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REPUBLIC OF KENYA



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KENYA NATIONAL ASSEMBLY


TWELFTH PARLIAMENT

THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

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REPORT ON

ALLEGED MISMANAGEMENT OF ASSETS AND LOSS OF COFFEE PROCEEDS OF NEW KYENI COFFEE FARMERS SOCIETY

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|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 05 DEC 2018 | DAY: Wednesday (Pm) |
| TABLED BY: | Hon. Cornelly Serem, MP Vice-Chair - DC on Trade, Industry & Cooperatives |
| CLERK-AT-THE-TABLE: | Rachel dain - Principal Clerk Assistant |

Directorate of Committees Services

National Assembly

Parliament Buildings

NAIROBI

DECEMBER, 2018

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CHAIRMAN'S FOREWORD

Pursuant to the Provisions of Standing Order 225(2)b, the Speaker of the National Assembly conveyed to the House a Petition signed by four Petitioners namely Mr. Richard Kanyua, Mr. George Nyaga, Mr. Weru Kirutha and Mr. Erastus Nthiga on behalf of New Kyeni Farmers Cooperative society.

The Petitioners, Pursuant to Article 119 (1) of the Constitution of Kenya (2010) and Standing Order 219, petitioned the National Assembly that there is mismanagement of assets and loss of coffee proceeds belonging to the New Kyeni Coffee Farmers Society.

The Petitioners contended that the New Kyeni Cooperative Society Limited was established in 1985 with a main objective of promoting and marketing coffee produce on behalf of Kyeni coffee farmers in Embu County.

The Departmental Committee on Trade Industry and Cooperatives to which the Petition was committed to pursuant to Standing Order 227(2) carried out an investigation and prepared a requisite Report.

I'm happy to report to this House that the Committee considered the prayers sought by the Petitioners which included an investigation of the alleged mismanagement of Assets and Loss of Coffee proceeds belonging to the New Kyeni Coffee Farmers Society.

The Committee appreciates the assistance provided by the Office of the Speaker and the Clerk of the National Assembly that enabled it to discharge its functions in considering the Petition. On behalf of the Committee and pursuant to Standing Order 227 it is my duty to table on the Floor of the House the Report of the Committee on the Petition.

EXECUTIVE SUMMARY

The investigation and subsequent reporting on the alleged mismanagement, misappropriation of assets and loss of Coffee proceeds belonging to the New Kyeni Coffee Farmers Society was informed by the Prayers of the Petitioners.

The Petition was conveyed to the House by the Speaker of the National Assembly and it stood committed to the Departmental Committee on Trade, Industry and Cooperatives on 14 February, 2018.

The Committee met and agreed to inquire into the allegations as presented by the petitioners being Terms of Reference.

The Committee held meetings with the petitioners, management of New Kyeni Farmers cooperative societies and the State Department of cooperatives. The committee further carried out a fact finding visit to the said Society and carried out public participation. The observations and recommendations contained herein were based on the facts obtained from the aforesaid engagements of the stakeholders.

Pursuant to the Standing Order 227, the Committee was not able to conclude its report within the stipulated period thus the Committee sought leave from the speaker to conclude the matter.

1.0 PREFACE

On behalf of the Departmental Committee on Trade, Industry and Cooperatives and pursuant to the provisions of Standing Order No.227, it is my pleasure and duty to present the Committee's report on alleged mismanagement, misappropriation of Assets and Loss of Coffee proceeds belonging to the New Kyeni Coffee Farmers Society

1.1 The Committee Membership

The Departmental Committee on Trade, Industry and Cooperatives of the Twelfth Parliament comprise of the following members:

Hon. Kanini Kega, M.P. – Chairperson

Hon. Cornelly Serem, M.P. –Vice Chairman

Hon. Alexander Kimutai Kigen Kosgey, MP

Hon. Alois Musa Lentoimaga, MP Hon. Andrew Mwadime, MP

Hon. Bunyasi John Sakwa, MP

Hon. James Mukwe, MP

Hon. Jones Mlolwa, MP

Hon. Kipruto Moi, MP

Hon. Daniel Maanzo, MP

Hon. Gideon Konchela, MP

Hon. Jeremiah Lomorukai, MP

Hon. Gichimu Robert, MP

Hon. Kimani Patrick Wainaina Jungle, MP

Hon. Korir Generali Nixon Kiprotich, MP

Hon. Nduati Joseph Ngugi, MP

Hon. Wachira Rahab Mukami, MP

Hon. Wilberforce Oundo, MP

Hon. Anab Mohamed Gure, MP

Secretariat

| | |
|--------------------|------------------|
| Mr. Erick Nyambati | Clerk Assistant |
| Ms. Nuri K. Nataan | Clerk Assistant |
| Mr. Peter Mwaura | Legal Counsel |
| Chelanga Maiyo | Researcher |
| Ms. Roseline Njuki | Serjeant at Arms |

1.2 Mandate of the Committee

As set out in standing order 216 (5), the Departmental Committee on Trade Industry and Cooperatives is mandated to:-

- a. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
- b. Study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
- c. Study and review all legislation referred to it;*
- d. Investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary and as may be referred to them by the House;*
- e. Vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and*
- f. Make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.*

The Committee oversees the following:-

1. State Department of Trade
2. State Department of Industrialization and Investment
3. State Department of Cooperatives

The State Department of Trade with the following subjects:

1. Trade
2. Investment Promotion Policy and Facilitation
3. Kenya Property Rights Policy (Patents, Trade Marks, Service Marks, and Innovation)
4. Textile Sector Development
5. Leather Sector Development

6. Ease of Doing Business and
7. Special Economic Zones and Industrial Parks
8. Enterprise Development and Innovation
9. Small and Medium Enterprise (SME) Policy and Development
10. Small and Medium Enterprise (SME) Training

The State Department of Industrialization and Investment has the following Semi-Autonomous Government Agencies that are under the purview of the Committee:-

1. Kenya Bureau of Standards (KEBS)
2. Kenya Industrial Property Institute (KIPI)
3. Kenya Accreditation Services (KENAS)
4. Kenya Leather Development Council (KLDC)
5. Kenya Industrial Research and Development Institute (KIRDI)
6. Industrial and Commercial Development Corporation (ICDC)
7. Kenya Industrial Estates (KIE)
8. IDB Capital Limited (IDB)
9. Kenya Investment Authority (KENINVEST)
10. Export Processing Zones Authority (EPZA)
11. Special Economic Zones Authority (SEZA)
12. Numerical Machining Complex (NMC)
13. East African Portland Cement Company (EAPCC)

The State Department of Cooperatives deals with all matters pertaining Cooperatives and has the following Semi-Autonomous Agencies (SAGA's) that are under the purview of the committee;

1. Kenya Co-operatives Creameries (New KCC)
2. SACCOs Societies Regulatory Authority (SASRA)
3. Co-operative Tribunal
4. Ethics Commission for Co-operative Societies (ECCOS)

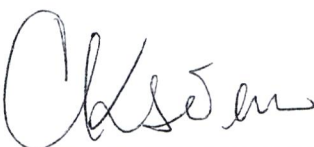
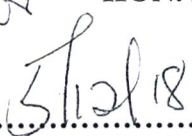
1.3 Acknowledgment

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate.

The Chairperson of the Committee takes this opportunity to thank all Members of the Committee for their patience, sacrifice, endurance and commitment to Public Service under tight schedules which enabled us to be available for the induction.

The Committee wishes to record its appreciation for services rendered by the staff of the National Assembly attached to the Committee. Their efforts and input made the work of the Committee and production of this Report possible.

On behalf of the Departmental Committee on Trade, Industry and Cooperatives and pursuant to the provisions of Standing Order No.227, it is my pleasure and duty to present the Committee's report on the alleged mismanagement of assets and loss of Coffee proceeds belonging to the New Kyeni Coffee Farmers Society.

SIGNED.....

HON. KANINI KEGA, M.P
(Chairperson)
DATE.....


2.0 SUBMISSIONS

2.1 Meeting with Petitioners

Five petitioners namely; Mr. Taratisio Ileri Kawe ,Mr. George Nyaga Njeria, Mr. Richard Kinyua, Mr Erasmus Nthiga and Njeru Kirutha appeared before the Committee and submitted as follows; that;

1. They are bonafide members of New Kyeni Farmers Society
2. New Kyeni coffee farmer's cooperative society is on its knees having been run down by the current management committee under the Chairmanship of Mr. Charles Kariuki
3. The coffee production has gone down by more than 50 percent since the current chairman took over the leadership of the society 12 years ago
4. Many farmers have been forced to cut down their coffee trees, cleared them completely or neglected and abandoned their coffee plantations due to poor management and or authoritarian leadership in the society.
5. The members of the society are prevented from raising any question, inquire or comment on anything in relation to the running of the society unless one delivers more than 300 kilograms per crop period
6. Some hooligans/ non-members are hired to threaten, intimidate and physically assault any member who does not toe the chairman's line.
7. In 2005, the society was said to have had a debt of Ksh. 6, million as a result of borrowed farm inputs on behalf of the farmers, and that subsequently the government gave Ksh, 5 million towards offsetting the debt.
8. Even after the Government had chipped in and assisted the Society with Kshs, 5 million, the management under the current chairman deducted from farmers millions of shillings an amount that was never accounted for.
9. Many farmers were forcefully deregistered from the society after raising some integrity issues against the management committee, and some were even assaulted as organized by the chairman.
10. The society has its own farms (Kigumo, Karurumo among others) under the coffee plantation with more than 40,000 coffee trees and that the proceeds from these farms have never been accounted for.
11. There has been a conflict of interest in giving construction work, repairs work and civil works as the officials (management committee) award themselves tenders.
12. The awarding of tender for the construction of the office block in Kathanjuri did not follow the tender and procurement process, procedure and law.
13. Farmer's coffee is graded/ classified to be in grade A'' or B'' on members farms by unqualified field committee members or management officials and the excise is discriminative in nature,
14. The members are denied access to their own society by-laws. Society members have been physically assaulted after raising some patent questions touching on the mis management

of the society and such members removed from the society's register after which they have been left without any source of income.

15. The district cooperative officer in Embu has been compromised by the officials of our society.
16. For the last 12 years, the chairman to the society has acquired a lot of money, many properties (vehicles, big farms, plots, building among other things) some registered in his person and others his wife and close relatives and which cannot be attributed to his allowance or hard work. It is our belief that the chairman has been converting the member's money and properties to his own use.
17. A proper lifestyle and wealth audit of the society's officials and specifically the chairman and his close relatives should be undertaken with a view of tracing and recovering back that which belongs to the society members.
18. Aggrieved members have exhausted other avenues including Petitioning Embu County Assembly Departmental Committee on Agriculture, District Cooperative Officer, including Commissioner of Cooperatives seeking for the intervention but no favourable action has ever been taken by any.
19. An immediate and quick action need to be taken so as to save the society.
20. The petitioners prayed that an inquiry into the allegations of Mismanagement, governance issues/misappropriation, possible theft of the New Kyeni Farmers Society and all other issues the Committee may deem fit be carried out to save the Society.

2.2 Meeting with New Kyeni Society Management and Society Members

The management and members of New Kyeni cooperative Society submitted as follows;

1. Mr. Taratiso Ireri Kawe is not a member of New Kyeni Fcs Ltd.
2. New Kyeni Farmers Office is stable as demonstrated by the Audited Accounts for the last 9 years.
3. Coffee production has gone down country wide and New Kyeni Fcs Ltd is not exceptional.
4. Some reasons being:-Poor weather, Poor market prices, Poor coffee husbandry and Subdividing of land
5. Coffee production is now improving due to improved market prices. In 2005 we had 606278 kilos and in 2017/2018 we had 589325 kilos and we expect more kilos this year as indicated in the Balance sheet 2005.
6. It is a By-Law No.48B that provides that a member should have delivered 300kgs of coffee in the immediate previous year to participate in a general meeting.
7. Non-members are never allowed in the general meetings and all members are registered against their membership number (M/No) and production before allowing them in meetings.

8. The society had a total debts of Ksh.15384838.05 when the current management took over Kshs5947255.20 was waived by the government leaving a balance of Ksh.9437582.85. The balance was reported to members and members decided to contribute 30cents and 15cents towards the payment of the debts. The contribution of payments of debts and office constructions were general contributions as per members' resolution.
9. All the deductions and payments were reported to members.
10. The four members were only suspended by the General meeting and none was deregistered and there has not been any assault. None of the four has appealed as provided in the By-Law No.11.
11. The society has 8000 stems of coffee at Kigumo and Karurumo farms planted in 2012.
12. There has been no known case of conflict of interest in awarding tenders and no management Committee has ever been awarded a tender as all tenders are floated in the public for competitive bidding.
13. All the tender procurement processes were followed when building the office block.
14. Grading group A & B was a members' resolution and it is done by field committee members who are qualified and trained at CRF Ruiru and other related places to equip them with knowledge for their job. The final lists are made public at the factory before processing for their members scrutiny.
15. No member has ever been deregistered, physically assaulted or denied access to their By-law. The documents are readily available for any member who would wish to read the audited Accounts, By Laws and Budgets.
16. There is no any known case of co-operative offices having been compromised by the Society.
17. The Society Chairman is a business man and a farmer of coffee, maize, macadamia nuts, dairy farming, horticulture, etc
18. Before he was elected to the society in 2005, he had several plots.
19. In same the year 2005 he was elected as treasurer of Nawiri Sacco Society. He has been a Director of Nawiri from 2005 to date without any break and he is currently the vice chairman.
20. The Petition is political and motivated by family grudges

2.3 Public Participation with Coffee Farmers

The Committee held a meeting with the coffee farmers at Kathanjuri grounds in Embu county and the coffee members submitted as follows;

1. Coffee has been a source of livelihood for many Embu farmers but its fortunes has been dwindling over the years prompting many to opt out from coffee farming to farming other crops New Kyeni Society has had perennial office bearers who have mismanaged the society.
2. The New Kyeni Society management is not transparent in running the business of the society
3. Only society members who shall have delivered 300kg of coffee cherry in the immediate previous year are allowed to speak during society meetings
4. Government coffee debt relief financing/subsidy is abused by the coffee society management leaving the coffee farmers still overburdened.
5. Any society member with a divergent view from the management proposal is deregistered thus ceases to be a member of the said society and risks being assaulted by the goons of the management.
6. Elections of the society are planned in a manner that is not democratic and the current leaders are beneficiaries of such undemocratic arrangement thus considered to have overstayed in office with little to offer.
7. The current society leaders have enriched themselves by misappropriating society resources and assets.

3.0 COMMITTEE OBSERVATIONS

The Committee observed as follows;

1. Some of the Petitioners were members of New Kyeni Farmers Society whose membership had been suspended by resolution of the members of the society which was regular as per the Society's by-laws.
2. The allegation that New Kyeni coffee farmer's cooperative society is on its knees having been run down by the current management committee under the Chairmanship of Mr. Charles Kariuki did not have any merit since it was not backed with any documentary evidence thus a mere allegation
3. The Petitioners were not able to link the allegation of decline in coffee production for the last 12 years with the leadership of the society. Further the Society's leadership agreed with the petitioners that there has been a general decline in coffee production in Kenya and demonstrated contrary to the allegation that the Society production has been on the rise.
4. The allegation that many farmers have been forced to cut down their coffee trees, cleared them completely or neglected and abandoned their coffee plantations due to poor management and or authoritarian leadership in the society was unrealistic since there are other cooperative societies within the area that the farmers would have opted to join and sell their produce.
5. A member of the society can only participate if he or she delivers more than 300 kilograms of coffee per crop period as contained in the by-laws of the society. The by-law therefore reduces small coffee producers who are members to irrelevant spectators in decision making. This is in contravention of section 21(a) of the Cooperative society Act on rights of members which states:-
"A member of a co-operative society shall have the right to— (a) attend and participate in decisions taken at all general meetings of the society and vote;" amongst others
6. The allegation that hooligans/ non-members are hired to threaten, intimidate and physically assault any member who does not toe the chairman's line was supported by the members of the public but was not substantiated. It would have been prudent for the petitioners to provide even an OP number reporting such an assault.
7. The allegation that under the current chairman deducted from farmers millions of shillings an amount that was never accounted for in 2005 when the society had a debt of Ksh.6, million as a result of borrowed farm inputs on behalf of the farmers, and that the government gave Ksh.5 million towards offsetting the debt was a weighty matter but doubtful since the society did not have any audit query on the said year however ,there were no records provided by the Society management indicating that the Society received the Ksh 5 million from government and that it helped the farmers in reducing the debt burden.
8. The allegation that many farmers were forcefully deregistered from the society after raising some integrity issues against the management committee was supported by the

members of the public but it was unproven as there were no documentary evidence to support the allegation.

9. There was no evidence tabled before the committee indicating that there has been a conflict of interest in giving construction work, repairs work and civil works as the officials (management committee) award themselves tenders. As much as there may be such a malpractice, it is difficult for the committee to hold any officer culpable over a unsubstantiated and unproven allegation.
10. The construction of the office block in Kathanjuri did not follow the tender and procurement process as required by law.
11. Grading/ classifying coffee to be in grade A'' or B'' on members farms is per resolution of the society members.
12. Minutes of the Society provided indicated possible misappropriation and mismanagement in the society. In some instances, the minutes indicate that the society cud spend 30 times more than its income resulting to huge losses. Further, minutes indicate that the committee resolved to procure computers for the society at one million, doors and windows at two million Kenyan shillings etc. raising concern on whether the committee was prudent in management or whether it cud be a possible skim of misappropriation.
13. The Society by- law number 30 (c) provides that members of the cooperative management committee shall hold office for a period of three years and being eligible for reelection provided that no member of the committee shall be eligible for re-election for more than two terms of three years each. Section 13 of the Cooperative societies Act states that;
The by-laws of a co-operative society, shall, when registered, bind the co-operative society and the members thereof to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and his personal representatives to observe all the provisions of the by-laws.
14. Section 21 (b) of the Cooperative Act states
A member of a co-operative society shall have the right to be elected to organs of the society, subject to it's by-laws;
15. The Cooperative Society rules number 23(1) provides
“that a committee of a society shall be elected for a term of three years and no member shall be elected to a committee for more than two consecutive terms”
16. Consequently, Mr Charles Kariuki, the Chairman of New Kyeni Farmers Cooperative society amongst others in the Society's management committee have been in office since 2005 to date, thus they are illegally in office.
17. However, the committee noted that a circular from the Commissioner of Cooperative development dated 25th January,2018 was issued to all cooperative Societies to the effect that the Minister of Cooperative Development and Marketing had amended the Cooperative Societies rule number23(1) thus removing the two term limitation. The

Committee holds that a circular from a Commissioner cannot amend or invalidate an existing regulation. To amend a regulation, due process has to be followed.

18. There is need for an investigative agency to look into the allegation of misappropriation and mismanagement of New Kyeni Cooperative Society assets since the Committee would not rely on the information provided to be conclusive for fair administration of justice to all parties.
19. The composition of New Kyeni Farmers Cooperative Society management committee is unconstitutional since all members are of same gender. Article 27 of the Kenya constitution on equality and freedom from discrimination states;-
“In addition to the measures contemplated in clause (6), the State shall take legislative and other measures to implement the principle that not more than two-thirds of the members of elective or appointive bodies shall be of the same gender.”

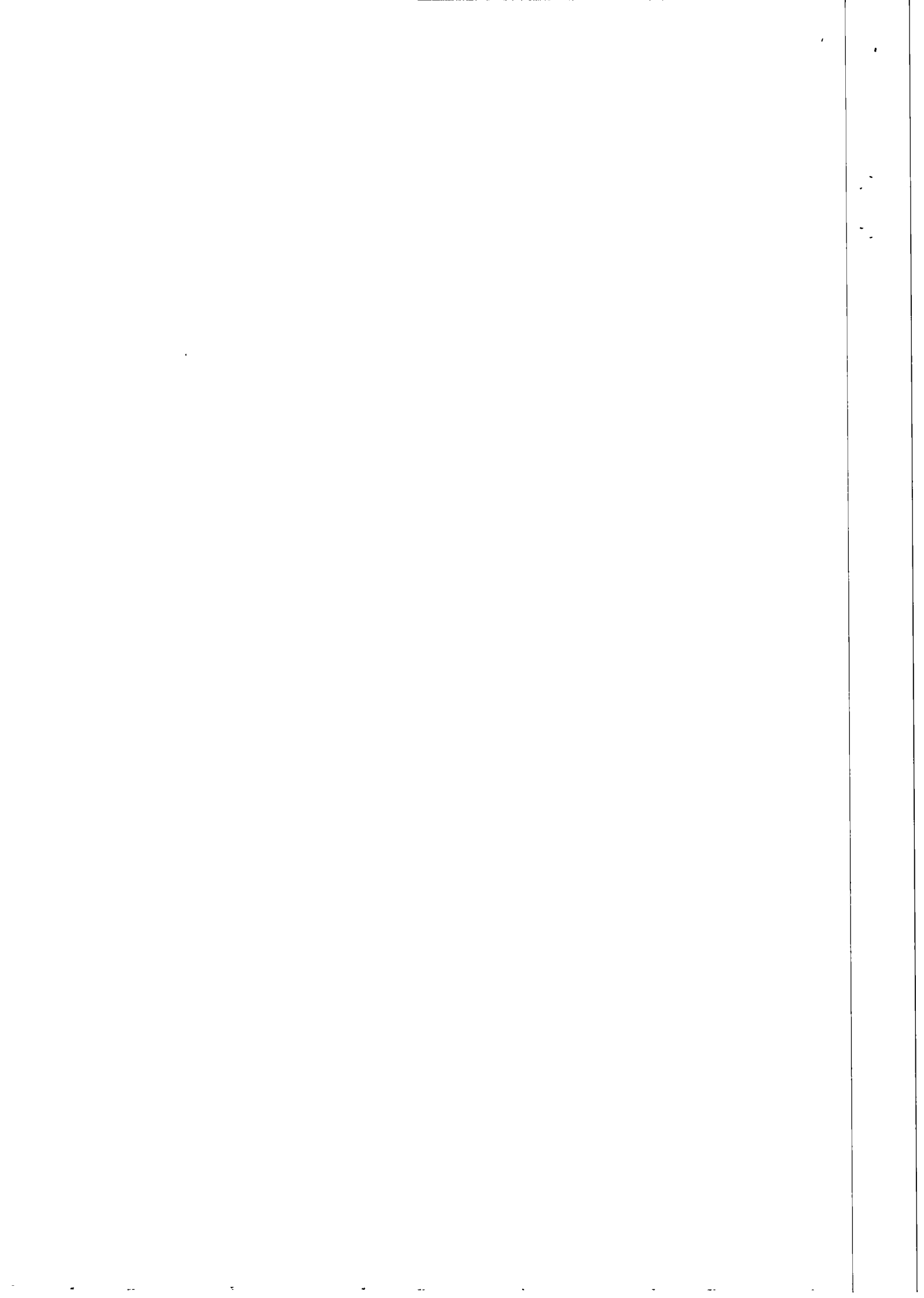
General Observations

20. There is weak legislation on Cooperative Societies in regard to management, elections and terms of office.
21. The Commissioner of cooperatives needs to audit by laws of existing cooperatives since some of them are unconstitutional.
22. There is need for audit on funds that the Government has given out meant for waiving debts in all coffee cooperatives that received the funds to determine whether it was spent as intended.

4.0 COMMITTEE RECOMMENDATIONS

The Committee therefore recommended as follows;

1. A forensic audit to be carried out by the commissioner of Cooperatives on the allegations and report to the House within 60days of tabling of this report.
2. The allegation of misappropriation and mismanagement of assets and possible theft of proceeds of New Kyeni cooperative society be investigated by the Ethics and Anti-Corruption Commission. (EACC).
3. Accounts for Cooperative Societies that have received money for debt relief (debt waiver) be audited to establish whether the government achieved its objective of relieving farmers from the debt burden.
4. The Commissioner of Cooperatives to audit By Laws of Cooperative societies to ensure that they are in tandem with the constitution and existing laws.



DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY & COOPERATIVES

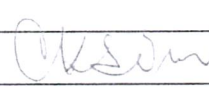

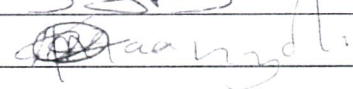
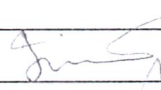
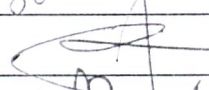
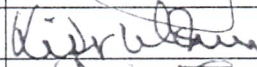
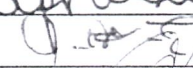
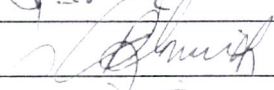
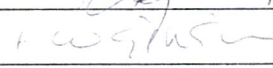
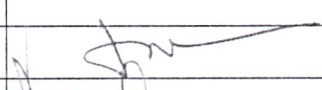


ADOPTION LIST

**Clerk's Chambers
National Assembly
NAIROBI**

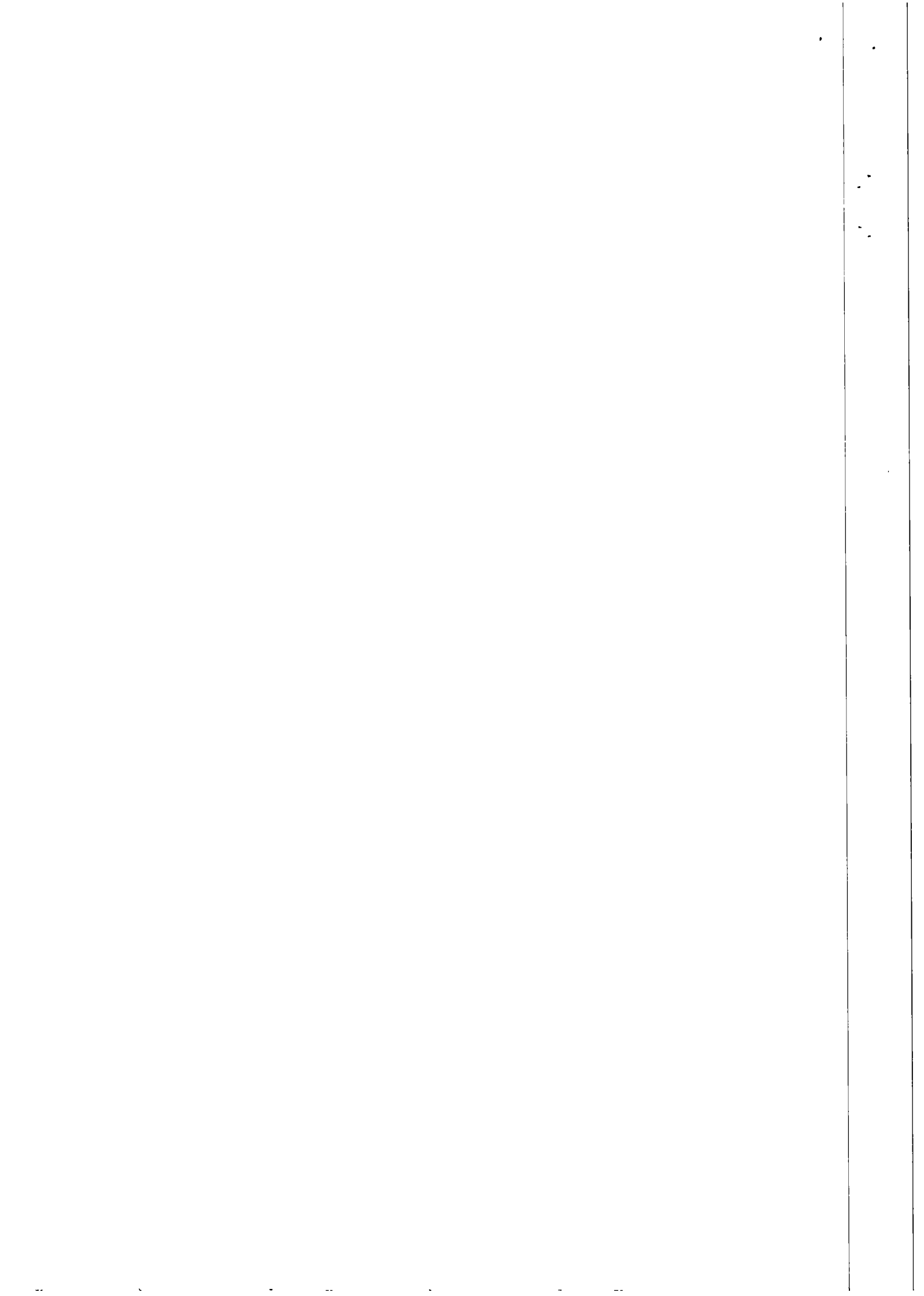
Agenda: Adoption of the report on the Petition by New Kyeni Farmers Cooperative Society on alleged misappropriation of assets and loss of coffee proceeds belonging to the farmers

Date: 27th November, 2018

Time: 11.30 am

| NO. | NAME | SIGNATURE |
|-----|--|--|
| 1. | Hon. Kanini Kega, M.P. – Chairperson | |
| 2. | Hon. Cornelly Serem, M.P. – Vice Chairman |  |
| 3. | Hon. Alexander Kimutai Kigen Kosgey, MP | |
| 4. | Hon. Alois Musa Lentoimaga, MP | |
| 5. | Hon. Anab Mohamed Gure, MP | |
| 6. | Hon. Andrew Mwadime, MP | |
| 7. | Hon. Bunyasi Sakwa John, MP |  |
| 8. | Hon. Daniel Maanzo, MP |  |
| 9. | Hon. Gideon Sitetu Konchella, MP | |
| 10. | Hon. James Mukwe, MP |  |
| 11. | Hon. Jones Mlolwa, MP |  |
| 12. | Hon. Kipruto Moi, MP |  |
| 13. | Hon. Jeremiah Ekamais Lomorukai, MP |  |
| 14. | Hon. Gichimu Robert, MP |  |
| 15. | Hon. Kimani Patrick Wainaina Jungle, MP |  |
| 16. | Hon. Korir Generali Nixon Kiprotich, MP | |
| 17. | Hon. Nduati Joseph Ngugi, MP |  |
| 18. | Hon. Wachira Rahab Mukami, MP |  |
| 19. | Hon. Dr. Wilberforce Oundo, Phd, MP |  |

ERIC NYAMBATI
FOR: CLERK OF THE NATIONAL ASSEMBLY



MINUTES OF THE 4TH SITTING OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY 13TH OCTOBER, 2018 IN THE BAOBAB CONFERENCE ROOM IN SERENA HOTEL, MOMBASA, AT 3.00 PM.

PRESENT

1. Hon. Kanini Kega, MP – **Chairperson**
2. Hon. Cornelly Serem, MP – **Vice Chairperson**
3. Hon. Andrew Mwadime, MP
4. Hon. Kipruto Moi, MP
5. Hon. James Mukwe, MP
6. Hon. Wachira Rahab Mukami, MP
7. Hon. Anab Mohamed Gure, MP
8. Hon. Nduati Joseph Ngugi, MP
9. Hon. Gichimu Robert, MP
10. Hon. Daniel Maanzo, MP
11. Hon. Jones Mlolwa, MP

APOLOGIES

1. Hon. Alois Musa Lentoimaga, MP
2. Hon. Wanyonyi Ferdinand, MP
3. Hon. Murungi Kathuri, MP
4. Hon. Bunyasi John Sakwa, MP
5. Hon. Kimani Patrick Wainaina Jungle, MP
6. Hon. Korir Generali Nixon Kiprotich, MP
7. Hon. (Dr.) Wilberforce Oundo, Phd, MP

ABSENT

1. Hon. Alexander Kimutai Kigen Kosgey, MP

IN ATTENDANCE

National Assembly

- | | | |
|------------------------|---|------------------------------|
| 1. Ms. Florence Abonyo | - | Director, Committee Services |
| 2. Mr. Erick Nyambati | - | Clerk Assistant II |
| 3. Ms. Nuri K. Nataan | - | Clerk Assistant III |
| 4. Mr. Peter Mwaura | - | Senior Legal Counsel |
| 5. Mr. Chelanga Maiyo | - | Research Officer III |

- | | | | |
|----|---------------------|---|--------------------|
| 6. | Mr. Yaqub Ahmed | - | Media Officer |
| 7. | Ms. Beatrice Auma | - | Personal Secretary |
| 8. | Mr. Collins Mahamba | - | Audio Officer |
| 9. | Mr. Richard Sang | - | Sergeant at Arms |

MIN. NO.012/DC-N/2018

PRELIMINARIES

The session resumed at 3.00pm chaired by the Hon. Gichimu Robert, MP

MIN. NO.013/DC-N/2018

**CONSIDERATION AND ADOPTION OF THE
REPORT ON THE PETITION ON BEHALF OF NEW
KYENI FARMERS COOPERATIVE SOCIETY
REGARDING THE ALLEGED
MISAPPROPRIATION OF ASSETS AND LOSS OF
COFFEE PROCEEDS BELONGING TO THE
FARMERS**

The Committee considered and adopted the report on the petition on behalf of New Kyeni Farmers Cooperative Society regarding the alleged misappropriation of assets and loss of coffee proceeds belonging to the farmers with the following observations and recommendations:-

Observations

The Committee observed as follows;

1. Some of the Petitioners were members of New Kyeni Farmers Society whose membership had been suspended by resolution of the members of the society which was regular as per the Society's by-laws.
2. The allegation that New Kyeni coffee farmer's cooperative society is on its knees having been run down by the current management committee under the Chairmanship of Mr. Charles Kariuki did not have any merit since it was not backed with any documentary evidence thus a mere allegation
3. The Petitioners were not able to link the allegation of decline in coffee production for the last 12 years with the leadership of the society. Further the Society's leadership agreed with the petitioners that there has been a general decline in coffee production in Kenya and demonstrated contrary to the allegation that the Society production has been on the rise.

4. The allegation that many farmers have been forced to cut down their coffee trees, cleared them completely or neglected and abandoned their coffee plantations due to poor management and or authoritarian leadership in the society was unrealistic since there are other cooperative societies within the area that the farmers would have opted to join and sell their produce.
5. A member of the society can only participate if he or she delivers more than 300 kilograms of coffee per crop period as contained in the by-laws of the society. The by-law therefore reduces small coffee producers who are members to irrelevant spectators in decision making. This is in contravention of section 21(a) of the Cooperative society Act on rights of members which states:-
"A member of a co-operative society shall have the right to— (a) attend and participate in decisions taken at all general meetings of the society and vote;" amongst others
6. The allegation that hooligans/ non-members are hired to threaten, intimidate and physically assault any member who does not toe the chairman's line was supported by the members of the public but was not substantiated. It would have been prudent for the petitioners to provide even an OP number reporting such an assault.
7. The allegation that under the current chairman deducted from farmers millions of shillings an amount that was never accounted for in 2005 when the society had a debt of Ksh.6, million as a result of borrowed farm inputs on behalf of the farmers, and that the government gave Ksh.5 million towards offsetting the debt was a weighty matter but doubtful since the society did not have any audit query on the said year however ,there were no records provided by the Society management indicating that the Society received the Ksh 5 million from government and that it helped the farmers in reducing the debt burden.
8. The allegation that many farmers were forcefully deregistered from the society after raising some integrity issues against the management committee was supported by the members of the public but it was unproven as there were no documentary evidence to support the allegation.
9. There was no evidence tabled before the committee indicating that there has been a conflict of interest in giving construction work, repairs work and civil works as the officials (management committee) award themselves tenders. As much as there may be such a malpractice, it is difficult for the committee to hold any officer culpable over a unsubstantiated and unproven allegation.
10. The construction of the office block in Kathanjuri did not follow the tender and procurement process as required by law.
11. Grading/ classifying coffee to be in grade A'' or B'' on members farms is per resolution of the society members.
12. Minutes of the Society provided indicated possible misappropriation and mismanagement in the society. In some instances, the minutes indicate that the society cud spend 30 times more than its income resulting to huge losses. Further, minutes indicate that the

committee resolved to procure computers for the society at one million, doors and windows at two million Kenyan shillings etc. raising concern on whether the committee was prudent in management or whether it could be a possible skim of misappropriation.

13. The Society by-law number 30 (c) provides that members of the cooperative management committee shall hold office for a period of three years and being eligible for reelection provided that no member of the committee shall be eligible for re-election for more than two terms of three years each. Section 13 of the Cooperative societies Act states that;

The by-laws of a co-operative society, shall, when registered, bind the co-operative society and the members thereof to the same extent as if they were signed by each member and contained covenants on the part of each member for himself and his personal representatives to observe all the provisions of the by-laws.

14. Section 21 (b) of the Cooperative Act states

A member of a co-operative society shall have the right to be elected to organs of the society, subject to its by-laws;

15. The Cooperative Society rules number 23(1) provides

“that a committee of a society shall be elected for a term of three years and no member shall be elected to a committee for more than two consecutive terms”

16. Consequently, Mr Charles Kariuki, the Chairman of New Kyeni Farmers Cooperative society amongst others in the Society’s management committee have been in office since 2005 to date, thus they are illegally in office.

17. However, the committee noted that a circular from the Commissioner of Cooperative development dated 25th January, 2018 was issued to all cooperative Societies to the effect that the Minister of Cooperative Development and Marketing had amended the Cooperative Societies rule number 23(1) thus removing the two term limitation. The Committee holds that a circular from a Commissioner cannot amend or invalidate an existing regulation. To amend a regulation, due process has to be followed.

18. There is need for an investigative agency to look into the allegation of misappropriation and mismanagement of New Kyeni Cooperative Society assets since the Committee would not rely on the information provided to be conclusive for fair administration of justice to all parties.

19. The composition of New Kyeni Farmers Cooperative Society management committee is unconstitutional since all members are of same gender. Article 27 of the Kenya constitution on equality and freedom from discrimination states;-

“In addition to the measures contemplated in clause (6), the State shall take legislative and other measures to implement the principle that not more than two-thirds of the members of elective or appointive bodies shall be of the same gender.”

General Observations

20. There is weak legislation on Cooperative Societies in regard to management, elections and terms of office.

21. The Commissioner of cooperatives needs to audit by laws of existing cooperatives since some of them are unconstitutional.
22. There is need for audit on funds that the Government has given out meant for waiving debts in all coffee cooperatives that received the funds to determine whether it was spent as intended.

Recommendations

The Committee therefore recommended as follows, that:-

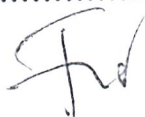
1. A forensic audit to be carried out by the commissioner of Cooperatives on the allegations and report to the House within 60days of tabling of this report.
2. The allegation of misappropriation and mismanagement of assets and possible theft of proceeds of New Kyeni cooperative society be investigated by the Ethics and Anti-Corruption Commission. (EACC).
3. Accounts for Cooperative Societies that have received money for debt relief (debt waiver) be audited to establish whether the government achieved its objective of relieving farmers from the debt burden.
4. The Commissioner of Cooperatives to audit By Laws of Cooperative societies to ensure that they are in tandem with the constitution and existing laws.

MIN. NO.014/DC-N/2018

ADJOURNMENT

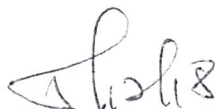
There being no other business, the Chairperson adjourned the meeting at 5.45 p.m. The date for the next meeting will be held on notice.

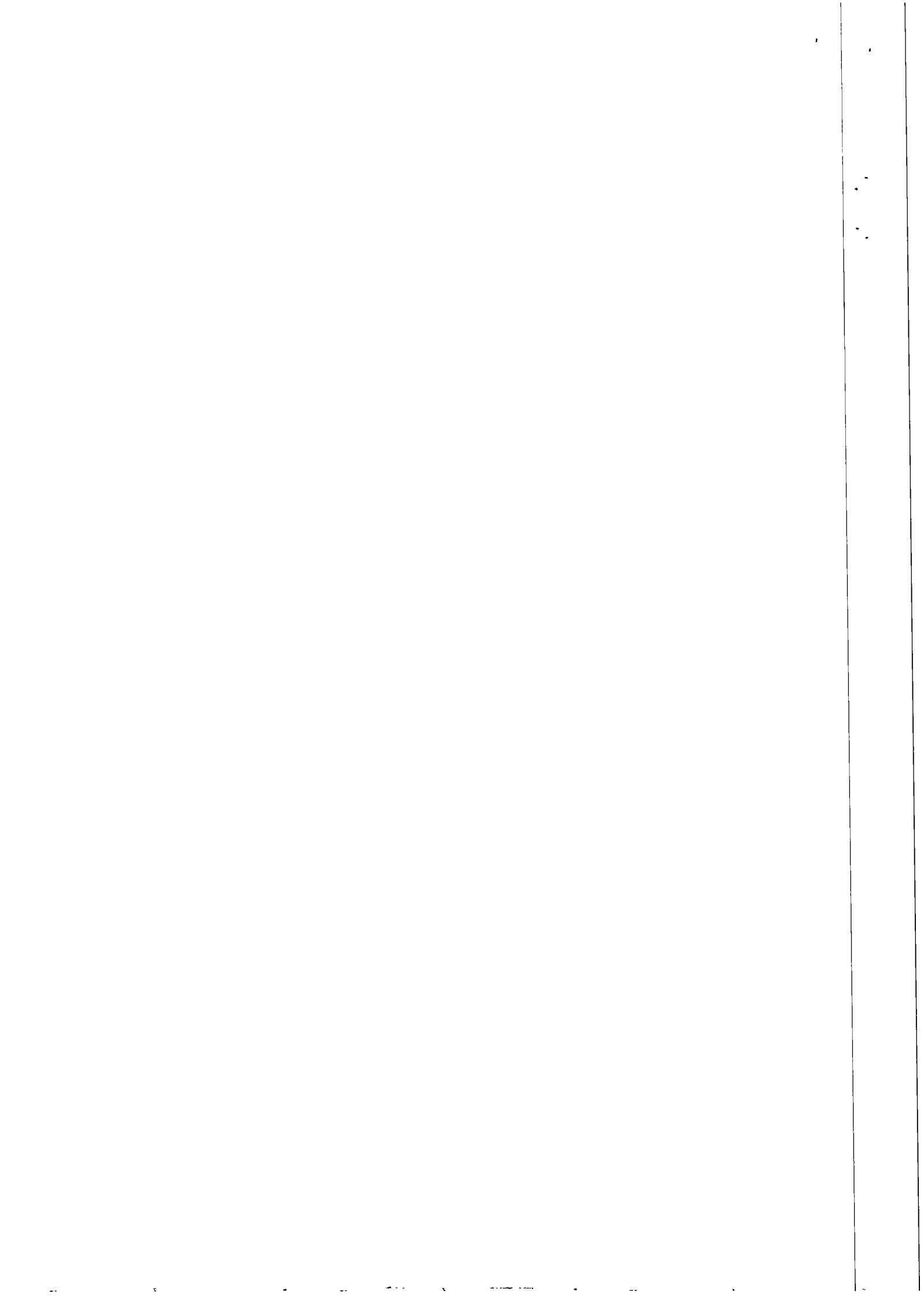
SIGNED.....

Hon. Kanini Kega, MP
(Chairperson)

DATE.....





MINUTES OF THE SUB COMMITTEE SITTING OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD IN KATHANJURI PLAYING GROUND ON 27TH AUGUST,2018 AT.2.00 PM.

PRESENT

1. Hon. Kanini Kega, M.P. – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Nduati Joseph Ngugi, MP
5. Hon. Dr. Wilberforce Oundo, Phd, MP
6. Hon. Anab Mohamed Gure, MP

IN ATTENDANCE

1. Mr. Erick Nyambati
2. Richard Sang
3. Ms. Charles Ayari

NATIONAL ASSEMBLY

Clerk Assistant III
Serjeant at arms
Audio Officer

MIN. NO.005/DC-N/2018

PRELIMINARY/COMMUNICATION FROM THE CHAIR

The Chairman called the meeting to order at 2.00pm and proceeded with a word of prayer. After introductions he welcomed the Members of public to deliberate on the day's agenda.

MIN. NO.006/DC-N/2018

CONFIRMATION OF MINUTES

Confirmation of minutes was differed to the next sitting

MIN. NO.007/DC-N/2018

PUBLIC PARTICIPATION WITH COFFEE FARMERS

The Committee held a meeting with the coffee farmers at Kathanjuri grounds in Embu county and the coffee members submitted as follows;

1. Coffee has been a source of livelihood for many Embu farmers but its fortunes has been dwindling over the years prompting many to opt out from coffee farming to farming other

crops New Kyeni Society has had perennial office bearers who have mismanaged the society.

2. The New Kyeni Society management is not transparent in running the business of the society
3. Only society members who shall have delivered 300kg of coffee cherry in the immediate previous year are allowed to speak during society meetings
4. Government coffee debt relief financing/subsidy is abused by the coffee society management leaving the coffee farmers still overburdened.
5. Any society member with a divergent view from the management proposal is deregistered thus ceases to be a member of the said society and risks being assaulted by the goons of the management.
6. Elections of the society are planned in a manner that is not democratic and the current leaders are beneficiaries of such undemocratic arrangement thus considered to have overstayed in office with little to offer.
7. The current society leaders have enriched themselves by misappropriating society resources and assets.

MIN. NO.008/DC-N/201

ADJOURNMENT

The Chairperson adjourned the meeting at 4 p.m.

SIGNED.....



HON. KANINI KEGA, M.P
(Chairperson)

Fw

DATE.....

5/10/18

MINUTES OF THE SUB COMMITTEE SITTING OF THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES HELD IN NEW KYENI FARMERS COOPERATIVE SOCIETY ON 27TH AUGUST,2018 AT.10.00 AM.

PRESENT

1. Hon. Kanini Kega, M.P. – **Chairperson**
2. Hon. Andrew Mwadime, MP
3. Hon. Daniel Maanzo, MP
4. Hon. Nduati Joseph Ngugi, MP
5. Hon. Dr. Wilberforce Oundo, Phd, MP
6. Hon. Anab Mohamed Gure, MP

IN ATTENDANCE

NATIONAL ASSEMBLY

- | | |
|-----------------------|---------------------|
| 1. Mr. Erick Nyambati | Clerk Assistant III |
| 2. Richard Sang | Serjeant at arms |
| 3. Ms. Charles Ayari | Audio Officer |

IN ATTENDANCE

NEW KYENI FARMERS MANAGEMENT COMMITTEE

- | | |
|-----------------------|----------|
| 1. Mr Charles Kariuki | Chairman |
| 2. Mr Peter Joseph | Member |
| 3. Mr Salestino Njoka | |
| 4. Mr Edwin Njagi | |
| 5. Mr Mwaniki Paul | |
| 6. Mr Elias Njiru | |
| 7. Mr Charles Nyaga | |
| 8. Mr Njiru Mrefu | |
| 9. Mtr Josiah Nyaga | |
| 10. Mr Njue Gachami | |
| 11. Mr Festus Njeru | |
| 12. Mr Evans Mbugua | |

MIN. NO.001/DC-N/2018

**PRELIMINARY/COMMUNICATION FROM
THE CHAIR**

The Chairman called the meeting to order at 9:30 am and proceeded with a word of prayer. After introductions he welcomed the Members to deliberate on the day's agenda.

MIN. NO.002/DC-N/2018

CONFIRMATION OF MINUTES

No previous sittings had been held thus there were no minutes to be confirmed.

MIN. NO.003/DC-N/201

**MEETING WITH THE MANAGEMENT AND
MEMBERS OF NEW KYENI FARMERS
SOCIETY**

The management and members of New Kyeni cooperative Society submitted as follows;

1. Mr. Taratiso Ileri Kawe is not a member of New Kyeni Fcs Ltd.
2. New Kyeni Farmers Office is stable as demonstrated by the Audited Accounts for the last 9 years.
3. Coffee production has gone down country wide and New Kyeni Fcs Ltd is not exceptional. Some reasons being:-Poor weather, Poor market prices, Poor coffee husbandry and Subdividing of land
4. Coffee production is now improving due to improved market prices. In 2005 we had 606278 kilos and in 2017/2018 we had 589325 kilos and we expect more kilos this year as indicated in the Balance sheet 2005.
5. It is a By-Law No.48B that provides that a member should have delivered 300kgs of coffee in the immediate previous year to participate in a general meeting.
6. Non-members are never allowed in the general meetings and all members are registered against their membership number (M/No) and production before allowing them in meetings.
7. The society had a total debts of Ksh.15384838.05 when the current management took over Kshs5947255.20 was waived by the government leaving a balance of Ksh.9437582.85. The balance was reported to members and members decided to contribute 30cents and 15cents towards the payment of the debts. The contribution of payments of debts and office constructions were general contributions as per members' resolution.
8. All the deductions and payments were reported to members.
9. The four members were only suspended by the General meeting and none was deregistered and there has not been any assault. None of the four has appealed as provided in the By-Law No.11.
10. The society has 8000 stems of coffee at Kigumo and Karurumo farms planted in 2012.

11. There has been no known case of conflict of interest in awarding tenders and no management Committee has ever been awarded a tender as all tenders are floated in the public for competitive bidding.
12. All the tender procurement processes were followed when building the office block.
13. Grading group A & B was a members' resolution and it is done by field committee members who are qualified and trained at CRF Ruiru and other related places to equip them with knowledge for their job. The final lists are made public at the factory before processing for their members scrutiny.
14. No member has ever been deregistered, physically assaulted or denied access to their By-law. The documents are readily available for any member who would wish to read the audited Accounts, By Laws and Budgets.
15. There is no any known case of co-operative offices having been compromised by the Society.
16. The Society Chairman is a business man and a farmer of coffee, maize, macadamia nuts, dairy farming, horticulture, etc
17. Before he was elected to the society in 2005, he had several plots.
18. In same the year 2005 he was elected as treasurer of Nawiri Sacco Society. He has been a Director of Nawiri from 2005 to date without any break and he is currently the vice chairman.
19. The Petition is political and motivated by family grudges

MIN. NO.004/DC-N/201

ADJOURNMENT

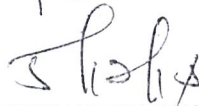
The Chairperson adjourned the meeting at 12.45 p.m. The next meeting to be held at 2.00pm

SIGNED.....



FK HON. KANINI KEGA, M.P
(Chairperson)

DATE.....





REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
TWELFTH PARLIAMENT
(SECOND SESSION)

PETITION

(No.002 of 2018)

CONVEYANCE OF A PETITION REGARDING ESTABLISHMENT OF A
SELECT COMMITTEE TO INVESTIGATE ALLEGED
MISAPPROPRIATION OF ASSETS AND LOSS OF COFFEE PROCEEDS
BELONGING TO THE NEW KYENI COFFEE FARMERS SOCIETY

Honourable Members,

Pursuant to the provisions of Standing Order 225(2) (b), I hereby convey to the House that my office is in receipt of a Petition signed by four Petitioners namely; Mr. Richard Kanyua, Mr. George Nyaga, Mr Weru Kiruntha and Mr. Erastus Nthiga on behalf of New Kyeni Farmers' Cooperative Society. The Petitioners alleged that there is misappropriation of assets and loss of coffee proceeds belonging to the New Kyeni Coffee Farmers Society.

Honourable Members,

The Petitioners contends that New Kyeni Farmers' Cooperative Society Limited was established in 1985 with the main objective of promoting and marketing coffee produce on behalf of the Kyeni Coffee farmers, in Embu County. The Petitioners allege that the Society's Management has in the recent past, misappropriated and mismanaged the Society's assets and lead to loss of coffee proceeds.

Honourable Members,

The Petitioners pray that the National Assembly established a Select Committee to enquire into misappropriation and mismanagement of the New Kyeni Farmers' Cooperative Society assets and the alleged loss of coffee proceeds belonging to the Society.

Honourable Members,

You may wish to note that the matter falls under the purview of the Departmental Committee on Trade, Industry and Cooperatives whose mandate amongst others, "is to investigate and inquire into all matters relating to the assigned ministries and department as they may deem necessary, and as they may be referred to them by the House", where the subject matter is cooperatives.

