

**MINUTES OF THE 18TH (SPECIAL) BOARD MEETING HELD
ON 14TH MARCH 2007 IN THE BOARDROOM OF THE
COMMUNICATION COMMISSION OF KENYA, WAIYAKI
WAY, NAIROBI**

PRESENT

Kinoti Mugambi	Chairman
Brian Longwe	Vice Chairman
Michael Katundu	Member
Sammy Buruchara	Member (Representing TESPOK)
Muchilwa Apollo	Member (Representing GITS)
Violet Murwa	Member (Representing e-government)
Hellen Maina	Member (Representing KENET)
Alice Munyua	Associate Member (Representing KICTANET)
Ali Hussein	Associate Member (Representing DRAKE)
Michuki Mwangi	Administrative Manager
Lucky Waindi	Secretary

ABSENT WITH APOLOGIES

Eng. John Waweru	Member
Victor Kyalo	Outgoing Chairman
Moses Kemibaro	Associate Member (Representing Kenya Internet Marketing Association)

The Chairman called the meeting to order at 9.45 am upon the realization of a quorum.

MINUTE 164/18/2007 NOTICE OF MEETING

Notice of the meeting was taken as read.

MINUTE 165/17/2007 AGENDA

The proposed agenda was adopted.

**MINUTE 166/18/2007 CONFIRMATION OF MINUTES OF
THE 16TH FULL BOARD MEETING**

The Minutes of the 17th full Board meeting were confirmed and adopted, with amendments, as a true record of the deliberations.

Under matters arising, members requested to be availed with the Kenic Articles and Memorandum of Association. The Kenic Management also intimated that the draft framework for corporate social responsibility would be circulated on line for members' input by Monday 19th March 2007. The Administrative Manager also informed the meeting that it was necessary to carry out of a risk assessment exercise in order to determine the level of professional indemnity Kenic should take out. It was agreed that such a risk assessment exercise could only be carried out after the putting in place of a strategic plan for Kenic. Finally, members requested that for subsequent meetings, the secretary prepares a matrix itemizing matters arising, separate from the minutes, so as to enable easy identification of the same.

MINUTE 167/18/2007 SCHEME OF SERVICE

Mr. Katundu took members through this paper and explained that the object of Scheme of Service was to provide for a well defined career structure that would attract and retain suitably qualified Human Resource in the service of Kenic. He explained that the expectation was that once the Scheme was in effect, existing and new employment contracts would be aligned with it.

Members decided that the annual leave days should be reduced from 24 to 21 days, and that the Scheme should make reference to the internship policy on matters pertaining to interns. It was also agreed that details on leave such as the duration of maternity leave and how to handle accrued leave days would be left for the Human Resource Policy, yet to be developed. It was also suggested that there should be developed monitoring tools to gauge performance, so that the process is objective.

Members adopted the Scheme of Service and thanked Mr. Katundu for spearheading development of the document. The effective date for the Scheme of Service shall be April 1, 2007.

MINUTE 168/18/2007 FINANCIAL REPORTS AND BUDGET FOR 2007

The Kenic accountant presented the unaudited financial statements and indicated that since they had been prepared manually, they may have contained misstatements, but which were not material. It was enquired whether it was proper for Kenic, a not-for-profit organization to retain a surplus and it was explained that Kenic could hold its surplus as a reserve, which would not attract taxation. A reserve would strengthen Kenic's financial base.

The Kenic accountant also presented the 2007 budget to Board members. The same had briefly been discussed in the previous Board meeting but substantive discussions on the same had been deferred to this meeting.

It was pointed out that in future the budget item on sales should be broken down to reflect new sales and the renewals. On the item on training, the Board expressed the need for an annual training plan that

would assess training needs as well as the suitability of meetings/trainings proposed to be attended. The Kenic management was tasked to develop a training plan and circulate it to members for input before the next board meeting.

Members also felt that training for board members should not be limited to courses on corporate governance. In this regard it was agreed that suggestions on other suitable courses could be floated for incorporation into the training plan. The Vice chair informed the meeting that Afrispa was organizing a corporate governance course and invited the Kenic Board could pool resources and attend this training.

It was also suggested that Kenic should develop a comprehensive training budget and source for donor funding.

Finally, the management was instructed to prepare and avail quarterly reviews of financial reports and narrative performance reports to the Board.

With those comments made, the board approved the budget.

MINUTE 169/18/2007

**REVIEW OF ADMINISTRATIVE
MANAGER'S CONTRACT &
PROPOSED HIRE OF
ADDITIONAL FULL TIME STAFF**

These papers were approved in line with the Scheme of Service.

MINUTE 170/18/2007

ANY OTHER BUSINESS

1. The Board noted the need to develop a Kenic strategic plan. In this regard the Kenic management was tasked to source for names of consultants that could guide this process. Members were also advised to propose to the Management items for inclusion in the strategy paper/plan. Management would then prepare terms of reference for the work, which would be approved by the Chairman before the contracting of a consultant to spearhead the process. It was agreed that members would meet on April 18, 2007 to review progress of the strategic plan development process, and that the final document should be ready by mid of June, 2007 in time for presentation to the Kenic Annual General Meeting.
2. The Secretary briefed the meeting that work on the Memorandum of Understanding between CCK and Kenic was complete and that the document was now awaiting execution. The Chairperson proposed to invite the Minister and Permanent Secretary, Ministry of Information and Communications to witness the execution ceremony, in a bid to elicit their good will and support for Kenic.
3. Pursuant to an earlier resolution of the Board to increase the number of Board member bank signatories, the Board selected Mr. Anthony Kinoti Mugambi and Mr. Brain Longwe to join Mr. Katundu and Mr. Kyalo as signatories.

There being no other business the meeting ended at 12.40 p.m.

Confirmed on this _____ day of _____ 2007.

Anthony Mugambi
Chairman

Lucky Waindi
Secretary