairman formally stepped down as chair and invited the secretary to oversee the selection of the new chairperson.

Only three members of the Board were eligible for selection as chairperson, in accordance with the Kenic Articles of Association: the representative of KENET, Telkom and the person from the industry. However, KENET relinquished its right to contest on account of the fact that the post had been held by KENET for the last two terms. Members therefore chose Mr. Kinoti Mugambi and Mr. Brian Longwe as the chairperson and vice chairperson of the Board respectively.

MINUTE 161/17/2007 FINANCIAL REPORTS AND BUDGET FOR 2007

The Administrative Manager explained that due to delay in acquiring the Kenic accounting package, the financial reports had not been completed. The Board therefore allowed the Kenic management to present the complete unaudited financial reports to the Chairman for approval for auditing in March. The audited financial reports would later be presented to the Board and the Annual General Meeting.

The Administrative Manager then took members through the paper on the 2007 budget. Members asked the management to prepare and present at the next Board meeting, a numbered board paper on the AFTLD support, detailing the expectations

and costs involved. Management was also requested to prepare a variance report for last year's budget. It was suggested that Kenic should consider seeking professional indemnity cover and think about the desirable levels of surplus or reserves to maintain.

It was noted that the budget erroneously used Kshs. '000 as the unit and the management was requested to amend accordingly. It was also recommended that in future, the accountant should be available to present the budget and financial reports to the Board.

The Board approved the operational costs in the budget and deferred discussions on other parts of the budget, until a special board meeting to be scheduled for that purpose.

The Administration Manager was reminded to embark on the work with Afrinic without delay.

MINUTE 162/17/2007 REVIEW OF ADMINISTRATIVE MANAGER'S CONTRACT & PROPOSED HIRE OF ADDITIONAL FULL TIME STAFF

The chairman took members through these papers. It was decided that because the Scheme of Service that is being prepared would touch on these matters, discussions on these papers would be deferred until finalization of the Scheme of Service, so that they are discussed together at a special Board meeting to be scheduled. The Board therefore decided to extend the Administrative Manager's contract on the existing terms, until finalization of the Scheme of Service.

Members pointed out that the Scheme of Service should set targets so that pay increments are pegged on performance. The Administrative Manager was tasked to develop and avail targets for all Kenic staff members to the group working on the Scheme. Mr. Katundu was asked to liaise with the Chair and Vice Chair in finalizing this Scheme of Service.

MINUTE 163/17/2006

ANY OTHER BUSINESS

1. The Board scheduled a special board meeting for March 15, 2007 to discuss the Scheme of Service; Board papers 72A &B; and the 2007 Budget finalization.
2. The working group on .ke domain name pricing shall be chaired by Mr. Victor Kyalo and Mr. Ali Hussein and Mr. Moses Kemibar were co-opted into it. The group was, however, left open to all interested members to participate.
3. The secretary indicated that she would liaise with all new members to obtain all requisite documentation for membership.
4. The Chairman, on behalf of the Board, and Mr. Katundu, on behalf of the secretariat, thanked the outgoing Chairman for the good work he had done at the helm of Kenic.

There being no other business the meeting ended at 12.10 p.m.

Confirmed on this _____ day of _____ 2007.

Victor Kyalo
Chairman

Lucky Waindi
Secretary