Honourable Members,

Pursuant to the provisions of Standing Order 227, the Petition stands committed to the Departmental Committee on Trade, Industry and Cooperatives for consideration. I urge the Committee to engage the Petitioner, address the Petitioners' prayers and submit a report to the House within sixty days in accordance with Standing Order 227 (2).

I, Thank you!



THE HON. JUSTIN B.N. MUTURI, E.G.H, MP
SPEAKER OF THE NATIONAL ASSEMBLY

WEDNESDAY, 14TH FEBRUARY 2018

SCHEDULE (S.3)

FORM OF PETITION

We, the undersigned,

are members of New Kyeni Cooperative Society, of Embu County representing farmers who are the petitioners are, citizens of Kenya; residents of Embu County ;-

DRAW the attention of the House to the following:

Theft, misappropriation and mismanagement of New Kyeni Farmers cooperative society assets and coffee payout proceeds by the current Society's Management team.

We represent the majority of voiceless farmers who have been suffering for many years due to outright theft, misappropriation and mismanagement of their property and coffee proceeds. The farmers suffering can be terminated if the house recommends/orders the formation of for a house select committee to inquiry/investigate the sources of farmers problems and the beneficiaries of the proceed from the crimes committed against the farmers, with a view of recommending for the necessary and appropriate action to be taken in order to restore the farmers confidence in coffee farming which has been their source of income

A chronological of the events leading to this petition has been laid down in the farmer's letter to the assembly, a letter which had been signed by 100 farmers, representing more than 300 farmers and a letter which is hereby attached.

THAT,

Efforts have previously been made to address this issue through the cooperative officer and the Embu County assemble but it failed to give a satisfactory response since the people mandated to investigate the complaint were either biased or compromised.

THAT,

We confirm that the issues in respect of which the petition is made are not pending before any court of law, or constitutional or legal body.]

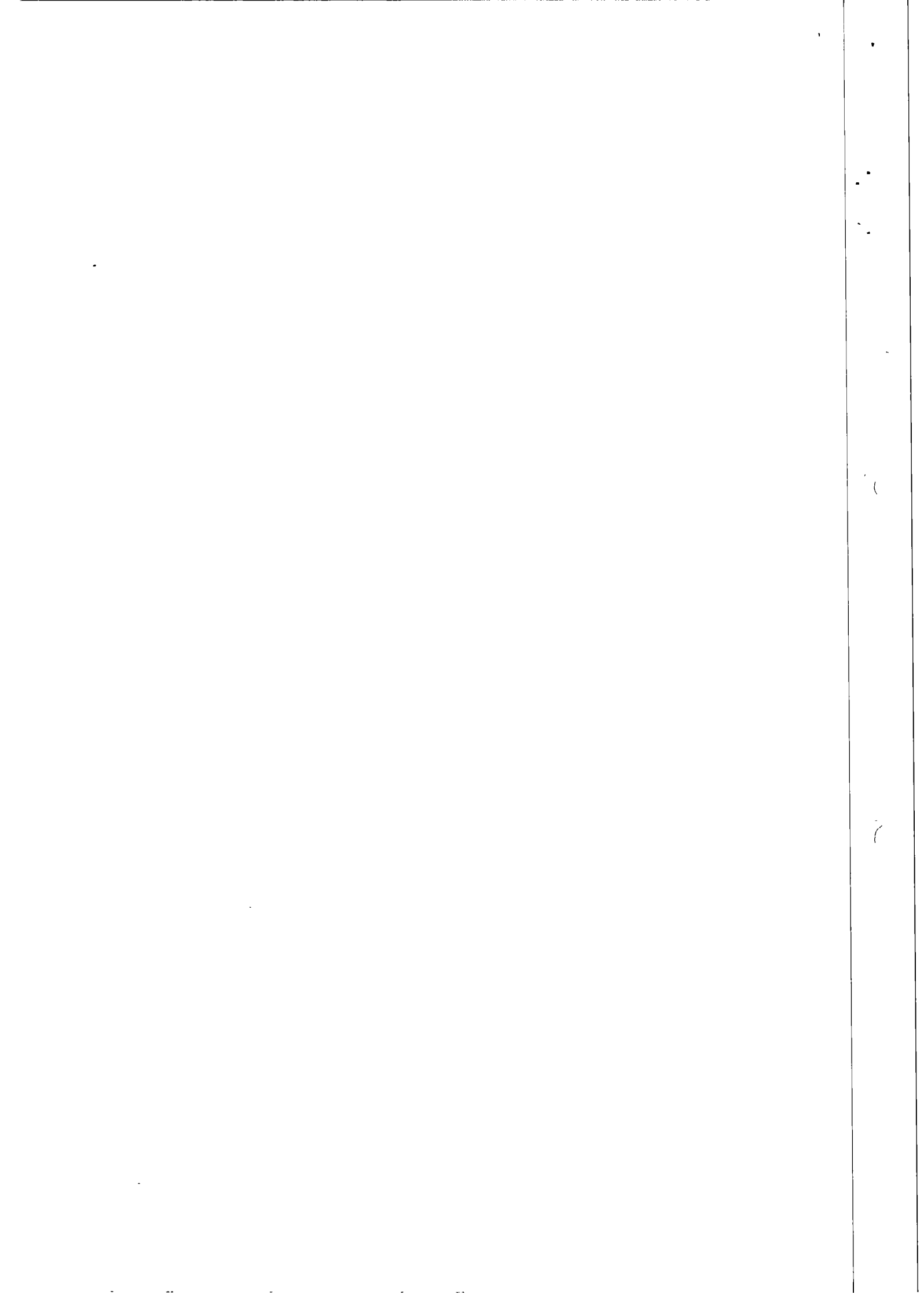
HEREFORE your humble petitioners Pray that Parliament—

Forms a select committee to inquiry into the allegations of mismanagement, misappropriation and possible theft of New Kyeni Farmers Association's properties and all the other issues as laid down in the attached letter and any other issue as the committee may deem fit.

That, while conducting the inquiry, the house orders for a formation of an interim management committee as provided in law.

And your PETITIONER(S) will ever Pray.

That their petition heard and considered with a view of having it dealt with in accordance with the law and disposed off appropriately and expeditiously.



From,

Kyeni cooperative Society Farmers representative,

RUNYENJE'S

To,

The speaker of the national assembly,

NAIROBI

Dear Sir,

RE: SEEKING PARLIAMENTARY INTERVENTION

NEW KYENI FARMERS SOCIETY

The undersigned who represents the majority of voiceless farmers who have been suffering for many years and who cannot be able to loudly raise their voice after intimidated/coerced by the management for many years.

We are petitioning the nation assembly to form a special; committee to investigate/undertake an inquiry with a view of unwrapping the management practices that has be felled Kyeni Co-operative Society for more than 10 years now.

This is after the Embu county assembly failed to undertake its responsibility to undertake full and unbiased inquiry after we had petitioned it to do so.

It is within our knowledge that the Kyeni South MCA in which New Kyeni Cooperative Society fall under who is also the chairman of the Agricultural committee and who was the chairman of the committee inquiring into our petition is a close relative of the chairman of the New Kyeni Cooperative Society. Thus the conflict of the interest which he had not declared as the chair of the committee could not have allowed him to undertake an independent and un-biased inquiry.

The Embu county assembly committee on agriculture did not go into details or investigate the matter with an inner eye with a view to un-wrath the hidden facts but on relied on simple and direct questions which could have been asked by a lay person. An inquiry becomes an inquiry when the investigating body goes a step further to the very bottom of the matter by seeking evidence from the parties concerned as well as independent witness.

In this matter the committee did not interrogate the auditor's report for the period under question nor did it order for an independent audit since our bone of contention also includes the qualification of the auditor and then suspicion of his audit report.

It did not ask for the assets inventory covering the period before and after our request for inquiry was made i.e. before 2012 and the current status.

The assembly committee did not request for evidence nor give a chance to the society's membership who should have been given either openly or in camera as they may deem fit given the chairman behavior to intimidate the coerce the members of the society.

We therefore feel that the inquiry was undertaken worse than a primary school drama on role play where one is asked "Did you assault so and so" and the suspect answers that "No I did not assault him" and the teacher says that the allegation is



| Name of petitioner | Full Address | National ID | Signature |
|--------------------|--------------|-------------|--------------------|
| R. RICHARD NG'ENJI | Box 133 | 3737363 | <i>[Signature]</i> |
| George Nyaga Ngani | Box 133 | 3708365 | <i>[Signature]</i> |
| WATER KIRUMITHA | Box 133 | 3657831 | <i>[Signature]</i> |
| Erasmus Atieno | Box 133 | 0718949 | <i>[Signature]</i> |

PETITION concerning

New Kyeni Coffee Farmers Society, theft, misappropriation and mismanagement of the society's assets and coffee payout proceeds by the current Society's Management (leadership).

We represent the majority of voiceless farmers who have been suffering for many years due to outright theft, misappropriation and mismanagement of their property and coffee proceeds. The farmers suffering can be terminated if the house recommends/orders the formation of for a house select committee to inquiry/investigate the sources of farmers problems and the beneficiaries of the proceed from the crimes committed against the farmers, with a view of recommending for the necessary and appropriate action to be taken in order to restore the farmers confidence in coffee farming which has been their source of income

A chronological of the events leading to this petition has been laid down in the farmer's letter to the assembly, a letter which had been signed by 100 farmers, on behalf of other farmers and other supporting documents.

| Name of petitioner | Signature/Thumb Impression | Date |
|--------------------|----------------------------|-------|
| RICHARD NG'ENJI | <i>[Signature]</i> | |
| George Nyaga Ngani | <i>[Signature]</i> | |
| WATER KIRUMITHA | <i>[Signature]</i> | |
| Erasmus Atieno | <i>[Signature]</i> | |

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not proved and he goes on to dismiss the case having not called the independent witness or called upon the doctors evidence in our case which should have been an independent audit.

According to the report by the Embu County assembly committee, some of the evidence by respective county and national Government officials was only copy and paste meaning that such evidence was investigator driven as opposed to witness driven.

We are aware that functions cooperative movements were devolved under the constitution of Kenya 2010, but it would be a violation of our right if we are left suffer under the County government which is yet to formulate the relevant laws and regulations and if we can be left with no one to appeal to if our County assembly fails us.

Going by the above, we strongly feel that our petition was unprofessionally investigated and the whole exercise was a cover-up given the conflict of interest by the chairman and the verbal declaration by our coffee society chairman that we cannot take him anywhere and that he would use our money to cover himself up.

We are sure that if a probe, unbiased and evidence based inquiry is undertaken, New Kyeni Cooperative society will be saved from collapsing and the poor coffee farmer will also be secured from economic degradation which has been caused by the Chairman and his management committee over a period of time.

Areas we would wish the inquiry to cover includes but not limited to :-





1. Financial and asset mismanagement since the year 2012.
2. Order an independent audit for the society financial and asset status since 2012
3. General mismanagement.
4. Order for the lifestyle and asset acquisition /disposal audit for the Chairperson of New Kyeni Co-operative society and his management team with a view of confirming whether they have been engaged with misappropriation, theft and money laundering.
5. To investigate whether the New Kyeni Cooperative society by-laws of which we have been denied access, conform to the Cooperative Society's Act and the constitution of Kenya 2010.
6. Any other issue which the select committee may deem fit.

We are also requesting the Criminal investigation department and the EACC (Ethics and Anti-corruption Commission) to undertake a thorough and proper investigation into this case.

As the inquiry is done, we request that an interim committee be formed to undertake the management of the society so as to prevent the current powerful management from interfering with the investigation.

We have attached copies of our previous correspondences and the copy of the Embu County assembly report for your information.

The following table reflects the petitioners acting on behalf of the aggrieved members of the New Kyeni Cooperative Society.

| LIST OF PETITIONERS | | | | | |
|---------------------|-----------------|----------------|----------|------------|---|
| S/NO. | NAME | MEMBERSHIP NO. | ID.NO. | CONTACT | SIGNATURE |
| 1. | Richard Kamuku | 1274 | 3737363 | |  |
| 2. | George M. Njiru | 3084 | 3708365 | 0726330024 |  |
| 3. | Elizabeth Njiru | 3082 | 07165049 | 073098140 |  |
| 4. | Joseph Njiru | 3081 | 3657071 | 0726330024 |  |

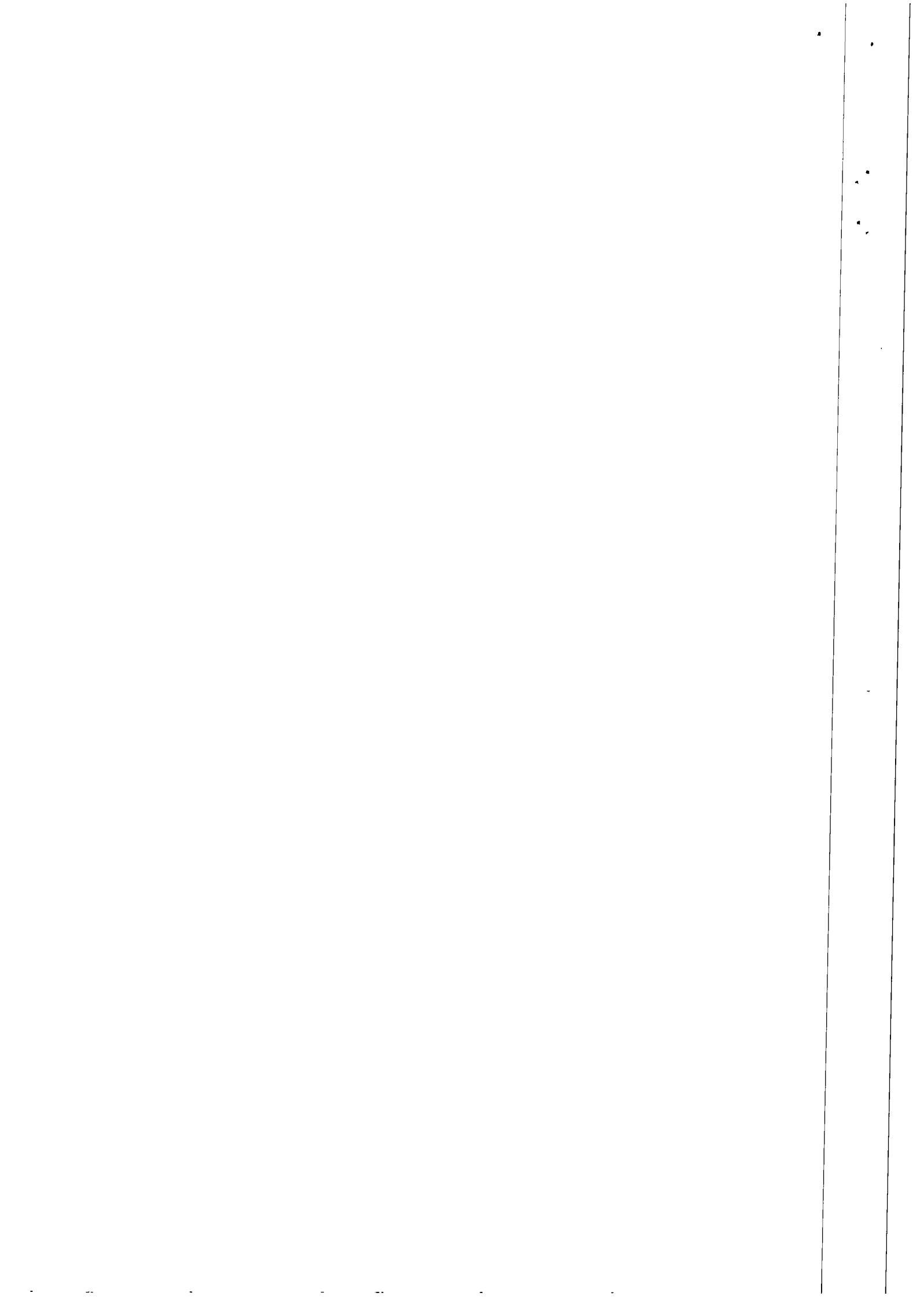


ANNEXURE A

BY-LAWS OF

**NEW KYENI FARMERS'
CO-OPERATIVE SOCIETY
LIMITED.**

CS No. 2900



1. NAME

The society shall be called **NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED** (herein after referred to as the society).

2. REGISTERED OFFICE AND ADDRESS

The registered office of the society shall be **NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED, KATHANJURI MARKET** its Postal Address shall be **P.O. Box 37, RUNYENJES**. The society is registered under the terms and conditions of the Co-operative Societies Act No. 12 of 1997 and No. 2 of 2004.

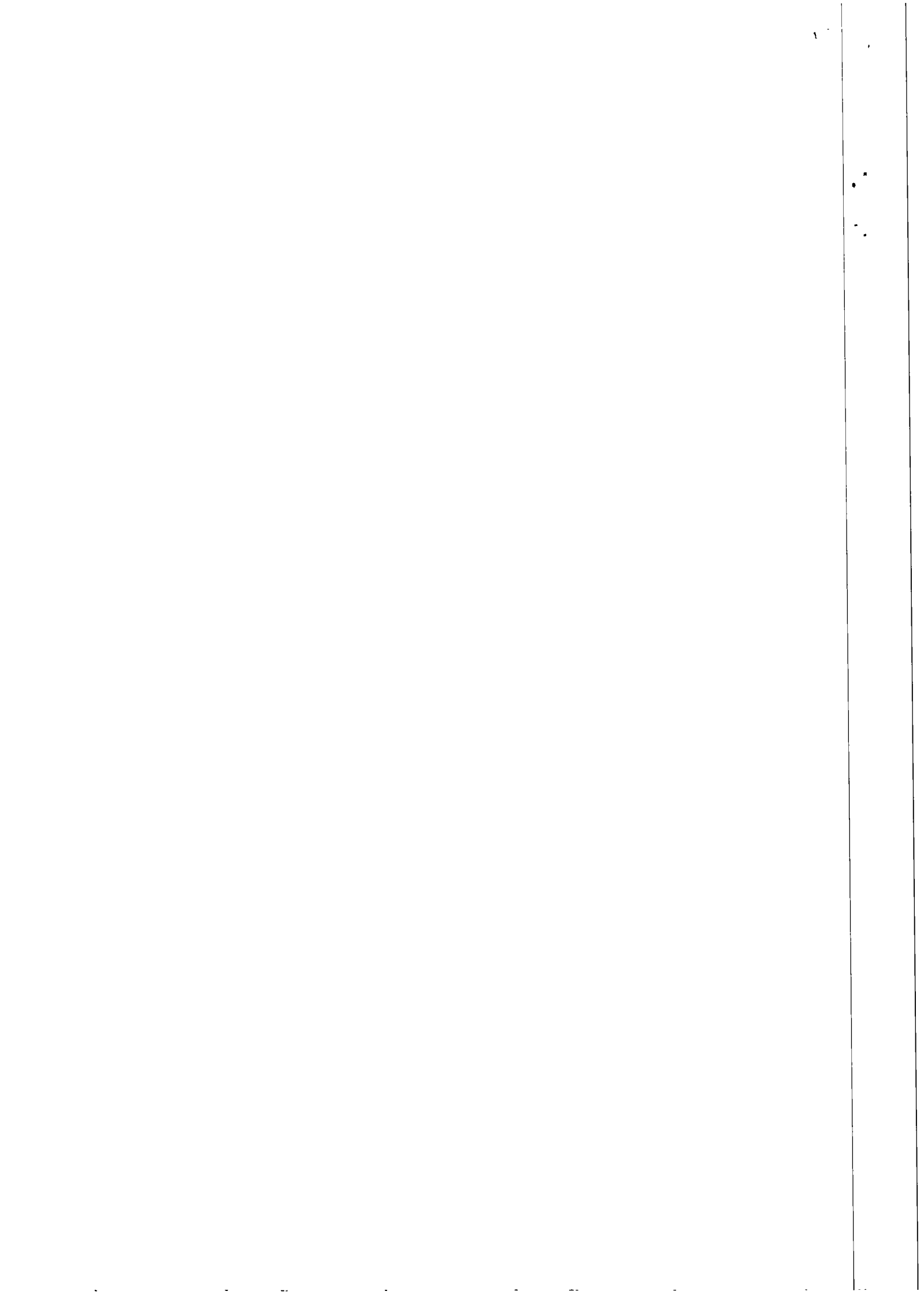
3. DEFINITION/INTERPRETATION

In these by-laws, unless the context otherwise suggests, words and phrases shall be defined/interpreted in accordance with the Co-operatives Societies Act No. 12 of 1997, No. 2 of 2004 and the Co-operatives Societies Rules made there under herein referred to as "the Act" and "the Rules" respectively.

4. OBJECTIVES

The objectives of the society are to promote the economic interests and general welfare of its members in accordance with Co-operative Principles and values and more particularly:-

- a) To arrange for the co-operative processing, grading, packing, transporting, marketing and all such other operations as may be necessary for the most profitable disposal of the members' produce.
- b) To arrange for the purchase and resale of farm inputs provided that the society may carry out such activities with non-members on such terms and conditions as agreed upon by the general meeting.
- c) To promote co-operation and good will between members and the society.
- d) For the attainment of the above objectives the society may do all other acts and things as may be necessary subject to these By-laws, the Act and the Rules provided such acts or things are approved by the general meeting.
- e) To observe co-operative principles thus:-
 - i) Voluntary and open membership:
 - ii) Democratic member control:
 - iii) Economic participation by members:
 - iv) Autonomy and independence:
 - v) Education, training and information:
 - vi) Co-operation among co-operatives, and:
 - vii) Concern for community in general.



5. MEMBERSHIP

Members shall consist of:-

- a) Original members who signed the application for registration.
- b) New members subsequently admitted in accordance with these By-laws and whose names are entered in the register of members.

6. OBLIGATIONS OF THE MEMBERS

- a). A member shall be loyal to his or her society
- b). A member shall observe all provisions of the Act, Rules and the society by-laws.

7. QUALIFICATIONS FOR MEMBERSHIP

A person shall be eligible for membership if he/she possesses all of the following qualifications:-

- a) Ordinarily resides or owns land in:
 - i) Kathanjuri
 - ii) Nyagari
 - iii) Karurumo
 - iv) Gacavari
 - v) Kiaragana
 - vi) Lower Kigumo
 - vii) Kathageri/Makutano
- b) Is of good character.
- c) Is of sound mind.
- d) Is a bonafide farmer of produce capable of being marketed by the society as per section 4(a) of these By-laws.
- e) Pays entrance fee Ksh.100/= and pays for at least five shares each at a nominal value of Kshs.100/=each.
- f) Is not less than eighteen (18) years of age except in the case of a minor heir of a deceased member.
- g) Is not a member of any other coffee society except where he/she owns land in the area of operation of that other society.
- h) Has not been declared bankrupt by a court of law.
- i) Has at least (50) mature coffee trees on his/her farm, with a minimum production of ten (10) kilogrammes per tree.
- j) Undertakes to pay contributions towards development so far contributed by the members by the time of admission.

8. ADMISSION OF MEMBERS

Members shall be admitted by the Co-operative Management Committee on recommendation of the field committee subject to confirmation by the next general meeting. On being accepted by the co-operative Management Committee a member shall sign his/her name or make his/her thumb mark in the register of members in the presence of two members of the Management Committee to indicate his/her acceptance of the By-laws of the society. The Management Committee may refuse membership to any person who does not possess the qualifications set out under By-law No. 7 above.



9. NOMINATION OF NEXT OF KIN (NOMINEE)

Every member shall nominate in writing one person or more persons to whom on his/her death shares or interest shall be transferred. The members shall have power to change the name of the nominee at any time.

The name of the nominee shall be entered in the register of members, or recorded in a sealed envelope to be securely kept by the society and any alteration thereon shall be signed by the member in the presence of two members of the Management Committee. If not admitted to membership, the nominee shall be paid the value of the shares or assets less any sum due from the deceased member to the society. Such payments shall be made within one year of the death of the member after production of the documents that may be required by the Management Committee as evidence/proof of death. Such payment shall be made within one year of the death of the member subject to availability of funds.

10. CESSATION OF MEMBERSHIP.

Membership of the society shall cease with effect from the date of the member:-

- a) Dying.
- b) Ceasing to hold the qualifications for membership set out under By-law No. 7 above.
- c) Being convicted in a court of law for an offence involving dishonesty.
- d) Voluntarily withdrawing from the society in accordance with the provision of By-law No. 12.
- e) Being certified by a competent medical practitioner to be of unsound mind.
- f) Being expelled from the society under By-law No.11.
- g) Fails to comply with good coffee husbandry standards for three (3) consecutive years in accordance with By-law No. 7 (d) and shall be informed in writing within the first year when the issue is noticed.
- h) Owning a coffee factory.
- i) Being inactive for two (2) consecutive years or fails to produce a minimum of five hundred (500) Kilogrammes of coffee cherry within the given period or as determined by the general meeting from time to time.
- j) Being declared bankrupt by a court of law.
- k) Registering or operating the same business with the society.

11. EXPULSION FROM THE SOCIETY

The Management Committee may expel a member subject to confirmation by the next general meeting who:-

- a) Is convicted in a court of law for an offence involving dishonesty.
- b) Trades on his/her own account or in another person's account in any produce scheduled by the society under By-law 48(d).
- c) Acts in any way against the interests of the society.



Any member expelled by the Management Committee may appeal to the general meeting in writing through the management committee, which shall have the power to reinstate him/her or confirm the expulsion.

Any member expelled by the general meeting may make a further appeal to the Co-operative tribunal established under section 77(1) of the Act.

The general meeting may fix the period of such expulsion after which the person so expelled, if still interested in the society, may appeal in writing to the general meeting through the management committee, which may or may not reinstate him/her.

12. WITHDRAWAL FROM MEMBERSHIP

A member may withdraw from the society only at the end of each financial year and then, only if he/she shall previously have given six (6) months notice in writing of his/her intention to withdraw from the society. A member may transfer to another society on giving one (1) month's notice to the manager. Such transfer shall be approved by the committee of each society concerned.

13. PAYMENTS TO PERSONS CEASING TO BE MEMBERS

Any person ceasing to be a member including an individual transferring to another society and members expelled under By-law No. 11 above may be paid the following amount after deduction of debts owed by him/her to the society.:-

- a) Any bonus, dividend or interest due to him/her at the date on which membership ceases.
- b) Any deposit or sum held by the society on his/her behalf.

The society shall not buy back any shares issued to a member, but may do so if it has a share transfer fund.

14. FUNDS OF THE SOCIETY.

These shall include:-

- a) Entrance fee of Ksh.100/=
- b) Minimum share capital of Ksh.500/= with one share valued at Ksh.100/= or as determined by the general meeting from time to time.
- c) Any reserve fund and any other funds established with the approval of the general meeting.
- d) Surplus funds resulting from the operations of the society.



15. APPLICATION OF FUNDS OF THE SOCIETY

The funds of the society may be applied to the promotion of the stated objects of the society set out under By-law No. 4 and the purposes set out under By-law No. 50.

16. INVESTMENT OF SOCIETY FUNDS

The society may invest or deposit its funds in accordance with section 45 of the Act.

17. SHARES

- a) Every member shall hold a minimum of five (5) shares in the society and no member shall hold more than one-fifth (1/5) of the total shares of the society. No member shall be allowed to participate in the business of the society unless one is a fully paid up member.
- b) At least two (2) shares shall be paid for in full on application for membership.

18. TRANSFER OF SHARES AND COFFEE TREES

With the approval of the management committee a member may at any time transfer his/her shares and coffee trees to another person but not a non-member.

All transfers of shares must be registered with the manager on payment of a transfer fee of Ksh.100/= (one hundred) but no transfer shall be valid unless so registered as per Rule 10 of the Co-operative Societies Rules.

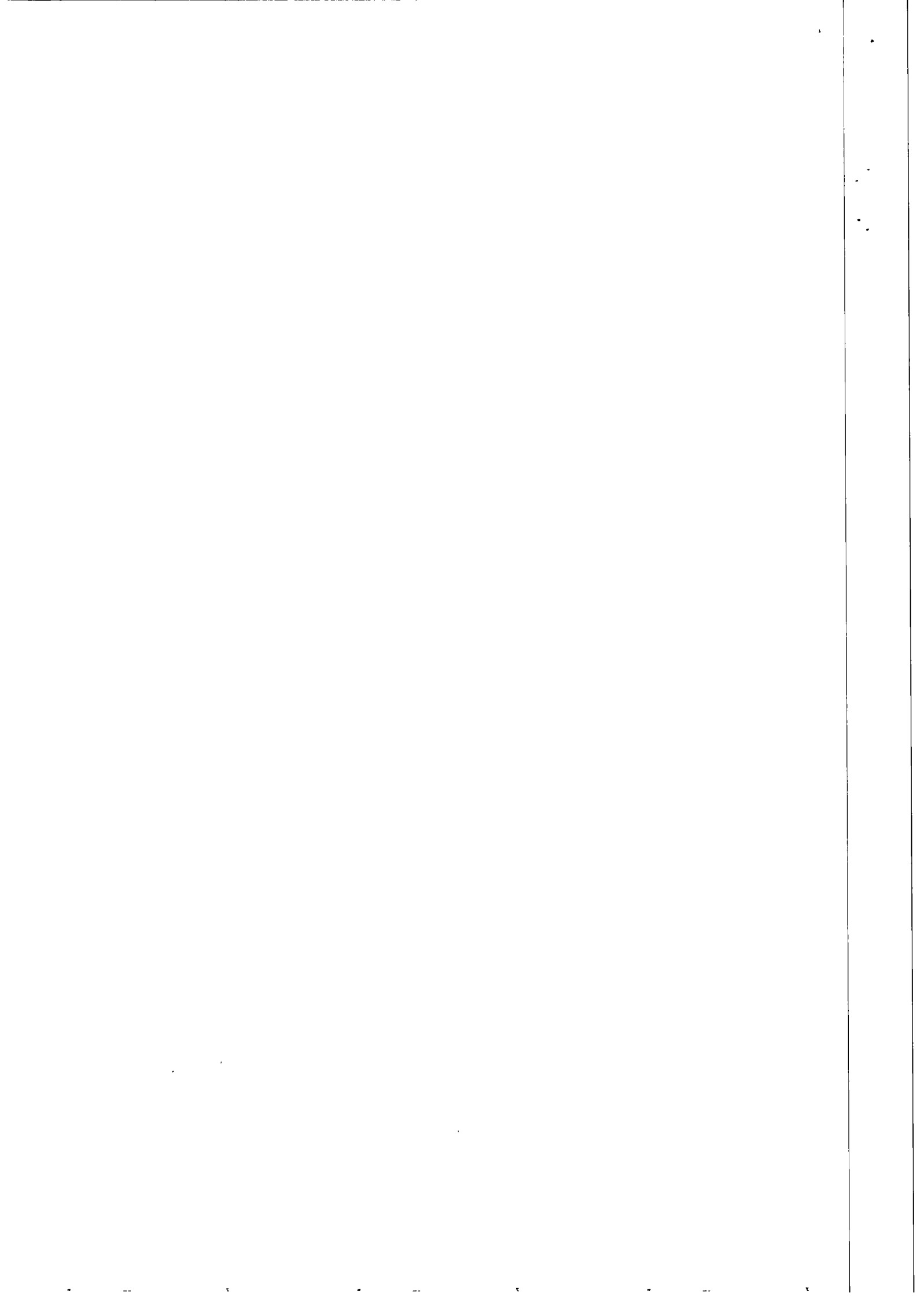
19. LIABILITY OF MEMBERS

The liability of members shall be limited to the nominal value of shares held by him/her including the amount if any, unpaid on shares held by the member.

20. RIGHTS OF A MEMBER

A member of a co-operative society shall have the right to:

- a) Attend and participate in decisions taken at all annual, general and special general meetings of the society and vote.
- b) Be elected to the organs of the society, subject to it's by-laws.
- c) Enjoy the use of all the facilities and services of the society subject to the society's by-laws.
- d) All legitimate information relating to the society, including: internal regulations, registers, Minutes of general meetings, supervisory committees reports, annual accounts and inventories, investigation reports, at the society's head office.



21. POWER OF THE SOCIETY TO BORROW

- a) Loans shall be accepted from the members and non-members.
- b) For the better securing of any loan accepted by the society under paragraph (a) of this By-law, the society may grant a charge over the assets of the society.

The authority to grant a charge shall be reserved to the general meeting and delegated to the management committee and be registered by the Commissioner of Co-operative Development.

22. COMMISSION

The society may charge a commission on produce or goods sold or bought through the society and may make charge for other services rendered. The rate of commission and other charges shall be decided by the management committee and published on the society notice board, and recorded in the minutes, provided that such rates are confirmed by the general meeting.

23. RESERVE FUND

The society shall maintain a reserve fund as per the Provisions of the Co-operative Societies Act and the Co-operative Societies Rules.

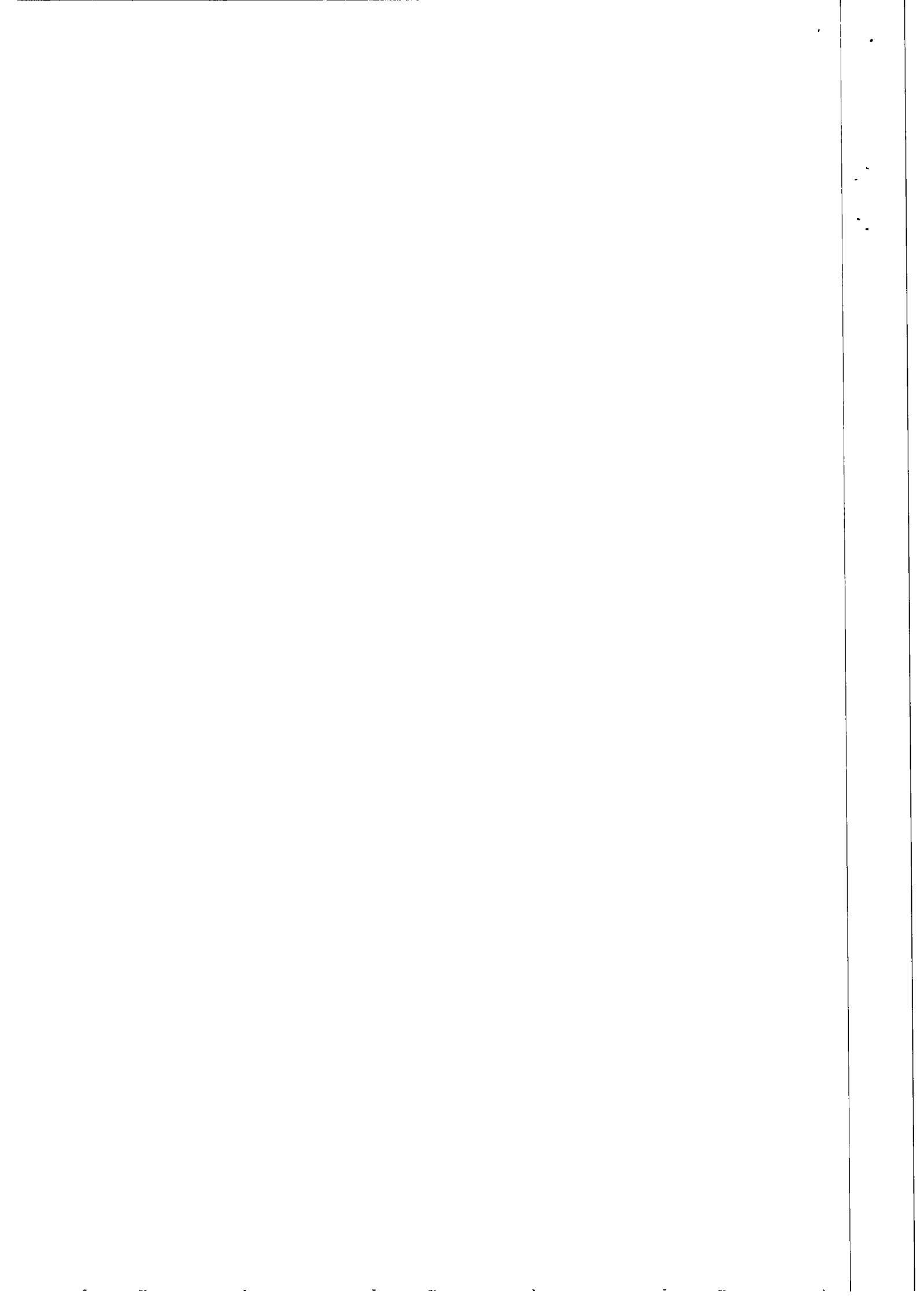
24. GENERAL MEETINGS

The supreme authority shall be vested in the general meeting of members. Such meetings shall be held as follows:-

1. Annual General Meeting

- i). The Annual General meeting shall be held every year within one (1) month of receipt of the audited accounts but not later than four (4) months after the close of the financial year.
- ii). The annual general meeting shall be preceded by factory meetings, which shall be attended by members at their respective factories to carry out the following business:-
 - a) Decide on all matters relating to coffee farming, processing, grading, packing, transporting, milling, marketing and all such other operations as may be necessary for the most profitable disposal of the members coffee.
 - b) Elect the management committee members if due for election.

Any factory decision, which has direct impact on the members produce and requires to be put to vote shall be decided by the produce of members with the highest produce who shall emerge overall winners, provided that such produce shall be from his/her own farm and confirmed by the field committee.



B. Special General Meeting

A special general meeting shall be held as follows:-

- i) When convened by the management committee
- ii) When convened by the Commissioner for Co-operative Development or his/her representatives.
- iii) The Management committee may convene a special general meeting within fifteen (15) days of receipt of a written demand from at least two hundred (200) members with fifty (50) members drawn from each factory. Each member shall have produced at least two hundred (200) kgs of coffee cherry from his/her own farm in the immediate past year. They shall append their member number, identity card number and signatures or thumbprint on the demand.
- iv) If the Management Committee fails to convene the meeting, the members may convene the meeting themselves in accordance with Section 27(7) of the Co-operative Societies Act.

25. NOTICE OF GENERAL MEETINGS

At least fifteen (15) days before a general meeting, the manager shall take all possible and usual steps such as announcement at public meetings, churches and mosques, markets, schools, the posting of a notice on the society's notice board or boards, and advertisements in local newspapers or news-sheet if any, to inform all members of the society and main business of the meeting. All written notices of the meeting shall include a statement of the business to be dealt with.

26. QUORUM AT GENERAL MEETING

The quorum at general meetings shall require the attendance of at least two hundred (200) members for the disposal of business at a general meeting. When a quorum is not present the chairman shall adjourn the meeting and shall fix a date within one (1) month for the adjourned meeting, which shall be advertised as prescribed under By-law No. 25. If at such a meeting a quorum is again not present the chairman shall declare the meeting open and proceed with the business of the meeting with those present, one (1) hour after the advertised time of the meeting.

27. DUTIES AND POWERS OF THE GENERAL MEETINGS

The general meeting shall have powers and duties as prescribed under the Act, Rules and By-laws. The general meeting shall:-

- a) Adopt and confirm the minutes of the previous general meeting.
- b) Consider the statement of accounts, the auditor's report, the inspection report, commissioner's report if any and the report of the Management Committee on the activities of the society during the past financial year.



- c) Subject to By-law No. 4 decide the disposal of the net gain or surplus resulting from the operations of the society during the past financial year.
- d) Confirm or decide otherwise, the action taken by the management committee and give direction to the new management committee where necessary.
- e) Confirm or decide otherwise, the admission and expulsion of members under By-law 7 and 11.
- f) Suspend or remove a member or members of the management committee in accordance with the Act, Rules and By-laws.
- g) Fix the maximum liability which the society may incur in loans or deposits whether from members or from non-members (maximum borrowing power).
- h) Consider the rate of commission to be charged by the society and the estimate of income and expenditure (budget) for the financial year next following the annual general meeting.
 - i) Amend the By-laws or enact new By-laws.
 - j) Schedule the types of produce to which these By-laws shall apply and decide what other functions shall be performed by the society.
 - k) Confirm members of the management committee elected at the factory level.
 - l) Appoint auditors for the ensuing year.
 - m) Determine the amount against which the management committee members will indemnify the society.
 - n) Elect members of the supervisory committee. (See Rule No. 28 (1))

If a general meeting removes a member of a management committee, it shall forthwith elect new member who shall hold office for the remainder of the term of the member so removed and where the entire management committee is removed from office, the general meeting may decide to elect or fix a day for election of an interim management committee of not more than five members to hold office for a period not exceeding ninety days.

Should the management committee be removed for mismanagement and misappropriation of society funds, the manager should also proceed on compulsory leave to give way to the office for investigation.

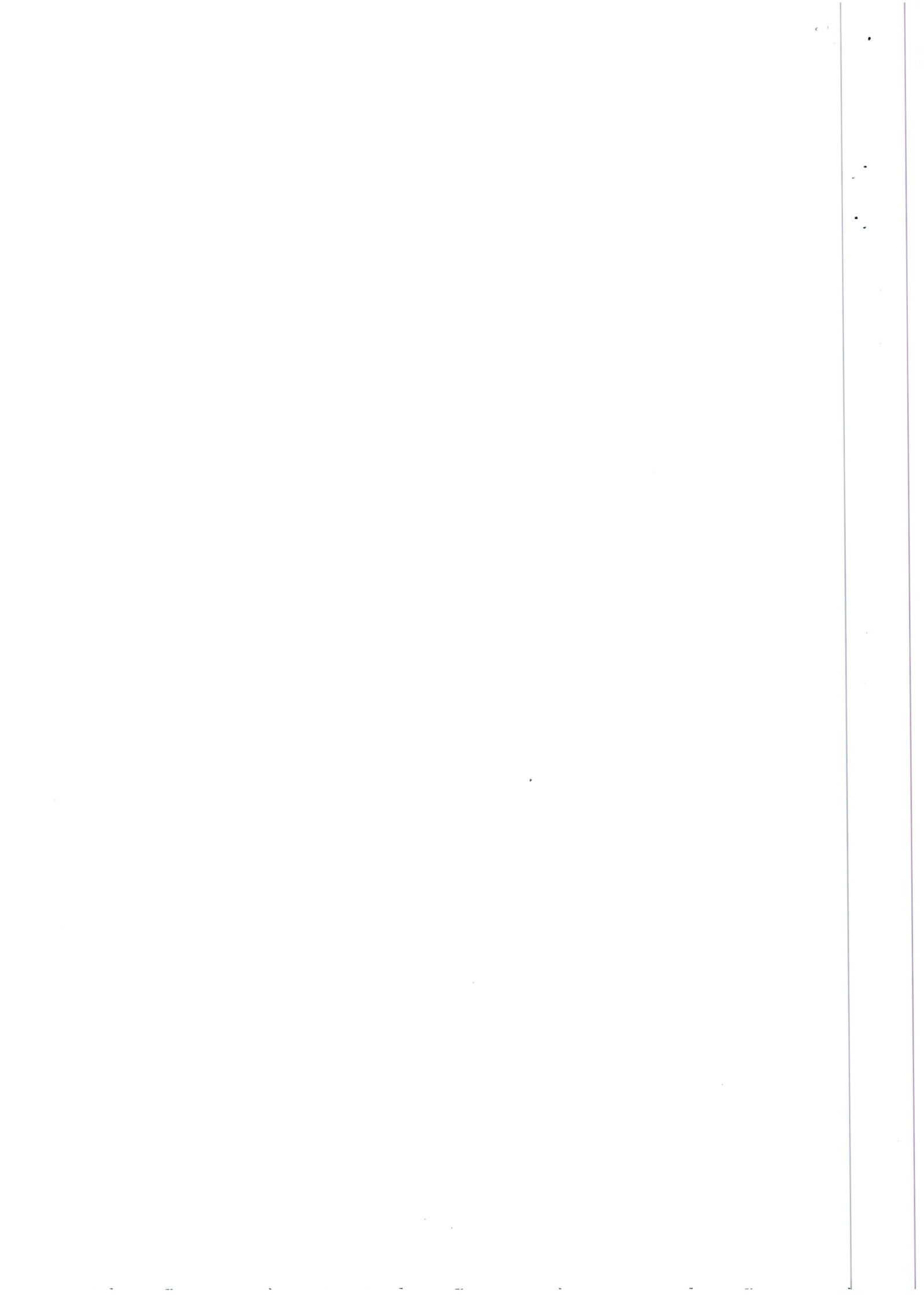
28. VOTING AT GENERAL MEETING

- a) All resolutions referred to the members present and voting at general meeting shall be decided by the produce delivered by such members during the immediate past year.
- b) Resolutions of the members with the highest production shall be carried.

29. MINUTES OF THE GENERAL MEETING

All business discussed or decided at a general meeting shall be recorded without erasures or corrections in the minute book which within one week of the meeting shall be signed by the chairperson of the meeting to indicate that in his/her opinion the record is a true and complete record of all important matters which were discussed or decided at the meeting.

A copy of the minutes shall be submitted to the District Co-operative Officer.



At the next meeting after approving any alterations or variations which shall be immediately written below the above signature and not as alterations to the original record, the meeting shall by resolution authorize the chairperson to sign and date the final record.

30. THE CO-OPERATIVE MANAGEMENT COMMITTEE

a) The committee shall consist of nine (9) members who shall be elected by members at their respective factories regardless of their gender status as follows:-

- i) Gakwegori Factory – Two (2) Committee Members.
- ii) Gachungu Factory – Two (2) Committee Members.
- iii) Gachagori Factory – Two (2) Committee Members.
- iv) Njauri Factory – Two (2) committee Members.

The ninth (9) Committee Members shall be elected by rotation among the four (4) factories. If in future the society constructs a fifth factory, the ninth committee member shall be elected from that factory.

b) The elected members of the committee shall elect from amongst themselves persons to hold the following offices:-

- ❖ Chairman
- ❖ Vice Chairman

*c) The members so elected shall hold office for a period of three (3) years and being eligible for re-election i.e. provided that no member of the committee shall be eligible for re-election for more than two terms of three (3) years each.

31. ELIGIBILITY OF MEMBERSHIP OF MANAGEMENT COMMITTEE

In addition to the provisions of the Co-operative Societies Act and Rules a member shall possess the following qualifications:-

- a) Shall be literate in both English and Kiswahili languages.
- b) Shall not hold any political post (M.Ps, Councillors, officials of all political parties at all levels)
- c) Shall not be a dismissed/sacked employee of any co-operative society.
- d) Shall not be an employee of the Provincial Administration or Disciplined Forces.
- e) Shall be eighteen (18) years and above and not more than seventy five (75) years.
- f) Shall have delivered an average of one thousand (1000) kgs of coffee cherry during the immediate past three (3) years from his/her own farm.
- g) Shall be proposed and seconded by members with an average production of five hundred (500) kgs of coffee cherry each in the immediate past three (3) years from his/her own farm.



- h) Shall undertake to provide indemnity to the society in such amount as the general meeting may decide.
- i) Shall be loyal to his/her society (shall not be a member of any other coffee society except where he/she has a coffee farm in that other society's area of operation).
- j) Shall not be an employee of the society.
- k) Shall not have been mentioned in an inquiry report of any organisation.
- l) Shall undertake to declare his/her income, assets and liabilities within fourteen days of election according to the Public Officer Ethics Act 2003 to the Commissioner for Co-operative Development.
- m) Shall not have influenced the members in any corrupt way (giving money, alcohol, feast etc)

32. SUPERVISORY COMMITTEE

There shall be a supervisory committee elected by the members at the Society General meeting. The supervisory committee shall hold office for a period of three years and one member of the supervisory committee shall retire annually.

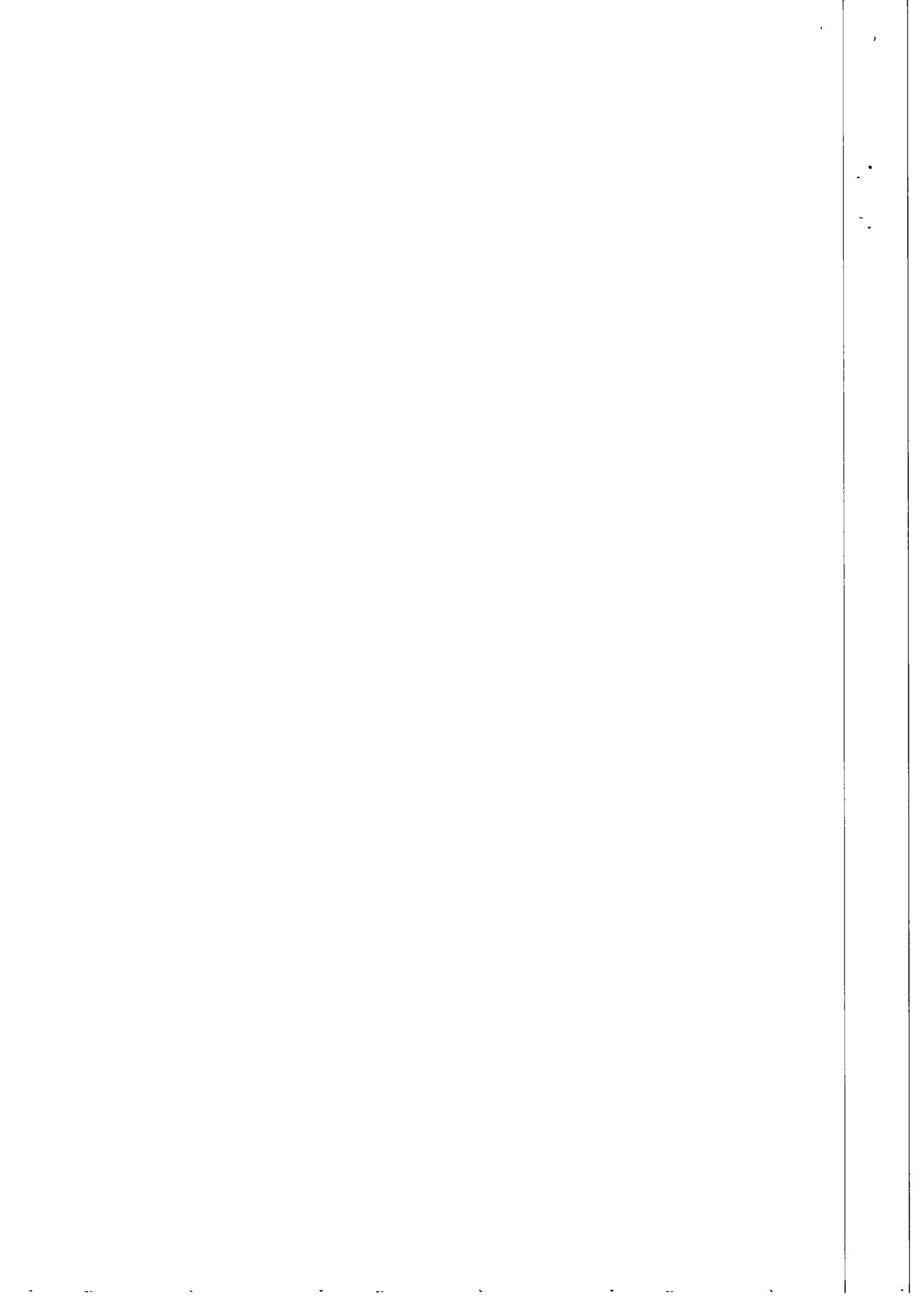
One third (1/3) of the members of the supervisory committee shall retire annually. The members to retire each year shall be determined by casting of votes for members who were elected on the same day. In the absence of that, the oldest member in the committee shall retire first and being eligible for re-election.

32.1 QUALIFICATIONS OF SUPERVISORY COMMITTEE

- a) Shall be 25 years of age and above.
- b) Shall be a registered member of the co-operative society.
- c) Shall be literate in both English and Kiswahili languages.
- d) Shall be of form four level academic qualification and above or its equivalent.
- e) Shall have delivered 500kgs of coffee cherry in the immediate past one year following his/her election.
- f) Shall be loyal to the society.
- g) Shall possess all other qualifications covering members of the co-operative management committee except by-laws 31(f) (h) and (l).

33. DUTIES OF SUPERVISORY COMMITTEE

- i. The duties of the supervisory committee shall be laid down under Rule 28(3) and shall include:-
 - a). Verification of all transactions of the society
 - b). Writing periodic reports of its findings to be tabled at management committee meetings
 - c). Submission of its reports to the Commissioner
 - d). Presenting its reports to the general meeting



Notwithstanding the provisions of sub-rule (3), the supervisory committee shall not perform the duties or exercise any of the powers of the management committee of the society.

The committee shall meet on a quarterly basis.

34. MANAGEMENT COMMITTEE MEETINGS

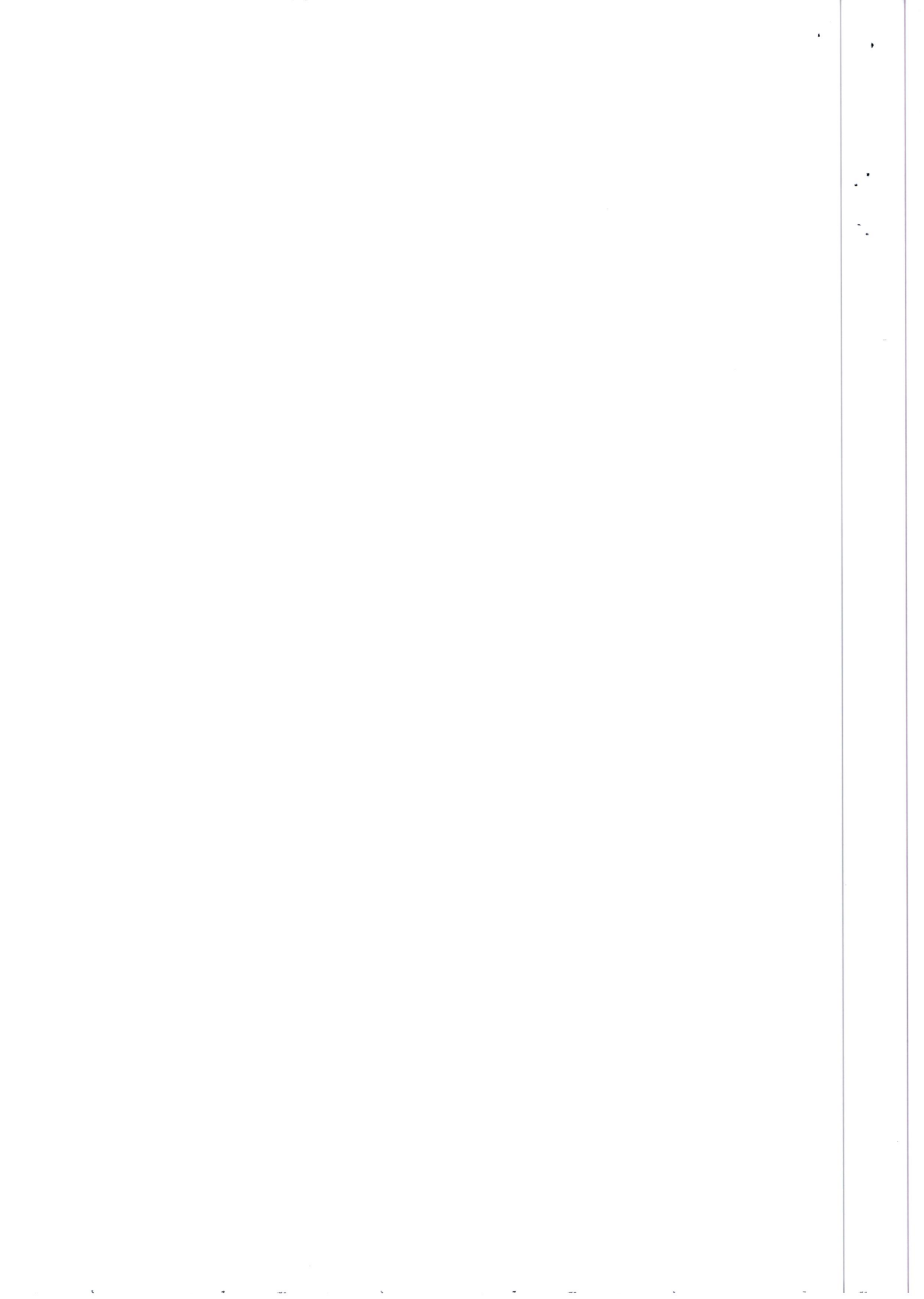
The management committee meetings shall be held regularly, at least once every month and at other times when necessary. The normal management committee meetings shall not exceed fifteen (15) in any one (1) year.

35. QUORUM AT MANAGEMENT COMMITTEE MEETINGS

The quorum at management committee meetings shall consist of five (5) members who shall be necessary for the disposal of the business of the meeting.

36. DUTIES AND POWERS OF THE MANAGEMENT COMMITTEE

- a) The Management Committee shall be the executive authority of the society, subject in all respects to the over-riding authority of the general meeting. Its procedures, powers and duties shall be as prescribed under section 27(1) of the Act and in particular it shall:-
- i. Observe in its transactions the Act, the Rules, the By-laws of the society and the directions of any general meeting.
 - ii. Ensure that true and accurate records and accounts are kept of the society's money, property and of the receipt and disposal of members produce and make frequent checks of all books, cash and property including stores for resale.
 - iii. Lay before the annual general meeting an audited balance sheet together with proposals for the disposal of the surplus every year (if any).
 - iv. Prepare and lay before the annual general meeting for adoption, the estimates of income and expenditure for the financial year following the annual general meeting and the commission rate to be charged against the produce of the society sufficient to cover all liabilities and obligations both outstanding and anticipated, for the financial year following the annual general meeting.
 - v. Appoint, suspend, punish or dismiss any paid employee of the society and supervise their work subject to the terms and conditions of service under the relevant law applicable to them.
 - vi. Impose fines under By-law No. 53.
 - vii. Issue new shares and approve transfers of shares.
 - viii. Regulate matters regarding pooling of produce under By-law No. 50 including rules relating to standards of quality.



- ix. Generally cause to be managed the affairs of the society.
 - x. To decide at the general meeting, on affiliation to a Co-operative Union Primary Apex, Secondary Co-operative, National Co-operative organization Kenya National Federation of Co-operatives (KNFC).
 - xi. Suspend member(s) of the management committee who fail to attend three (3) consecutive meetings or acts in any way against the policies or code of ethics of the committee and present the same to the general meeting for action.
 - xii. Award tenders and contracts.
- b) In the conduct of the affairs of the society the management committee shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts which are contrary to the Act, Rules and By-laws of the society or the directions of any general meeting.

37. MINUTES OF MANAGEMENT COMMITTEE MEETINGS

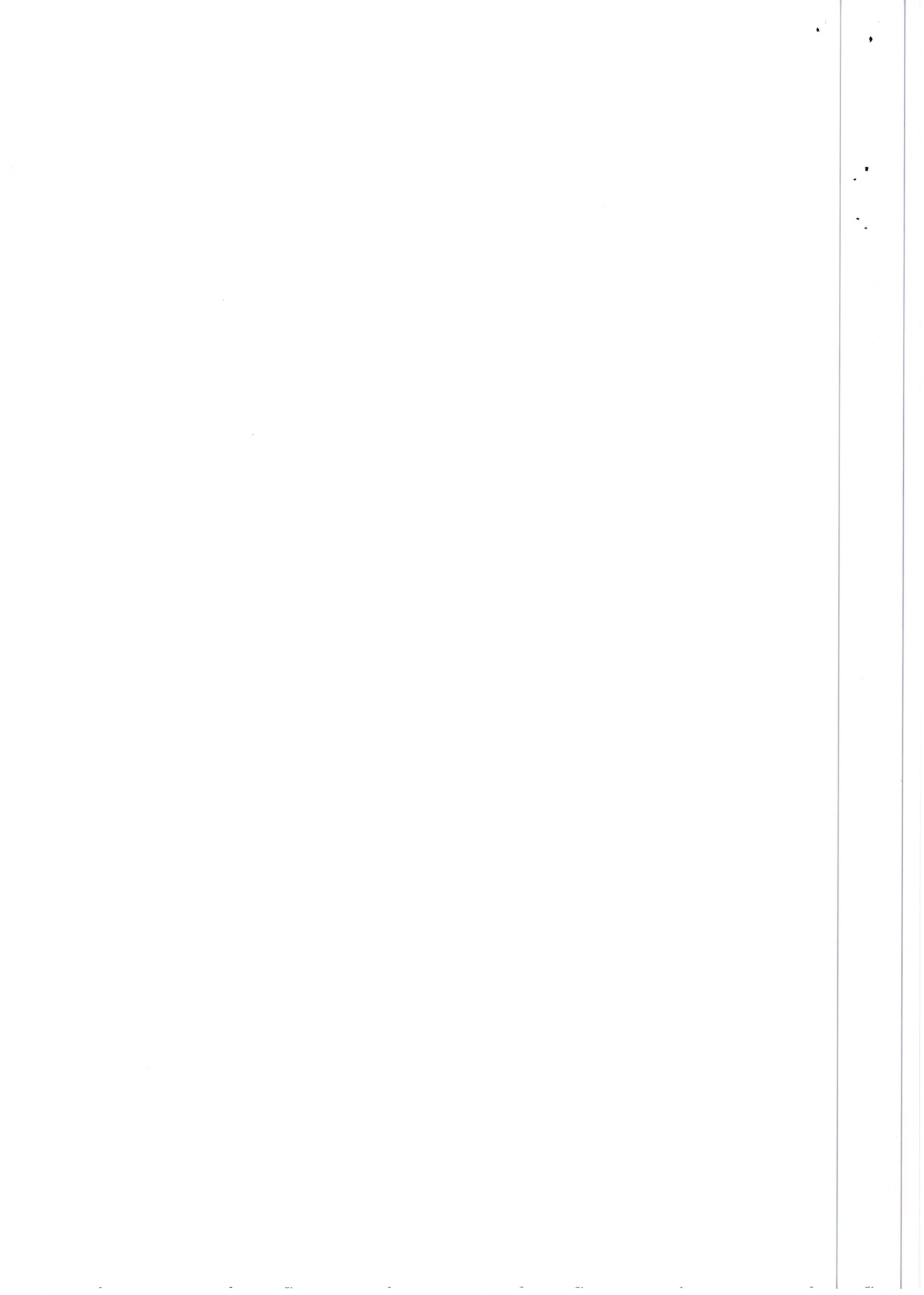
A record of business discussed or decided at a meeting of the committee shall be written without erasures and corrections in a minute book which within one week of the meeting shall be signed by the chairperson of the meeting to indicate that in his/her opinion the record is a true and complete record of all the important matters discussed in the meeting.

At the next meeting after approving any alterations or variations, which shall be immediately written below the above signature and not as alteration to the original record, the meeting shall authorize its chairperson to sign and date the final record.

A copy of the minutes shall be submitted to the District Co-operative Officer.

38. SUB-MANAGEMENT COMMITTEES

- a) The committee may appoint sub-committees for any special business from amongst the co-operative management committee.
- b) The procedure at sub-committee meetings shall be similar to that of the co-operative management committee of the society except that they shall be reporting back their findings and recommendations to the co-operative management committee.



39. DUTIES OF EXECUTIVE OFFICIALS

The duties of the Executive Officials shall be as follows: -

a) **Chairperson and Vice-Chairperson**

- i. To convene all meetings of the society
- ii. To prepare or cause to be prepared the agenda of such meetings.
- iii. To chair all society meetings and control the business to be transacted at such meetings.
- iv. To ensure that all resolutions and directives of the management committee meetings and General Meetings are implemented.
- v. Manage or cause to be managed the affairs of the society in conjunction with other elected officials of the society.
- vi. To close the meeting.

The Vice-Chairperson shall perform all the duties of the Chairperson in his/her absence and such other duties as may from time to time be assigned to him/her by the management committee.

(b) **Manager**

The manager shall be the Chief Executive of the society and his/her duties shall include:-

- (i) Ensuring that the society's correspondences are correctly attended to.
- (ii) Recording the minutes of the management committee and General Meetings.
- (iii) Ensuring that correct and adequate records are kept of produce received from members and sales made to them.
- (iv) Arranging in consultation with the chairman the calling of meetings as and when necessary.
- (v) General management of the society affairs in a professional manner.
- (vi) Maintenance and custody of society books, accounts, assets, registers, certificates, society seal, cheque books and other accountable documents.
- (vii) Counter-signing societies cheques, contracts and other documents.

40 FIELD COMMITTEE

- a. There shall be established a field committee that shall be elected by members at their respective factories
- b. Elections for field Committee shall be held every year provided that they may be removed at any time in case of discontent.
- c. Every factory shall elect five (5) members into the Field Committee.

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41. DUTIES OF THE FIELD COMMITTEE

- a). To make regular visits to members farms.
- b). To identify neglected coffee farms and report their findings to the management committee for further necessary action.
- c). To visit farms of people wishing to become members and recommend them for membership or otherwise.
- d). Any other duty that may be assigned by the management committee or General Meeting from time to time

42. ELIGIBILITY FOR MEMBERSHIP OF FIELD COMMITTEE

In addition to the provision of the Co-operative Societies Act and Rules, the following conditions shall apply to all members willing to be elected into the membership of the field Committee: -

- (a) Shall have delivered an average of five hundred (500) Kgs of coffee Cherry to the society for the last three (3) years from his/her own farm.
- (b) Shall be able and willing to attend all members education meetings unless an apology has been given before the meeting.
- (c) Shall be literate in both English and Kiswahili languages
- (d) Shall be thirty five (35) years and above.
- (e) Shall be loyal to his/her society i.e. (shall not be a member of any other Coffee society except where he/she has a Coffee farm in that other society's area of operation.)
- (f) Shall not be a dismissed employee of any co-operative society.
- (g) Shall not hold any political post at all levels i.e. councilors, M.P.s, officials of political parties at all levels.

43. SIGNING OF SOCIETY CHEQUES AND OTHER ACCOUNTABLE DOCUMENTS

All Society Cheques and other Accountable documents and records shall be signed by the following:-

CHAIRMAN

VICE CHAIRMAN

MANAGER

The Chairman and the Vice-chairman shall be elected from different factories. All factory operations shall be carried out with full knowledge of all committee members from that factory who shall endorse such operations.



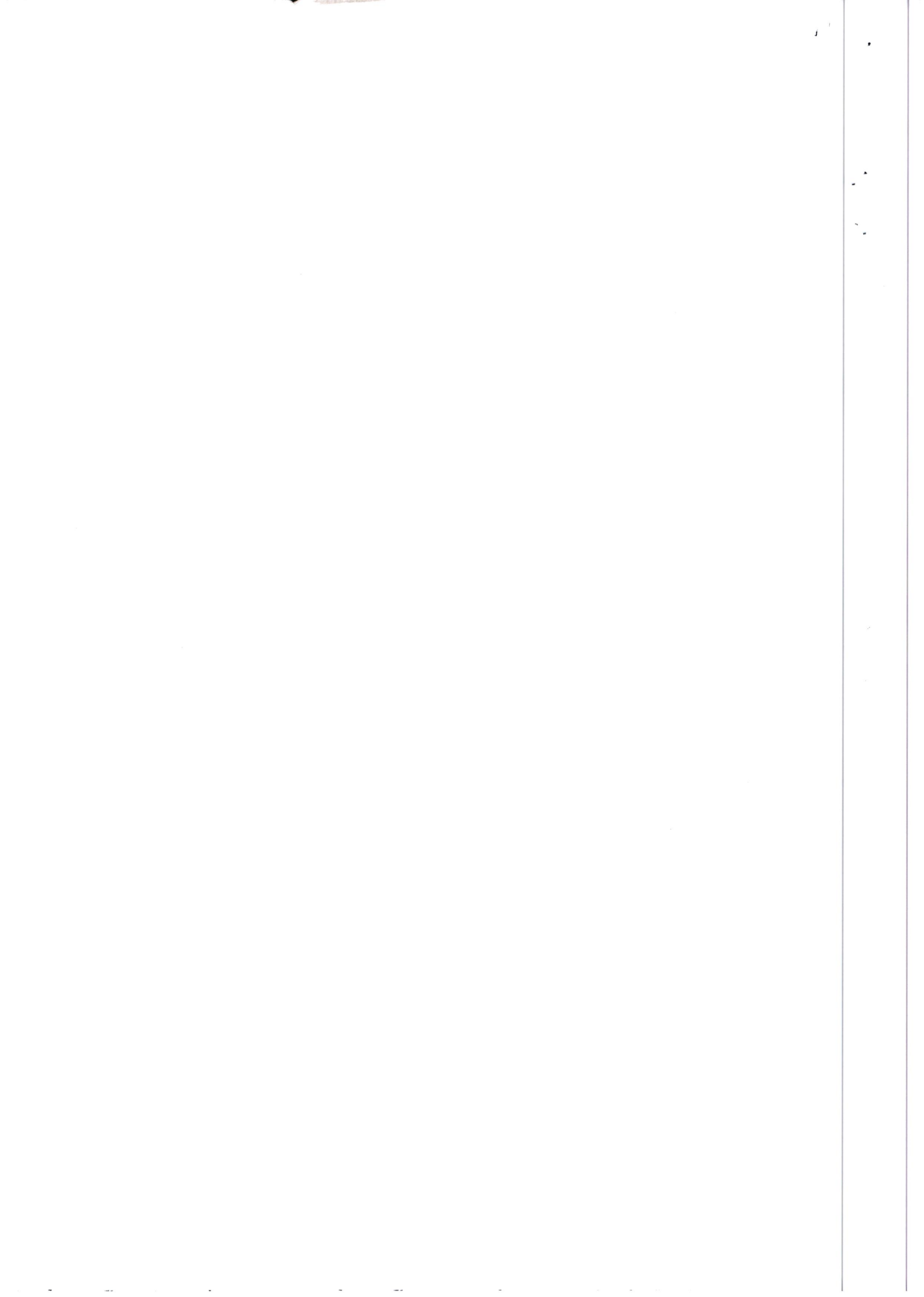
44. APPOINTMENT OF SOCIETY EMPLOYEES

- (a) The Management Committee shall have the power to appoint the paid employees of the society. Such appointments shall be made through open advertisements and subsequent interviews. The appointments shall be done on merit.
- (b) Such employees shall carry out such duties as may be required by the Management Committee and/or their terms and conditions of service.
- (c) The Management Committee may require senior employees of the society to provide security to the society of such sum as the committee may determine.
- (d) The Management Committee shall have the power to dismiss, interdict and suspend an employee in accordance with the terms and conditions of service or any other labour laws.

45. BOOKS OF ACCOUNTS AND RECORDS

The society shall keep up-to-date and in a business like manner the following books and records as per the Provision of Rule 13 of the Co-operative Societies Rules.

- (a) A register of members showing in respect of each member:-
 - i. The name, age, date of application for membership, postal address and occupation.
 - ii. The date he was admitted to membership.
 - iii. The date on which he ceased to be a member.
 - iv. The appointment, if any, of his nominees in accordance with Rule 32 of the Rules.
- The number of shares held by him/her, the date and serial number of the share receipt, the date of admission to membership, the date of leaving the society and the nominee as provided for under by-law No. 9, provided that a separate share register may be kept if considered necessary.
- (b) A minute book giving details of the proceedings at general meetings.
 - (c) A minute book giving details of the proceedings at Committee meetings.
 - (d) A cash book showing details of all moneys received and expended or paid out in any way by the society.
 - (e) A ledger containing such accounts as are necessary to properly record the transactions of the business of the society.
 - (f) A personal ledger showing transactions of each member with the society including details of produce delivered to the society by each member and the payment made thereof.
 - (g) An assets register.
 - (h) A stock control ledger.
 - (i) A register of charges showing in respect of every charge created by the society the amount of the charge and the person entitled thereto.
 - (j) Such other books as the Committee may decide or the Commissioner may prescribe.
 - (k) Employees' muster roll both in the factories and headquarters.



46. POWER OF MANAGEMENT COMMITTEE TO MAKE REGULATIONS

The Management Committee may make such regulations as they think fit regarding the conduct of the society's business.

Any regulations made shall be recorded in the minute book and published on the society's notice board and shall come into force only after a reasonable lapse of time and in any case not later than one month after the date of the notice.

47. POWER OF GENERAL MEETING TO MAKE REGULATIONS

The society may by a resolution of two-thirds (2/3) majority of the members present and voting at a general meeting make such regulations governing the methods of farming to be followed by members and shall come to force on a prescribed date.

48. GENERAL REGULATIONS

The following regulations shall apply to all members of the society:-

- (a) No member or Management Committee member shall attend any society meeting while drunk and such members shall be locked out of such meetings.
- ✓ (b) All members participating in the society's meetings shall be required to have delivered at least three hundred (300) kgs of coffee cherry to the society in the immediate past year.
- ✓ (c) All members should practice good coffee husbandry on their farms. Members with neglected farms shall be given one (1) year to rehabilitate their coffee farms failure to which they may be expelled from the society.
- ✓ (d) No member shall buy or sell his/her coffee to anybody else except the society. Members found guilty of buying coffee cherry shall be liable for a fine of Ksh. 500 (five hundred) and the proceeds from such coffee shall be forfeited to the society. Members found guilty of selling their coffee shall be liable for a fine of Ksh. 500 (five hundred) or as per the Coffee Act.
- (e) Abusive language shall not be allowed in the society meetings. Members found using such language shall be asked to leave the meeting.
- (f) Members found guilty of colluding with the staff to inflate their production shall forfeit all the proceeds for that season to the society and such staff shall be dealt with according to the terms and conditions of service and any other relevant law.
- (g) Credit for farm inputs and advances to members shall be limited to the credit limit set by the Management Committee. Any credit given above the set limit and cannot be recovered from such members shall be recovered from the person who authorized the credit.
- (h) No share shall be transferred if it has any debts unless the new shareholders accept liability.



- (i) If an indebted member uses another member's share to sell his/her coffee, that other member's proceeds shall be used to repay debts.
- (j) The "first come first served" system shall be used during weighing of coffee cherry at the factories. Members who do not follow that system may not be allowed to weigh their cherry until all the members have weighed their cherry.
- (k) All capital expenditures and loans shall be approved by the general meeting before they are incurred or borrowed.
- (l) Any member or committee member found spreading malicious rumours about the society that cannot be substantiated, or likely to cause division, or discounted among the members of the society may be expelled by the general meeting.

49. FINANCIAL YEAR

The financial year of the society shall be **1st JANUARY TO 31st DECEMBER** every year.

50. DELIVERY OF PRODUCE

- a) The society shall market only such types of produce as provided for under By-law No. 4 of these By-laws.
- b) The Management Committee may direct the kind and quality of produce, which shall be delivered by each member and need not accept such produce unless it is of the standard required and is delivered at the time and place directed.
- c) A receipt for all produce delivered to and accepted by the society shall be issued on behalf of the society at the time of delivery.
- d) The Management Committee shall make regulations, as they find fit regarding the kinds of the produce to which a pooling system shall be applied and shall decide on the periods of such produce.
- e) On the basis of quality, coffee from different members may be processed, marketed and paid for separately.

51. BINDING RULES

- i). No member shall without first obtaining the written consent of the management committee, sell or otherwise dispose off any of his/her produce to any company, society or person other than the society.
- ii). If the member acts inconsistently with the said contract, he/she shall pay to the society a sum estimated by the management committee, as loss arising out of the breach of the contract. Payment of such damages shall in no way preclude the imposition of a fine under By-law No. 48(d) and 53.
- iii). The society may require members and new members to sign an agreement form binding them to sell their produce (coffee) through the society.



52. DISPOSAL OF SURPLUS

The net gain or surplus resulting from the operations of the society during any one financial year shall be disposed off as follows:-

- a) Twenty five percent (25%) shall be credited to the reserve Fund. In accordance with the Act and Rules.
- b) Paying a dividend to the members.
- c) Paying a bonus to the members in proportion to the value of produce delivered or business done by them through the society.
- d) Being carried to the reserve or other funds of the society.
- e) Being contributed to any charitable or educational purpose.
- f) Paying a gratuity or honorarium to employees and management committee.
- g) In any other way approved by the general meeting.

53. FINES

The Management Committee may impose a fine on a member for breach of these By-laws of such amount as may be deemed fit subject to the provisions of section 32 of the Act. Such fines shall not exceed Ksh.20,000/= for each offence committed unless the same has been approved by the general meeting.

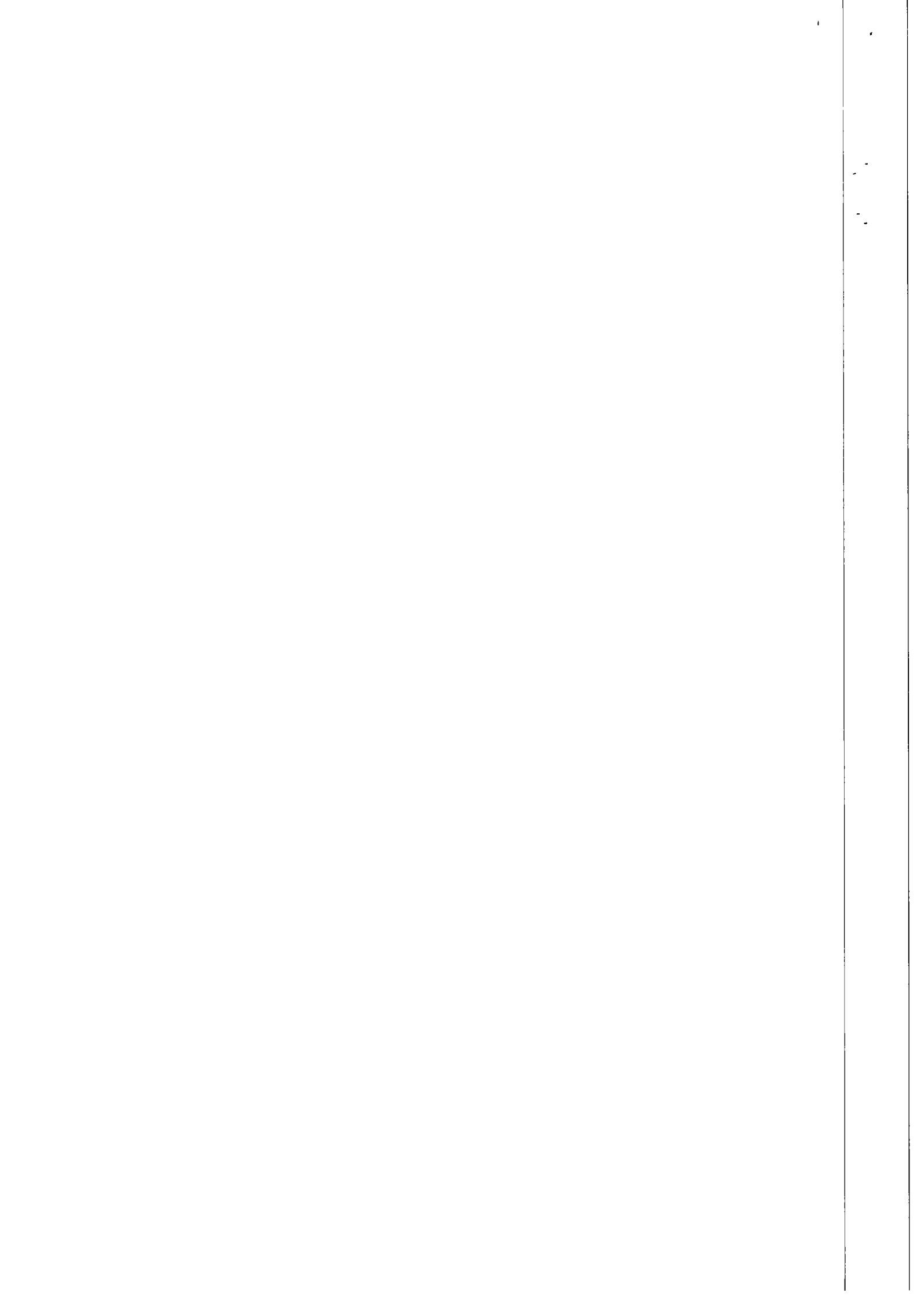
54. DISPUTES

- a) Any dispute arising out of these By-laws or concerning the business of the society, which cannot be settled, by the management committee or general meeting shall be referred to the Co-operative tribunal established under the Act.
- b) For the purpose of this By-law, a debt owed by a member to the society or vice versa shall be regarded as a dispute.

55. MISCELLANEOUS

No officers or Management Committee members shall receive from the society any payment except:-

- a) Traveling, sitting and subsistence allowances while working on the society's business.
- b) A honoraria if voted for at an annual general meeting and the society's business has been satisfactorily carried out.



56. AUDIT AND SUPERVISION FEES

The society shall pay as audit and supervision fees of such sum as the Co-operative management committee may decide.

57. COPY OF BY-LAWS

- a) A copy of these By-laws shall be issued to every member who requests for a copy upon payment of the sum of one hundred shillings (Kshs. 100) only.
- b) All new members shall be required to buy a copy of these By-laws upon being admitted into membership.

58. LIQUIDATION

The society shall be liquidated only by the order of the Commissioner for Co-operative Development. On dissolution of the society after discharging the liabilities of the society and repaying the share capital the reserve fund if any shall be applied to such objects of local and public utility as may be approved by the Commissioner for Co-operative Development.

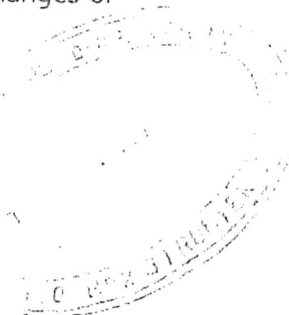
59. COMMON SEAL

The seal of the society may be a rubber stamp bearing the words "**SEAL OF THE NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED**" and shall be different from the name stamp of the society. The seal shall be kept securely under lock and key by the manager and shall be used only in the presence of all officer authorized to sign on behalf of the society under By-law No.43 of these By-laws.

60. ACCEPTANCE

We the undersigned executive officials of the co-operative society named herein do hereby accept and adopt these by-laws for and on behalf of the society, together with any changes or alterations that have been initialed or signed by us:-

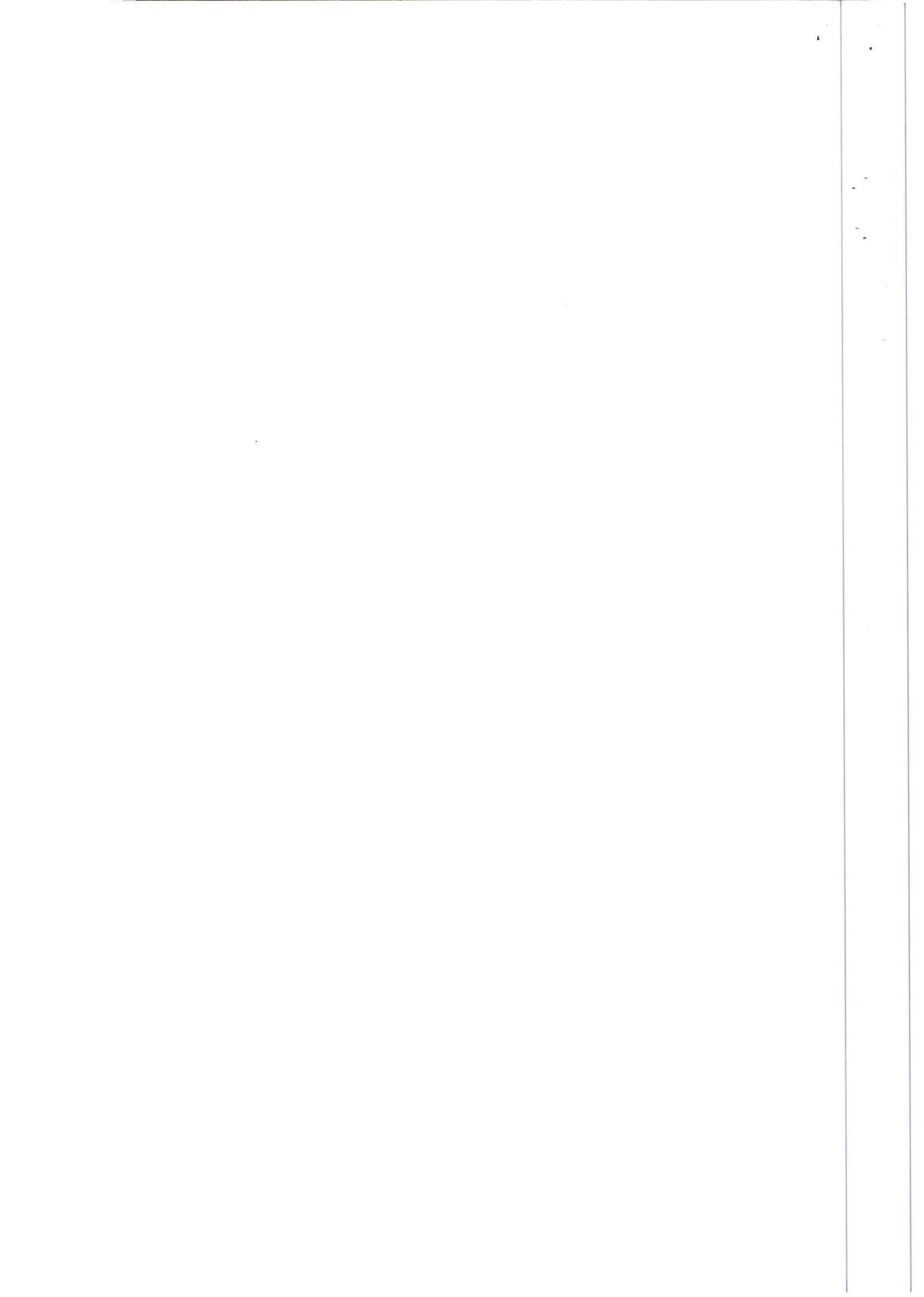
CHAIRMAN CHARLES KARIUKI
 VICE CHAIRMAN JOSIAH NYAGA
 MANAGER ROBERT N. IRERI



SCHEDULE

In accordance with section 8 of the Co-operative Societies Act, Certified that the foregoing By-laws of the NEW FARMERS CO-OPERATIVE SOCIETY have been approved and registered as C.S. NO. 2900.

Given under my hand at NAIROBI
 This 15TH day of SEPTEMBER 2005.
 F.F. ODHIAMBO
 COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT.



THE CO-OPERATIVE SOCIETIES ACT
CERTIFICATE OF AMENDMENTS OF BY-LAWS

WEMBU CHARLES FARUKI AND MR. ROBERT N. JEBE
Chairman and Secretary of MARI KEMU FARMERS
Co-operative Society Limited hereby certify:-

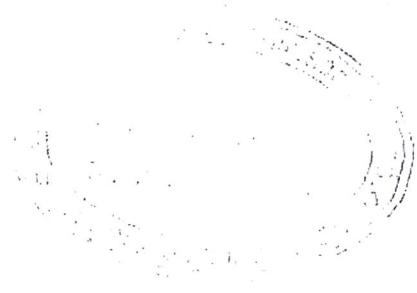
- (i). That the enclosed amendment for the by-laws was made at a general meeting held on 11th JANUARY 2005
- (ii). That on that date there were 3500 members' of society of whom 3000 were present in the meeting.
- (iii). That 3000 members voted for the amendment.
- (iv). That proper notice of the meeting and the proposed amendment were issued to all members of the society.
- (v). That a voting paper was duly issued to every member.
- (vi). That the amendment has received the prior approval of the Commissioner for Co-operative Development.

Vis. Sub.
APPROVED
F. F. ODHIAMBO
COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

M. S.
.....
Chairman

Date 11/1/2005

J. M. M.
.....
Secretary





**MINUTES OF SPECIAL GENERAL MEETING HELD ON 08TH /07/2011 AT
GACHAGORI FACTORY**

Present

1. Mr. Charles Kariuki chairman
2. Mr. Peter Joseph v/chairman
3. Mr. Salestino Njoka c/member
4. Mr. Edwin Njagi c/member
5. Mr. Mwaniki Paul c/member
6. Mr. Elias Njiru c/member
7. Mr. Charles Nyaga c/member
8. Mr. Njiru Murefu c/member
9. Mr. Salesio Nthiga c/member



Supervisory committee

1. Mr. Josiah Nyaga
2. Mr. Njue Gachami
3. Mr. Festus Njeru

In attendance

1. Mr. Muriuki D.C.O. Embu East
2. Mr. Owen Nyaga D.C.O staff Embu East
3. Mr. Kamau Coffee board of Kenya
4. Mr. Mugo C.E.O Nawiri Sacco
5. Mr. Nyaga sales manager Bio Medical
6. Mr. Robert N. Ileri Ag sec/manager

Minute No. 1/2011/2011. Prayers.

The meetings started with a word of prayer said by member no.832 Mr. Elias Ileri at (11.00am). There were 225 members who had arrived for the meeting. The chairman welcomed all the members, management committee, supervisory committee and the in attendants. He then asked all the management and supervisory committee to introduce themselves to the members. He then asked the members to contribute their ideas freely for the welfare of the society.

Minute No. 2/2010/2011. Reading of the Previous Minutes.

The Ag/secretary manager read the previous minutes, special general meeting of 2010/2011 held on 8th/7/2011. Then after reading were proposed by m/no. 2544 Peter Njiru with 1429 kg and seconded by m/no. 641 Mr. Wilson Njagi and were agreed by all.

Minute No.3/2010/2011. The Proposed Budget 2011/2012.

The Ag/secretary manager read the proposed budget to members as follows;

GAKWEGORI FACTORY

Cherry production 220,000kgs

8

| | | |
|-----------------------|-----------------|-------|
| Sales to be released | ksh 7857, 500/= | |
| Mbuni sales | ksh 500,000/= | |
| Total | 8,357,500/= | |
| Expenditure | ksh 2, 090050/= | |
| Budget contribution | ksh 362.700/= | 21% |
| Payment to members | ksh 5,281,250/= | 67.2% |
| Members mbuni payment | ksh 350,000/= | 80% |

GACHUNGU FACTORY

| | | |
|----------------------|------------------|-----|
| Cherry production | 250,000kgs | |
| Sales to be released | ksh 8,927, 500/= | |
| Mbuni sales | ksh 500,000/= | |
| Total income | ksh 9,427,500/= | |
| Expenditure of | ksh 2,333,150/= | |
| Contribution of | ksh 756,800/= | 25% |
| Members payment | ksh5, 987,550/= | 67% |
| Members mbuni payout | ksh 350,000/= | 80% |

GACHAGORI FACTORY

| | | |
|----------------------|------------------|-----|
| Cherry production | 300,000kgs | |
| Sales to be released | ksh 10,715,000/= | |
| Mbuni sales | ksh 500,000/= | |
| Expenditure of | ksh 2,482,430/= | |
| Contribution of | ksh 877,880/= | 29% |
| Members payment | ksh7, 504,690/= | 70% |
| Members mbuni payout | ksh 350,000/= | 80% |
| Total Income | Ksh 11,215,000/= | |

NJAURI FACTORY

| | | |
|----------------------|------------------|-----|
| Cherry production | 250,000kgs | |
| Sales to be released | ksh 8,927, 500/= | |
| Mbuni sales | ksh 500,000/= | |
| Total | ksh 9,427,500/= | |
| Expenditure of | ksh 2,333,150/= | |
| Members payment | ksh5, 987,550/= | 67% |



| | | |
|---------------------|---------------|-----|
| Budget Contribution | ksh 756,800/= | 25% |
| Members mbuni | ksh 350,000/= | 80% |

STORE FOR RESALE

| | |
|-------------------|------------------|
| Income | ksh 3,150, 000/= |
| Purchase of goods | ksh 3,000,000/= |
| Expenditure | ksh 3,040,000/= |
| Profit released | ksh 110, 000/= |

999 SOCIETY GENERAL

| | |
|-------------|-----------------|
| Income | ksh 80,000/= |
| Expenditure | ksh 3,271,180/= |
| Total loss | ksh 3,191,180/= |

KQJ 244 SOCIETY LORRY

| | |
|-------------|----------------|
| Income | ksh 600,000/= |
| Expenditure | ksh 546, 000/= |
| Profit | ksh 54, 000/= |

999 CAPITAL EXPENDITURE

We shall complete our new permanent office with 4 million and buy office computers and furniture of ksh 4.5 million to total of 8.5 million which will be members coffee proceeds and share devideds. After reading the proposed budget it was proposed by member No.2091 Mr.Njangungi Njeru with 829kgs and seconded by M/No.2374 Mrs.Jane Weveti Nyaga with 602 kgs.

MINUTE NO. 4/2010/2011 BORROWIG POWER.

In reference to the previous years maximum borrowing power of 20 million, members noted that they were non used or carried any loan. So they resolved in this same year 2011/2012 to have borrowing power of 20 million this was proposed by member No853 Mr. Evans Mbutho with 897 kgs and seconded by M/No.97 Mr. Albert Njeru with 605kgs and was agreed by all.

MINUTE NO. 5/2010/2011 CODE OF ETHICKS TO MEMBERS.

The Ass/sec manager Mr.Charagu read to members the code of ethics proposed draft. After along discussion they gave the following resolution.

- i. Every one should attain the asid coffee kgs
- ii. Every one should spray, prunne, manure and dig terrace to his or her coffee.



- iii. No inter cropping anything.

After reading this code ethic it was proposed by M/No.2620 Lawrence Ndwiga with 852 kgs and seconded by M/No.2409 Mr.John Kinyua 810 kgs and was agreed by all.

MINUTE NO. 6/2010/2011 CHAIRMANS REPORT

The chairman started by greeting all members, management committee, supervisory committee and all the invited guests. Then he welcomed them all to the meeting as well as to thank them all for good co-operation and unity, there after he read 2nd crop production years 2010/2011.

| | GROUP A | GROUP B | TOTAL |
|-----------------------|----------------|----------------|--------------|
| 01 GAKWEGORI F | 59581 | 14347 | 73928 |
| 02 GACHUNGU F | 92592 | 27066 | 119658 |
| 03 GACHAGORI F | 81179 | 19460 | 100639 |
| 04 NJAURI F | 8882 | 17119 | 105939 |
| | 322172 | 77992 | 400164 |

The chairman informed members that we did not meet our budget because of the weather, so he asked members to go back to their coffee shambas so as to have quality and quantity of good coffee.

He still added by telling members management has decided to increase coffee at Kigumo and Karurumo.

He also thanked those members who had joined N.H.I.F and requested those who had not joined to join it.

Lastly he asked members to give respect to themselves and staff. He then reminded them that there will come a time for those members who had migrated; we look for the mean score so as to deduct equally. He then asked them to assist in reporting those members who are hooking coffee.

After chairman read his report it was proposed by member No.2045 Mr.Paul Njiru with 507 kgs and seconded by M/No.3875 Mrs Flora Wacuka with 500kgs.

MINUTE NO. 7/2010/2011 A.O.B (ANY OTHER BUSINESS)



Bio medical. The officer from bio medical Mr. Nyaga taught members on spraying their coffee in time as well as applying manure and fertilizer.

Embu Farmers Co-Operative Sacco

THE C.E.O Mr Mugo thanked members for good support of their bank and their co-operation. he told them that after evaluating the support of the societies to the bank, they rewarded three societies e.g.

1. New Kyani F.C.S
2. Nembure F.C.S
3. Muramuki F.C.S

And to all these, new Kyeni F.C.S was rewarded with electricity Generator. In a length of discussion they accepted appreciation of reward and thanked the board.

Factory manager

Mr. Simpson Kinyua-F/manager of Gachagori factory taught members all the process of coffee from the shamba up to its processing in the factory then to the stage of milling.

There been no more agendas meeting ended at (4:00 pm) with a word of prayers said by Mr.Elias Njiru.

MINUTE PREPARED BY: ROBERT N.IRERI SECRETARY MANAGER.....



MINUTE CONFIRMED BY: CHARLES KARIUKI CHAIRMAN.....

CC

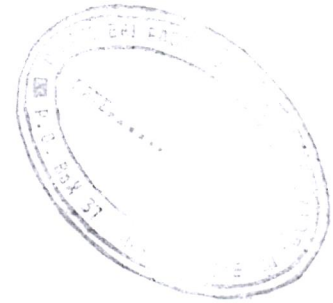
- ✓ ALL MANAGEMENT COMMITTEE
- ✓ THE D.C.O.EMBU



NEW KYENI FARMERS CO-OPERATIVE SOCIETY LTD SPECIAL GENERAL MEETING MINUTES HELD ON 10/8/2012 AT GACHAGORI FACTORY.

PRESENT

Mr. Charles Kariuki – Chairmain
Mr. Peter Joseph – v/chairman
Mr. Selestino Njoka – Committee member
Mr. Edwin Njagi – Committee member
Mr. Mwaniki Paul – Committee member
Mr. Elias Njeru– Committee member
Mr. Charles Nyaga– Committee member
Mr. Njiru Murefu– Committee member
Mr. Salesio Nthiga – Committee member



SUPERVISORY COMMITTEE

Mr. Josiah Nyaga
Mr. Njue Gacami
Mr. Festus Njeru

IN ATTENDANT

Mr. David M.Njamweah – D.C.O – Embu East
Mr. Owen nyaga - D.C.OS staff Embu East
Mr. Erastus Ireri - Chief Kyeni central
Mr. Dvid ngari - Sub-Chief – Kathanjuri Sub – location
Mr David Kamau - Coffee board of Kenya
Mr. Robert N.Ireri - Secretary Manager
Mr. Munyaka - Nawiri Sacco society – Branch Manager

MINUTE NO. 1/2011/2012 PRAYER

The meeting started at 11:00 am with a word of prayer said by Mr. Samuel Njeru member no 3525.

There were 680 members whom had attended the meeting .then the chairman welcomed all members and the management committee, supervisory committee and all in attendant. He then asked them all to introduce themselves to members.

He then asked members to be free when contributing their ideas since it's for the welfare of the society.

MINUTE NO. 2/2011/2012 RAEDING THE PREVIOUS

The Ag-secretary manager read the previous minute of special general meeting 2011/2012 of meeting held at gachagori factory. Then after minute been read were proposed by M/NO.2905 Mr. John Nyaga with 1496kgs and seconded by member No 2544 Mr. Peter Njiru With 2450kgs and were agreed by all.

MINUTE NO.3/2011/2012 READING BUDGET 2012/2013

The Ag- secr/manager read the proposed budget to members as follows;

01 – GAKWEGORI FACTORY

| | |
|----------------------|---------------------|
| Cherry production | 160 000 kgs |
| Sales to be released | 6855000=..... |
| Mbuni | ksh <u>7000 000</u> |
| Total | <u>7,555,000</u> |



| | | |
|----------------|-----------------|-----|
| Expenditure | 2022140 | |
| Cherry payment | 4333670 | 80% |
| Mbuni | 560000 | 80% |
| Contribution | <u>639190</u> | 18% |
| Total | <u>7555.000</u> | |

02-GACHUNGU FACTORY

| | |
|----------------------|-------------------|
| Production of cherry | 220,000 kgs |
| Sales | 9426000/= |
| | <u>700,000</u> |
| Total | <u>10,260,000</u> |

| | | |
|---------------------|-------------------|-----|
| Expenditure | 2512380 | |
| Payment to members | 6701360 | 80% |
| Mbuni sales | 560000 | |
| Budget contribution | <u>852260</u> | |
| | <u>10,260,000</u> | |

03 – GACHAGORI FACTORY

| | |
|----------------------|-------------------|
| Production of cherry | 300,000KGS |
| Sales | 12,855 000 |
| Mbuni | <u>700,000</u> |
| Total | <u>13,555 000</u> |

| | | |
|---------------------|-------------------|-----|
| Expenditure | 2881,150 | |
| Cherry payment | 8,906 480 | 80% |
| Mbuni | 560 000 | 80% |
| Budget contribution | <u>1,207,370</u> | 34% |
| Total | <u>13,555,000</u> | |

04- NJAURI FACTORY

| | |
|----------------------|------------------|
| Production of cherry | 220,000kgs |
| Sales | 9426 000 |
| Mbuni | <u>700 000</u> |
| Total | <u>10126 000</u> |

| | | |
|---------------------|-------------------|-----|
| Expenditure | 2512380 | |
| Cherry payment | 6201360 | 80% |
| Mbuni | 560000 | 80% |
| Budget contribution | <u>852260</u> | 24% |
| Total | <u>10,126 000</u> | |

Store 466 for resale

| | |
|-----------------|----------------------|
| Purchase of ksh | 4,000,000 |
| Income | ksh 4,200,000 |
| Expenditure | ksh <u>4,100,000</u> |
| Profit total | <u>100,000</u> |

99- Society General:

| | |
|---------------|---------------------|
| Income of ksh | 110,000 |
| Expenditure | ksh <u>3835 100</u> |
| Total exp | ksh <u>3725,100</u> |



Society Lorry KQJ244

Income 200,000
 Expenditure 126 000
 Total profit 74000

99 Capital expenditures

Since we have not completed the new office construction, we proposed as follows:

| | | |
|---------------------|----------------------|---|
| Soft wares | - 2 million | } all these will be trough members contribution |
| Buying computers | - 1 million | |
| Doors, windows | - 4 million | |
| Water & electricity | <u>- 1.5 million</u> | |
| Total | <u>8,500 000</u> | |

After the budget been read was proposed by Mr. Wilson Njagi M/NO- 03-641 with 1311kgs.and been seconded by Mr. Albert Njeru M/NO -03-97 with 1839 kgs and agreed by all.

MINUTE NO. 4/2011/2012 MAXIMUM BORROWING POWER

Reference to previous years, 20 millions had not been used nor carry any loan. Therefore members agreed also to have the same budget of 20 million this year. This was proposed by member 620 Mr. Joanat Njoki with 405 kgs and seconded by Mr.jackness Gicuku with 982 kgs member no 1911 and was agreed by all.

MINUTE NO. 5/2011/2012 CHAIRMAN REPORT

The chairman started his report by greeting all members, management committee, supervisory committee and all the invited guests and then welcomed them all to the meeting. He then thanked members for improving their production for 400164 kgs to 1105861 kgs even though its quality does not look good compared with the previous years. There after he read the production of years 2010/2011 and 1st crop of 2011/2012 follows.

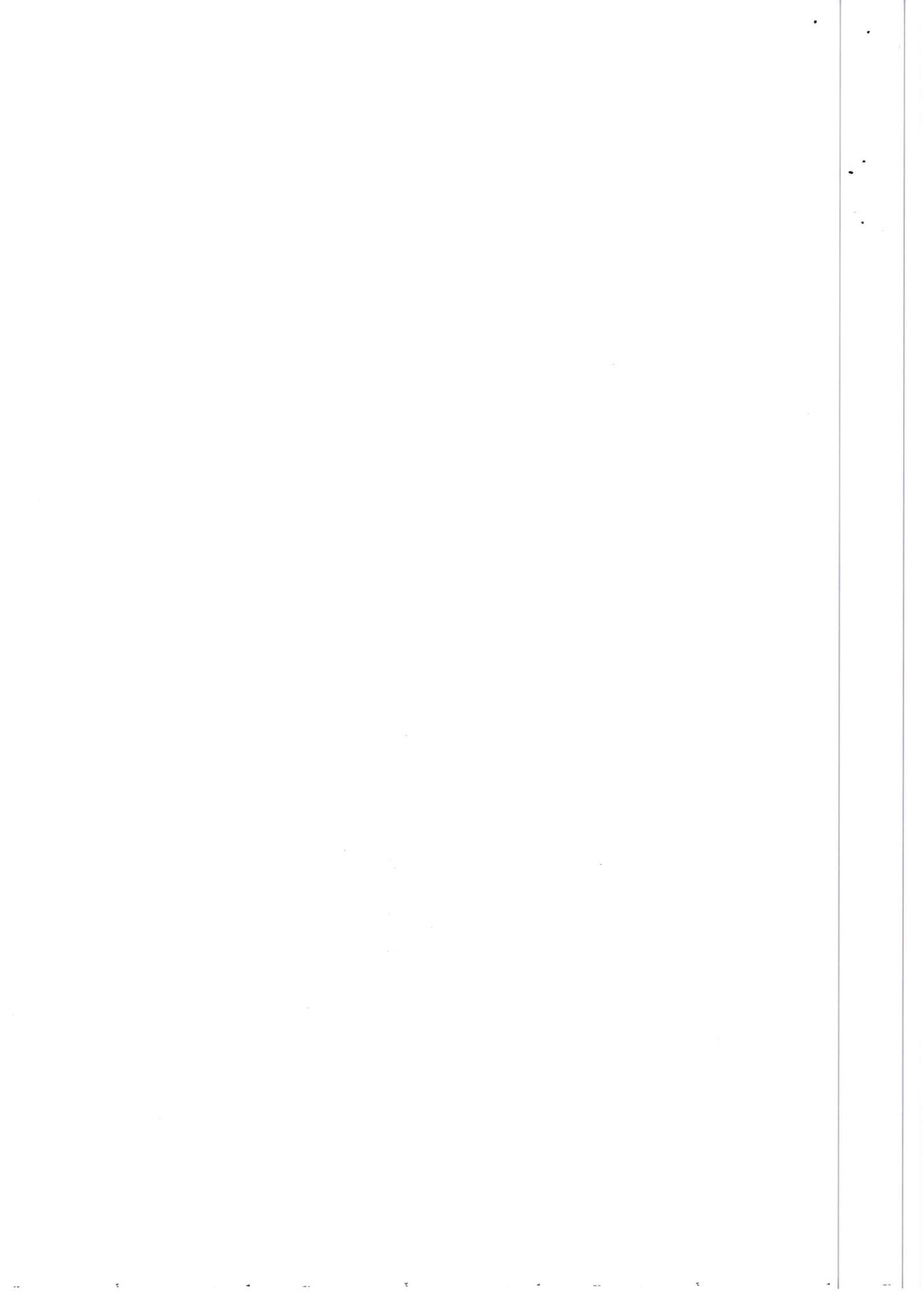
| ACTIVITY | GRADE A | RATES | GRADE B | RATE | TOTAL | MBUNI | RATE |
|---------------|---------------|-------|--------------|-------|---------------|-------------|--------|
| 01- Gakwegori | 59581 | 50 | 14347 | 37.10 | 73928 | 1572 | 111.95 |
| 02- Gachungu | 92592 | 52.05 | 27066 | 40 | 119658 | 2447 | 111.95 |
| 03-Gachagori | 81179 | 55.10 | 19460 | 41.15 | 100639 | 2499 | 111.95 |
| 04-Njauri | <u>8882</u> | 53.10 | <u>17119</u> | 39 | <u>105939</u> | <u>3064</u> | 111.95 |
| Total | <u>322172</u> | | <u>77992</u> | | <u>400164</u> | <u>9582</u> | |

Due to the weather changes there was a decrease of production. For the year 2011/2012 we had 1st crop 122030kilos which had a rate of ksh 43 per kilo. Still he read to members 2nd crop production as follows;

01- Gakwegori – 188883 kgs
 02- Gachungu – 294017 kgs
 03-Gachagori - 349636 kgs
 04 - Njauri - 273325 kgs
1105861

After reading the production, the chairman asked the secretary manager to read the coffee deliveries result from central Kenya coffee mills.

| ACTIVITIES | P1 | P2 | P3 | LIGHTS | TOTAL |
|------------|------------|------------|------------|-------------|-------------|
| Gakwegori | 200 | 65 | 171 | 600 | 1036 |
| Gachungu | 137 | 46 | 137 | 466 | 786 |
| Gachagori | 333 | | 208 | 801 | 1342 |
| Njauri | <u>238</u> | <u>39</u> | <u>125</u> | <u>571</u> | <u>973</u> |
| TOTAL | <u>908</u> | <u>150</u> | <u>641</u> | <u>2438</u> | <u>4137</u> |



The secretary manager informed members that only 1699 bags out of 4137 which we expecting money. Therefore the chairman asked members to go back to their coffee shambas for better farming. He then informed the members that the management had agreed to increase coffee at kigumo and karurumo farms for the remaining space. After a length of discussion, members agreed for the plantation to be done.

A member by the name Richard Kinyua M/NO1274 who was expelled by the general meeting intervering the meeting by inscieting members way forward done by the sitting Management where by he was stopping chairman when addressing members and yet he was suspended by the general meeting. He was then chased by members of the general meeting for intervering the meeting.

Yet members resolve him to go and deliver his coffee to other societies or build his factory. The chairman told the general meeting that some members want to learn this society as they do to their homes, Whereby they should to know this society is run through the by-laws as per co-operative act.

He said falling not doing the resolution of members, there are some people who are accusing the society to the co-operative tribunal's court despite of neglecting their coffee shambas. Finally he asked members to go back to their coffee shambas. After the chairman report it was proposed by M/No 03-832 Mr. Elias Ileri with 1489 kgs and seconded by M/No 2159 Mr. Nyaga Gacingo with 2574 kgs and was agreed by all.

MINUTE NO.6/2011/2012 D.C.O' S REPORT

The D.C.O thanked members for good co-operation and unity as well as increasing their production. He told members that 22% of their coffee parchment deliveries are P1, P2, P3 and other 78% were lights. He told them to leave politic and go back to their shambas for better farming and also be security of their properties. Finally he read the co-operative act and rules and society by law and code of conduct and ethics, where by he told members how he advanced Mr. Richard Kinyua who was expelled by the general meeting so as for him to be accepted by the general meeting. So he asked members to be very careful for those who have no vision for this society. They might lead the society to collapse in future. He then asked member to go back to their coffee shambas for better farming.

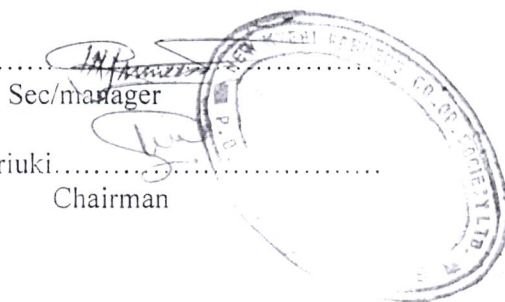
MINUTE NO.7/2011/2012 (A.O.B) ANY OTHER BUSINESS

The chairman invited Miss Caroline Njoki to demonstrate her product of super gro on spraying of coffee. She asked members to practice this chemical for it act as parafine and restore water.

There been no more arguments the meeting and with a word of prayer said by Mr. Elias Njiru at 3.00pm.

Minute prepared by Mr. Robert Ileri.....
Sec/manager

Minute confirmed by Mr. Charles Kariuki.....
Chairman



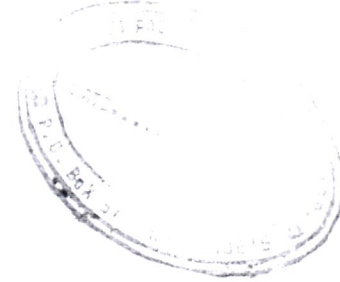


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NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED SPECIAL GENERAL MEETING MINUTES HELD ON 16/8/2013 AT GACHAGORI FACTORY.

Present

| | |
|---------------------|------------------|
| Mr. Charles kariuki | chairman |
| Mr. Peter Joseph | vice chairman |
| Mr. Edwin njagi | committee member |
| Mr. Charles nyaga | committee member |
| Mr. Mwaniki Paul | committee member |
| Mr. Elias njiru | committee member |
| Mr. Njiru murefu | committee member |
| Mr. Salesio nthiga | committee member |
| Mr. Evans mbutho | committee member |



Supervisory committee

| | |
|------------------|------------|
| Mr. Josiah nyaga | chairman |
| Mr. Njue gachami | secretary. |
| Mr. Festus njeru | c/member. |

In attendant

| | |
|---------------------|-----------------------|
| Mr. Edward gachau | D.C.O embu east |
| Mr. Owen nyaga | D.C.O staff embu east |
| Mr. Erastus ireri | chief Kyeni central |
| Mr. Kithuka | T.A.E Kyeni central |
| Mr. Robert n. ireri | secretary manager. |

The meeting started with a word of prayer at 11:00 am said by m/no.3644, Mr. Elias njiru with 2555kgs.

There were 585 members who had arrived to meeting. The chairman welcomed all the members, management committee, supervisory and all in attendants. He then asked the management and the supervisory committee members to introduce themselves to members. the chairman informed the members that, was the day when every member has the right to deliberate his/her ideas which would benefit the society and members.

Minute no.1/2012/2013.reading the previous minutes.

The previous special general meeting minutes of 10/8/2012 was read by the Ag. Secretary Manager and was confirmed by m/no.2045, mr.paul njiru with 388 kgs and seconded by m/no. 1595, mr.jacob njue with 805 kgs and were agreed by all as the true record.

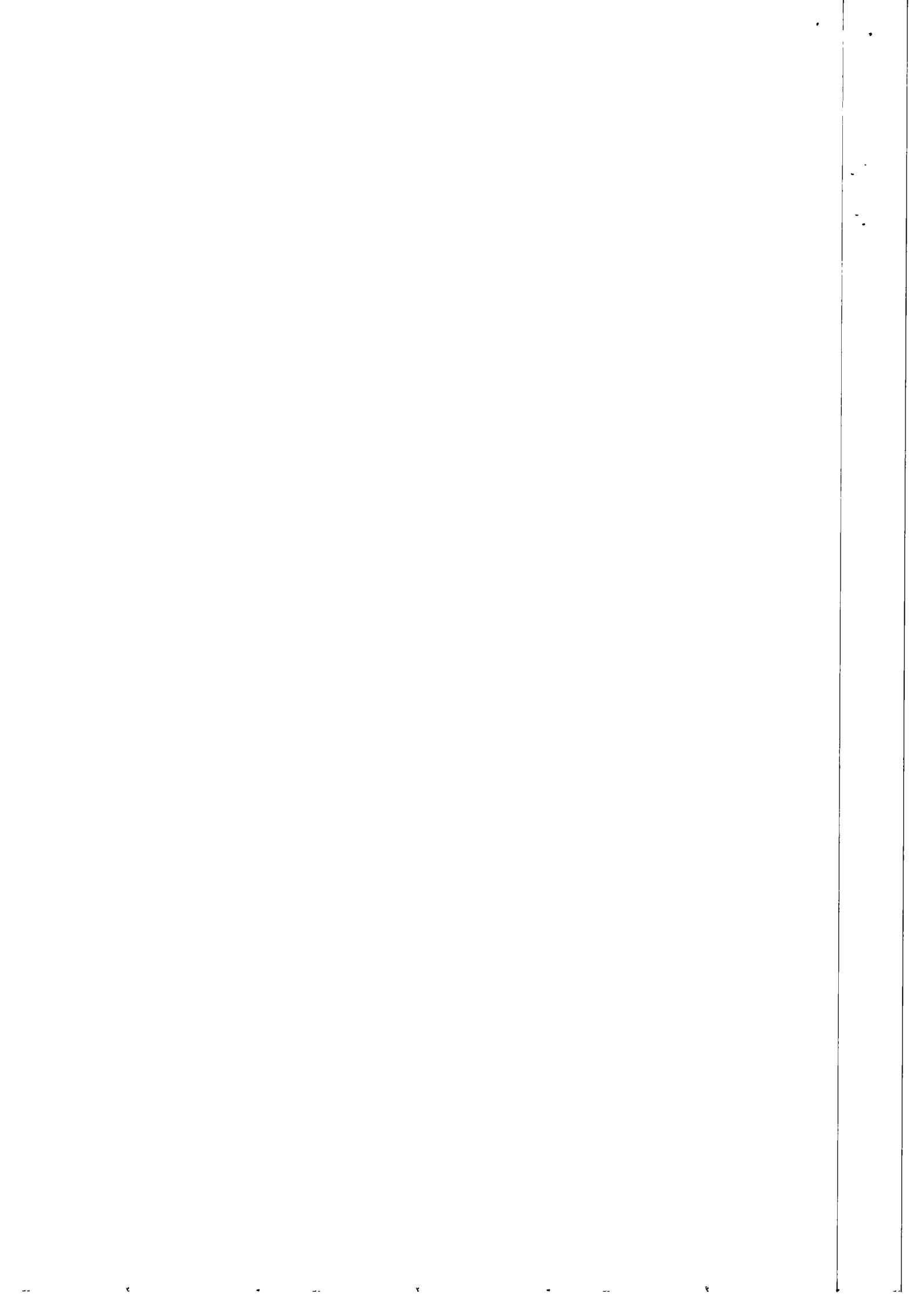
Minute no.2/2012/2013.matters arising from the minutes ex- minute 4/2011/2012 maximum borrowing power.

The chairman informed the members that even though there is the maximum borrowing power, it cannot be used without the members' resolution.

He then reminded the members that the society has a loan of 300,000= of staff salaries and kshs.333, 440= for members N.H.I.F at Nawiri Sacco society ltd which totals to kshs.633, 440=.

Minute no.3/2012/2013.reading 2013/2014 budget.

The ag.secretary manager read the proposed budget for 2013/2014 to members as follows:



Gakwegori factory

Cherry 210,000 kgs
Sales 8,400,000/=

| | |
|-------------------|--------------------|
| Mbuni sales | 160,000/= |
| Total income | 8,560,000/= |
| Expenditure | 1,732,290/= |
| Payment of cherry | 6,060,270/= at 80% |
| Mbuni | 116,450/= at 80% |
| Contribution | 650,990/= at 21% |
| Totals. | 8,560,000/= |

Gachungu factory

Cherry 240,000kgs
Sales 9599,800/=

| | |
|-------------------|-----------------|
| Mbuni sales | 160000/= |
| Total income | 9759800/= |
| Expenditure | 1975610/= |
| Payment of cherry | 6923720= at 80% |
| Mbuni payment | 116480= at 80% |
| Contribution | 743,990= at 24% |
| Totals. | 9759800= |

Gachagori factory

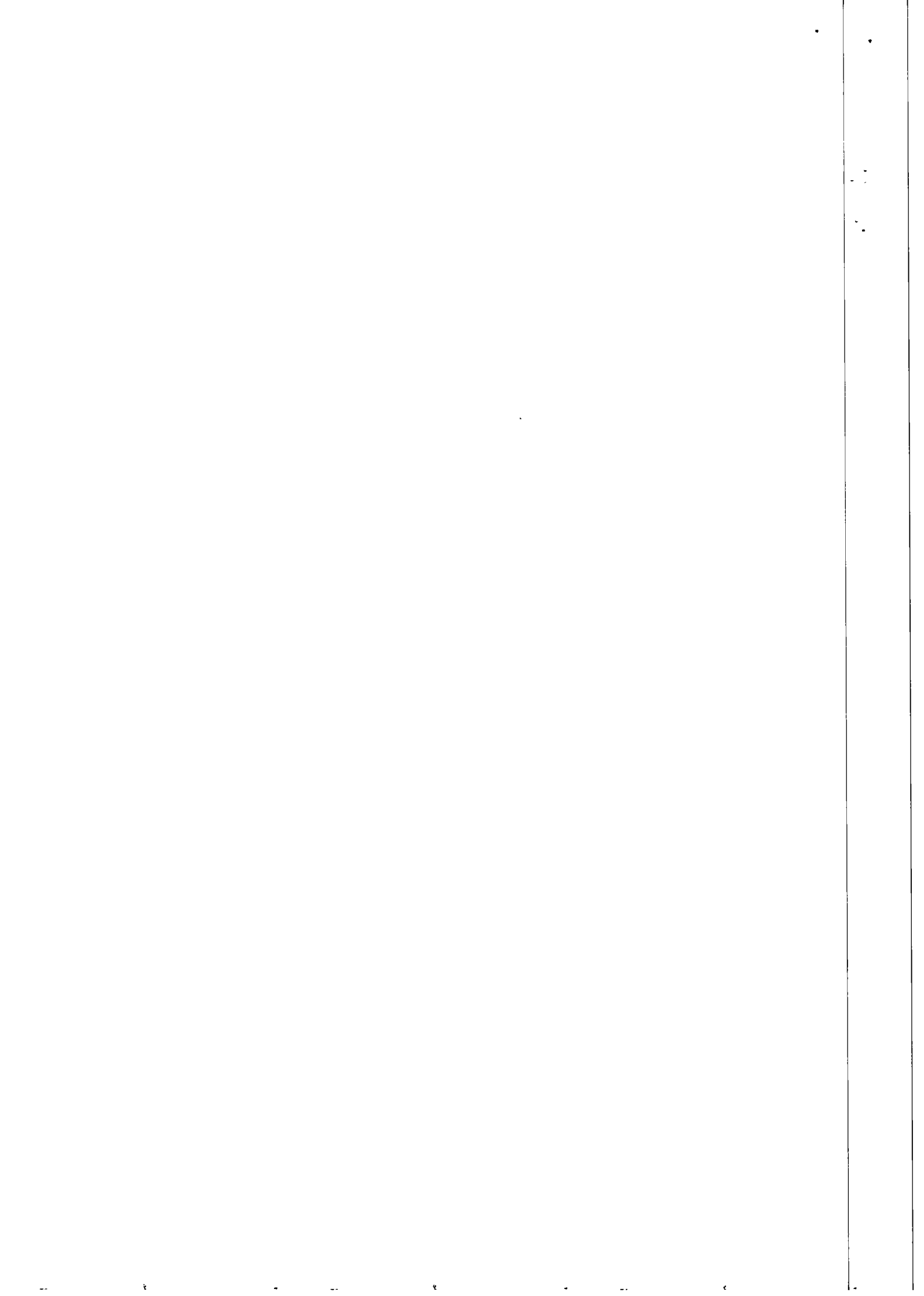
Cherry 320000kgs
Cherry sales 12798800=

| | |
|-------------------|-----------------|
| Mbuni sales | 200000= |
| Total income | 12998800= |
| Expenditure | 2397670= |
| Payment of cherry | 9428950= at 80% |
| Mbuni payment | 180180 at 80% |
| Contribution | 992,000 at 32% |
| Totals. | 12,998,800= |

Njauri factory

Cherry 230000kgs
Cherry sales 9198000=

| | |
|-------------------|----------------|
| Mbuni sales | 160000= |
| Total income | 9358000= |
| Expenditure | 1820870= |
| Payment of cherry | 6707660 at 80% |
| Mbuni payment | 116480= at 80% |
| Contribution | 712990 at 23% |
| Totals. | 9358000= |



Store 466 for resales.

Expected purchases 4,100,000=
Sales 4,200,000=
Net profit 100,000=

99 society general.

Income 400,000=
Expenditure 3,520,500=
Loss 3,120,500=

Society lorry KQJ 244.

Income 250,000=
Expenditure 192,880=
Net profit 55,120=

Society nurseries.

Expenditure 1,346,000=

99 society capital expenditure

Completion of the office 3 million
Buying computers/software 2 million
Purchase of furniture 2.5 million
Fencing compound 1 million
Totals 8.5 million.

After the budget been read it was proposed by m/no,1856, mr.peter ndwiga who had 1168 kgs and seconded by m/no.1911, mrs.jackness gicuku who had 486 kgs and was agreed by all members.

Minute no.4/2012/2013.maximum borrowing power.

The chairman explained over the five years proposed 20 million budget has never been used. After the members discussed this issue in length, they agreed still to the same 20 million for this year. This was proposed by m/no.2159, mr.sammy nyaga who had 465kgs and seconded by m/no.340, mr.charles nyaga who had 640 kgs and was agreed by all members.

Minute no.5/2012/2013.chairman's report.

The chairman opened his speech by greeting all members, management committee, supervisory all the invited guests and welcomed them all to the meeting.

He then informed the members that the production of the year has been very low and of poor quality compared to the previous years. The coffee production year 2012/2013 was as follows:

| activity | 1 st crop | rate | 2 nd crop | totals | Mbuni kgs | rate |
|-----------|----------------------|-------|----------------------|--------|-----------|-------|
| Gakwegori | 72319 | 21.05 | 40338 | 112567 | 964 | 42.35 |
| Gachungu | 32089 | 20 | 97521 | 129610 | 342 | 42.35 |
| Gachagori | 76598 | 25 | 96200 | 172798 | 1220 | 42.35 |
| Njauri | 21606 | 20.25 | 128909 | 150515 | 591 | 42.35 |
| totals | 202612 | | 362968 | 565580 | 3117 | |



report to the members, he told them that the decrease of 2012/2013 production and quality due to weather changes and poor coffee maintenance of coffee in the shambas. The chairman informed the members that the central coffee millers where our coffee is milled has given statistics analysis report for poor and lack of maintenance so they have arranged for factory education from 10/9/2013 up to 13/9/2013 in order to maintain good coffee with good quality and quantity.

Coffee processing A and B. There after he reminded them over factories meeting resolution on coffee processing A and B where members resolved that 2013/2014, the coffee will be processed in A and B as they resolved in the factory meetings. This was proposed by m/no.3202, mr. joseph nyaga with 833kgs and seconded by m/no.2026, mr. duncan ndwiga with 856kgs and was agreed by all members and seconded by one will hawk coffee.

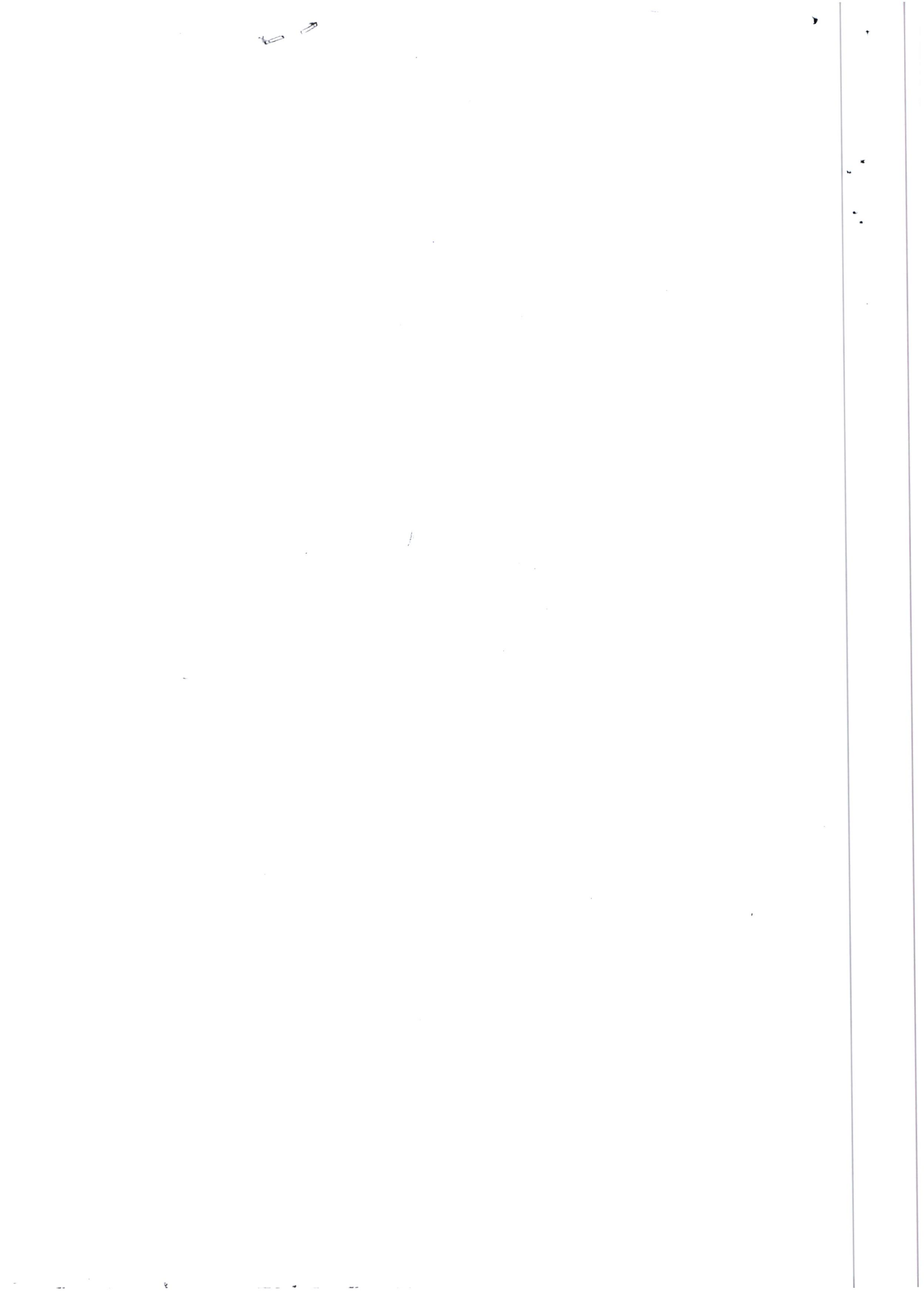
Murue f.c.s coffee mill. The chairman informed the members how the governor and coffee co-operative leaders had agreed over this mill so as to have one county co-operative mill. In length of discussion, they resolved the society members to buy shares if murue f.c.s will agree to leave it to county. This was proposed by m/no.97, mr. albert njeru with 392 kgs and seconded by m/no.1150, mr. joseph njue with 1005kgs and was agreed by all. All in all, let's go back to our shambas for our better farming.

Minute no.6/2012/2013.d.c.o's report.
The d.c.o Mr. Edward gachau thanked members for good co-operation and unity, for the society cannot progress if there is no unity. He explained that this kind of meetings is set for deliberating society issues on way forward. He thanked the management for the good work which will be legacy to this society. He encouraged members to continue working and leave the dirty games of politics since the politics cannot help the society. He also encouraged members to educate their children since the county and Kenya as a whole need educated people with degrees, masters and above. Lastly, he encouraged members to go back to their coffee shambas for good quality and quantity which will bring better payment. He also encouraged members to plant batian seedlings variety for it has less labor.

Minute no.7/2012/2013.A.O.B (any other business)

- I. SGM Notice letters.
Members asked the chairman whether notice which were hanged on trees without agendas were from his office. The chairman explained that he has also got the copy of the same but it was not from his office. The members were asked to read it and after that the chairman asked that whoever has an issue to come forward and read their notice to members. There after the following members came forward and members started shouting.
1. Mr. Erasmus nthiga m/no.3963
 2. Mr. goerge nyaga m/no.3084
 3. Mr. javanson mugo m/no 2563

Suspending of three members
On behalf of all members, m/no.340, mr. charles nyaga stood and reminded members of our last annual general meeting of 26/1/2012 dismissed all the memorandum and notice. Still the meeting of 29/7/2013 to 1/8/2013 resolved the group to be suspended from the society. In length of discussion, m/no.3850 mr. antony nyaga with 837 kgs informed the meeting that they did not send those people as they were saying that we New Kyeni f.c.s instead of we in the



memorandum. And so he proposed that team to be suspended from this society for inciting members through writing invalid memorandums. And this was seconded by the below.
Mr. Njangungi Njeru m/no.2091 with 1005 kgs.
Mr. antony njeru m/no.4475 with 645 kgs
Mr. peter ndwiga m/no/ 1856 with 1165 kgs and this was agreed by 581 members against 4 members.

Coffee hawking

Members resolved that whoever will be found hawking coffee on this exercise of A and B, the hawked coffee will remain the society property and the processed grade will be paid with the followed grade.

Migration from society.

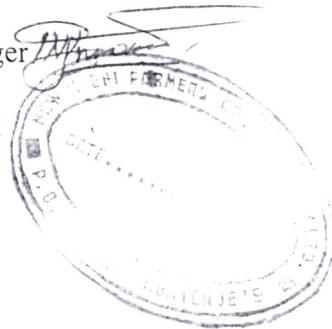
Members resolved that those members who had migrated from this society to other societies will write an application for new membership if he/she wants to resume again to the society. This was proposed by m/no.1856 peter ndwiga with 1165 kgs and seconded by m/no.97, mr. albert njeru with 392 kgs and was agreed by all.

The meeting ended with a word of prayer said by m/no.1856, mr. peter ndwiga at 3:00 pm

Minutes prepared by: Robert N. ireri
Ag. secretary manager

Minutes confirmed by: Mr. Charles kariuki
Chairman

Cc
The D.C.O Embu east
The management/supervisory committee.





**NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED SPECIAL
GENERAL MEETING MINUTES HELD ON 29/7/2014.**

PRESENT

MANAGEMENT

- | | |
|------------------------|------------------|
| 1. Mr. Charles Kariuki | Chairman |
| 2. Mr. Peter N Joseph | V/Chairman |
| 3. Mr. Edwin Njagi | Committee Member |
| 4. Mr. Mwaniki Paul | Committee Member |
| 5. Mr. Elias Njiru | Committee Member |
| 6. Mr. Charles Nyaga | Committee Member |
| 7. Mr. Njiru Murefu | Committee Member |
| 8. Mr. Salesio Nthiga | Committee Member |
| 9. Mr. Evans Mbutho | Committee member |



SUPERVISORY COMMITTEE

1. Mr. Josiah Nyaga
2. Mr. Njue Gachami
3. Mr. Festus Ileri

In attendant

- | | |
|---------------------------|-------------------------------|
| 1. Mr. Edward Gachau | d.c.o Embu East |
| 2. Mr. Owen Nyaga | d.co. Staff Embu East |
| 3. Mr. Erastus Ileri | Chief Kyeni Central |
| 4. Mr. Robert N. Ileri | Secretary Manager |
| 5. Mr. James Njue Machine | Chairman Nawiri Sacco Society |

The meeting started at 11:00 am with a word of prayer said by mno.3644 Mr. Elias Njiru with 2555kgs.

There were 520 members who had arrived to the meeting. The chairman opened his remarks by welcoming all members, invited guests and all others. He then asked the management/supervisory committee to greet the members and introduce themselves. The chairman informed members to feel free for it's their day to deliberate their ideas for the benefit of the society.

Minute no.1/7/2013/2014. reading the previous minutes

The previous minutes of 16/8/013 was read by the secretary manager and were confirmed by mno.3314 Mr. Samuel Njeru with 378kgs and seconded by mno.340 Mr. Charles Nyaga with 655kgs and were agreed by all as true record.

Minute no.2/7/2013/2014. matters arising from minutes.

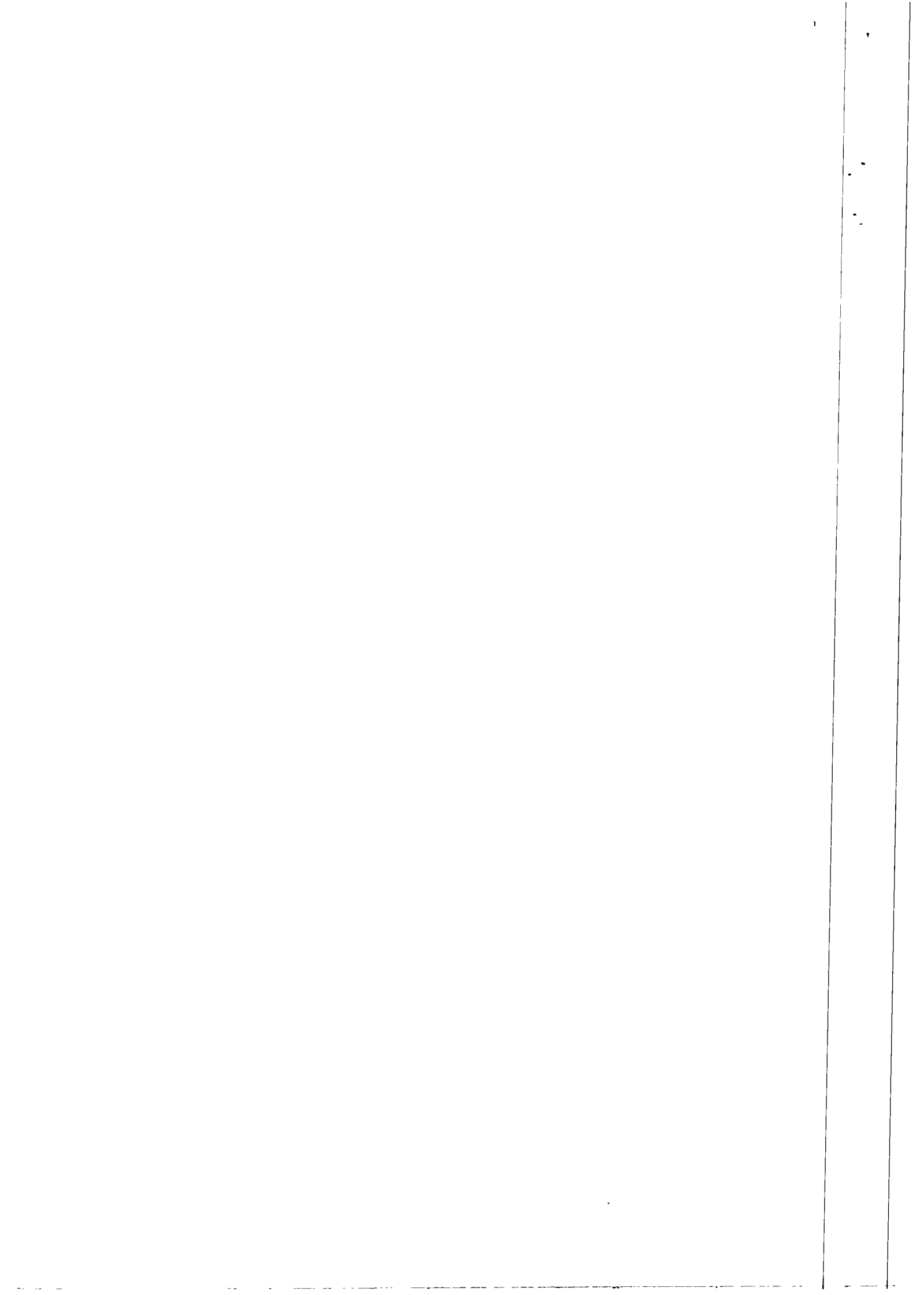
Ex minute no.5/2012/2013. (ii) Coffee processing A & B

It was discussed in length by members on poor grade and classes which is due to poor maintenance in groups A & B.

The below resolutions were passed and proposed by the following:-

- Coffee processing only in group A year 2014/2015
- No coffee hawking internal or external
- A buyer and the seller, their coffee will be closed
- Any coffee received been bought in both parties will be society properties.
- No letter to be served with during the closing of the coffee shambas.

Mno.2091 Mr. Njangungi Njeru with 366kgs



Mno.832 Mr. Elias ireri with 784kgs
Mno.340 Mr. Charles nyaga with 655kgs
Mno.1445 Mr. Njeru m'eri with 2175kgs
Mno. 1973 Mr. Dionisio njiru with 1301 kgs.

Minute no 3/7/2013/2014reading 2014/2015 budget.

The secretary manager read the proposed 2014/2015 budget to members as follows:-

101 gakwegori factory

Estimated production 220,000kgs
Sales cherry 14,130,000=
Sales mbuni 250,000=
Total sales income 14,380,000=
Expenditure 3,292,400=
Contribution 761,000= 22%
Members payment 10,126,600= 80%
HB payments 200,000= 80%
Totals 14,380,000=

102 gachungu factory

Production 250,000=
Cherry sales 16,065,000=
HB sales 250,000=
Total sales 16,315,000=
Expenditure 3,741,860=
Contribution 934,000 - 27%
Cherry payments 11,439,140=80%
HB payments 200,000= 80%
Totals 16,315,000=

103 gachagori factory

Production 250,000=
Cherry sales 16,065,000=
HB sales 250,000=
Total sales 16,315,000=
Expenditure 3,741,860=
Contribution 934,000 27%
Cherry payments 11,439,140=80%
HB payments 200,000= 80%
Totals 16,315,000=

104 njauri factory

Production 230,000=
Cherry sales 14,805,000=
HB sales 200,000=
Total sales 15,005,000=
Expenditure 3,456,100=
Contribution 830,200 24%
Cherry payments 10,558,700=80%
HB payments 160,000= 80%
Totals 15,005,000=

Store for resales



Purchases 4,000,000=
Sales 4,200,000=
Other expenditure 4100, 000=
Surplus profit 100,000=

Society lorry kjj 244
Transport income 500,000=
Expenditure 394,000=
Profit/surplus 106,000=

Society farms
Sales income 400,000=
Expenditure 340,000=
Surplus profit 60,000=

99 society general
Income 450,000=
Total expenditure 4,275,200=
Total loss -3,825,200=

Nursery
Sales income 130,000=
Expenditure 30,000=
Surplus 100,000=

Society capital expenditure
Fencing compound and gate 1 million
Computers/soft ware 2 million
Purchase of furniture 3 million
Electricity/sewerage 2.5 million
Totals 8.5 million.

This was proposed by mno.1856 peter ndwiga with kgs and seconded by mno.3195
mr.agapio nduma with 320 kgs and agreed by all. ¹¹²⁸

Minute no.4/7/2013/2014.maximum borrowing power.

For more than ten years the society has never used the proposals of 20 millions, therefore the chairman asked the to give the maximum borrowing power proposals for the year 2014/2015.after members discussed and asked questions, mno.690 mr.njue wambugu with 1052 kgs gave proposed 20 millions and was seconded by mno.75 mr.njagi kamwagire with 428 kgs and was agreed by all members.

Minute no.5/7/2013/2014.cahirman's report.

The chairman opened his speech by greeting all members' management and supervisory committee and all invited guests and welcomed them to the meeting. He then asked the members to feel free since the day is meant to give views for their welfare and that of the society. He read them the coffee production of 2013/2014 as follows;



| activity | 1 st crop kgs | rate | A-kgs | B-kgs | total | mbuni | rate |
|-----------|-----------------------------|-------|--------|--------|--------|-------|-------|
| Gakwegori | 47238 | 43.20 | 30173 | 12881 | 90292 | 1620 | 72.45 |
| Gachungu | 22971 | 31.10 | 80186 | 44433 | 147590 | 1455 | 72.45 |
| Gachagori | 46530 | 41.10 | 88757 | 45380 | 180667 | 2176 | 72.45 |
| Njauri | 20625 | 30.15 | 117610 | 22265 | 160500 | 849 | 72.45 |
| total | 137364 | | 316726 | 124959 | 579049 | 6100 | |

In his report he asked members to go back to their coffee shambas in order to improve our coffee production. He then read the three years production for comparison.

Year 2011/2012- 1105861kgs

Year 2012/2013 - 565580 kgs

Year 2013/2014 - 579049 kgs

Totals 2,250,490 kgs

He then read to members' 2nd crop production of A&B 441685 kgs which are in our stores.

Gakwegori f. 43054kgs

Gachungu f. 124619kgs

Gachagori f. 134137kgs

Njauri f. 139875 kgs

Totals 441685 kgs.

The chairman asked the members to go back to their coffee shambas so as to increase the production on good quality and quantity.

He told them that every factory should form groups of five members and above been a guarantear to each other for the management have arranged to borrow fertilizer of 17.17.17 and C.A.N which will not earn any interest.

(ii) Embu county coffee mill.

The chairman informed members that embu county coffee societies have agreed to have shares of mill ksh.3.8 mills. There was a length of discussion over the county mill at murue f.c.s over the shares contribution.

Thereafter, they agreed to contribute ksh.2 per kilo till we recover ksh.3.8 million with effect from year 2014/2015.this was proposed by mno. 2219 mr.evanson njue with 1608 kgs and seconded by mno. 1856 peter ndwiga with 1165 kgs and was agreed by all members.

Minute no.6/7/2013/2014.D.C.O report.

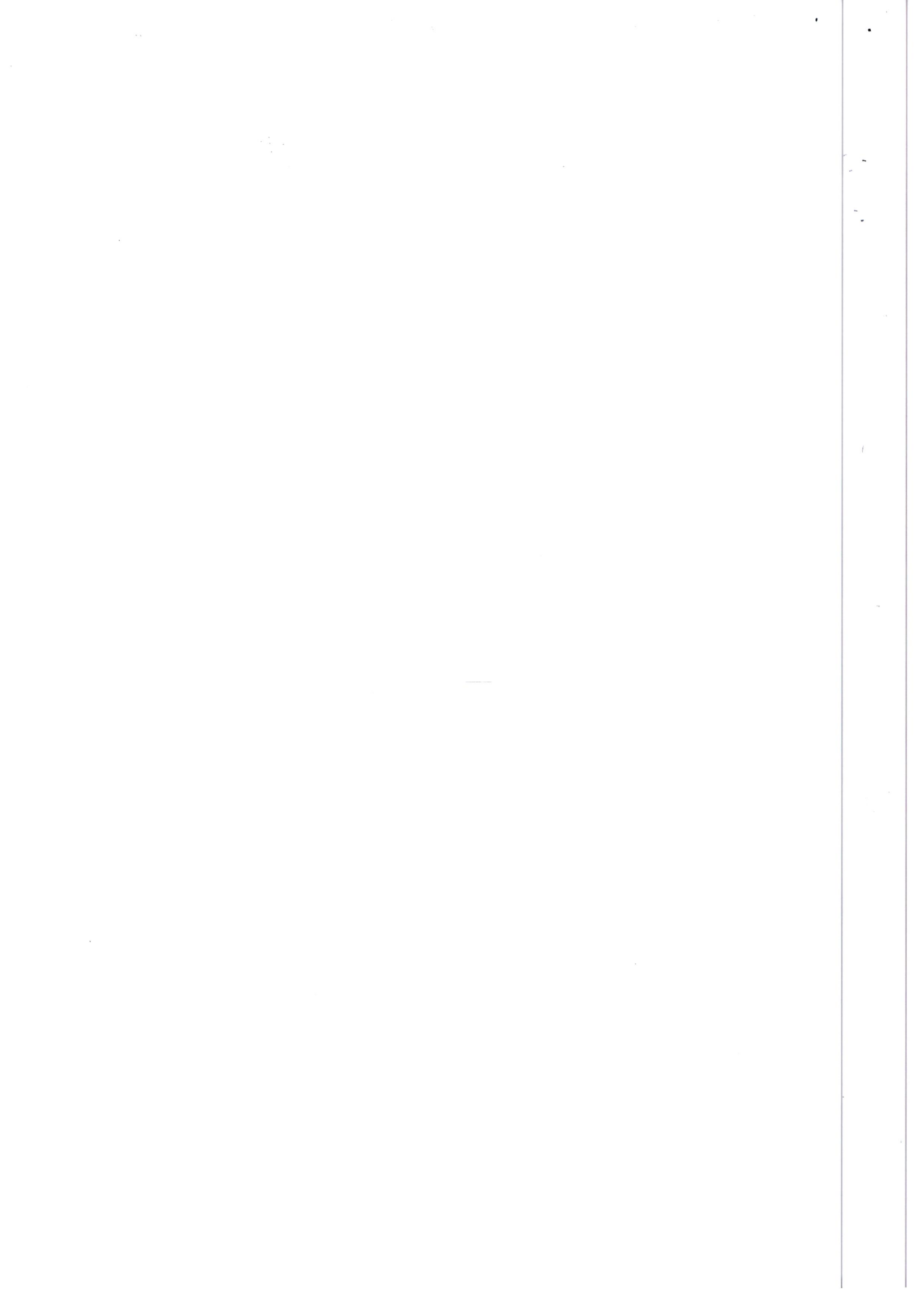
The dco Mr. Edward gachau thanked members for good co-operation and unity. He told them without unity the society cannot progress. He encouraged members to farm good quality and quantity coffee as secretary manager was teaching on grades and classes. But failing to produce these grades you will be blaming the management committee.

He then encouraged members to support embu county coffee mill for they will be the beneficiaries compared with where we currently we are delivering our coffee.

Minute no.7/7/2013/2014.A.O.B.any other business.

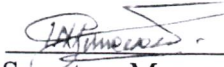
Coffee milling.

The secretary manager asked members to maintain few coffee stems e.g. 150-200 which will be easier to produce 10 kgs per stem than to have 500 stems and produce 0.02kgs. As per the coffee milling reports, only gakwegori factory had grade AA-AB-C of class 3 the other factories had grade AA-AB-C of class 4,5,6-7-8.the secretary manager asked members to maintain few stems which is easy and will produce good quality and quantity for good grades and classes are for better payments.




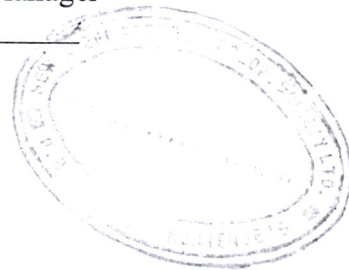
There being no more agendas the meeting ended with a word of prayer at 2:30pm said by mno.1856 Mr. Peter ndwiga.

Minutes prepared by Robert n. ireri

 31/7/015
Secretary Manager

Minutes confirmed by Mr. Charles kariuki


Chairman



Cc

1. The dco embu east
P.o box
Runyenjes.
2. Management/supervisory.



✓

NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED SPECIAL GENERAL MEETING MINUTES HELD ON 31/07/2015 AT GACHAGORI FACTORY.

PRESENT:

- | | |
|------------------------|------------------|
| 1. Mr. Charles Kariuki | chairman |
| 2. Mr. Peter Joseph | vice chairman |
| 3. Mr. Edwin Njagi | committee member |
| 4. Mr. Charles Nyaga | committee member |
| 5. Mr. Elias Njiru | committee member |
| 6. Mr. Njiru Murefu | committee member |
| 7. Mr. Salesio Nthiga | committee member |
| 8. Mr. Evans Mbutho | committee member |
| 9. Mr. Mwaniki Paul | committee member |

SUPERVISORY COMMITTEE:

- | | |
|---------------------|------------------|
| 1. Mr. Josiah Nyaga | chairman |
| 2. Mr. Njue Gacami | secretary |
| 3. Mr. Festus Njeru | committee member |



IN ATTENDANT:

- | | |
|-----------------------|----------------------------|
| 1. Mr. Edward Gachau | D.C.O Embu East |
| 2. Mr. Owen Nyaga | D.C.O Staff Embu East |
| 3. Mr. Erastus Ileri | Chief Kyeni Central |
| 4. Mr. Robert N.Ileri | Secretary Manager |
| 5. Mr. Nathan Charagu | Asst. Secretary Manager. |
| 6. Mr. Salesio Kimaru | M.C.A/Chairman Agriculture |
| 7. Mr. Raymond Kinyua | County Secretary |

The meeting started at 11:00am with a word of prayer said by m/no.1610 Mr. Njeru Gatongu with 885 kgs. There were 600 members who had arrived to the meeting.

The chairman opened his remarks by welcoming all members, invited guests and all others. He then asked the management/supervisory committee to introduce themselves and then requested everyone to be patient for the day was meant for deliberating on the society's way forward

Minute No.1/7/2014/2015.Reading the previous minutes:

The minutes of previous Special General Meeting of 29/7/2014 were read by the secretary manager and were confirmed by m/no.2623 Mr. Duncan Njagi with 734 kgs and seconded by m/no3314 Mr. Samuel Njeru with 721 kgs and were agreed by all.

Minute No.2/7/2014/2015.Matters arising:

After the chairman went through all the minutes, there were no matters arising from them.



Minute No.3/7/2014/2015.Reading 2015/2016 budget:

| | Gakwegori factory | Gachungu factory | Gachagori factory | Njauri factory |
|----------------------|--------------------------|-------------------------|--------------------------|-----------------------|
| Estimated production | 150,000kgs | 220,000 kgs | 250 000 kgs | 230,000 kgs |
| Cherry sales | 7,500,000= | 11,000,500= | 12,495,000= | 11,497,500= |
| Mbuni sales | 200,000= | 250,000= | 270,000= | 270,000= |
| Totals | 7,700,000= | 11,250,500= | 12,765,000= | 11,767,500= |
| Expenditure | 1,691,480= | 2,376,530= | 2,517,980= | 2,428,230= |
| Payments to members | 5,409,690= -80% | 8,028,620= -80% | 9,256,600= -80% | 8,400,460= -80% |
| Mbuni payments | 160,000= -80% | 200,000= -80% | 216,000= 80% | 216,000= -80% |
| Budget contribution | 438,830= | 645,350= | 774,420= | 722,810= |

1. Store for resale

- * Purchase 3,500,000=
- * Gross sales 3,675,000=
- * Expenditure 80,000=
- * Net profit 95,000=

2. Society lorry KQJ 244

- * Transport 150,000=
- * Expenditure 100,000=
- * Net profit 50,000=

3. Nursery

- * Income 100,000=
- * Expenditure 30,000=
- * Surplus 70,000=

4. Society office general (999)

- * Income 450,000=
- * Expenditure 3,176,410=
- * Net loss -2,726,410=

5. Society farms

- * Expected production 10,000 kgs
- * Sales 300,000=
- * Expenditure 265,000=
- * Net profit 35,000=

6. Society capital expenditure

- * Completion of new office 3 millions
- * Computers and software 2 million
- * Furniture 2.5 million
- * Fencing 1 million
- Total 8.5 million**

After reading the budget it was proposed by m/no.1595 Mr. Jacob Njue with 1873 kgs and seconded by m/no.1109 Mr. Njeru Kirutha with 1980 kgs and was agreed by all.



Minute No.4/7/2015/2016.Maximum borrowing power:

After members reviewed and discussed all the maximum borrowing power of more than ten years and were not used, they agreed 20 million for the year 2015/2016. This was proposed by m/no.2594 Mr. Desderio Kithendu with 731 kgs and seconded by m/no.2262 Mr. John Nyaga with 551 kgs and was agreed by all.

Minute No.5/7/2015/2016.Coffee milling report:

The secretary manager asked members to maintain few coffee stems which would produce good quality and quantity. He showed them the 2nd crop coffee classes of p-light and p3 outturns Which was already milled and UG1-UG2 as here below;

| Activity | Bags | Class | Parch/kgs | Clean/kgs | Loss/kgs | Loss/bags | Bags(p1,p2,p3) |
|---------------|-------------|-------|--------------|--------------|--------------|------------|----------------|
| Gakwegori | 247 | 6&7 | 9923 | 5503 | 4420 | 110 | 115 |
| Gachungu | 248 | 6&7 | 9952 | 5754 | 4198 | 104 | 90 |
| Gachagori | 298 | 6&7 | 11904 | 8159 | 4745 | 118 | 138 |
| Njauri | 272 | 6&7 | 10888 | 6572 | 4316 | 108 | 168 |
| Totals | 1063 | | 42667 | 24988 | 17679 | 440 | 511 |

To this analysis 1063 bags are of p-light and 511 p1, 2, and 3 of the whole society. He therefore requested members to go back to coffee business and be farmers and not producers.

Thereafter, he demonstrated coffee marketing auction by use of bananas and asked members to go back to their farms and improve their production in quality and quantity in order to get good payment.

Assistant secretary manager.

He emphasized on the importance of applying manure, fertilizer and spraying in order to meet the budget. When referring to last year's budget where every member had expected to produce 500 kgs but most of them had produced 250-360 kgs. He then showed the downfall of production as here below;

| Activity | Above 1000 | 500-1000 | 100-500 | Below 100 | Totals |
|---------------|------------|------------|------------|------------|-------------|
| Gakwegori | 8 | 25 | 172 | 162 | 369 |
| Gachungu | 33 | 58 | 205 | 144 | 440 |
| Gachagori | 28 | 58 | 281 | 216 | 583 |
| Njauri | 49 | 68 | 211 | 105 | 433 |
| Totals | 116 | 209 | 869 | 627 | 1823 |

After reading all that analysis, he asked them to make use of fertilizer and the spraying chemicals and at the right time. He also asked them to have their records well-kept to avoid inconveniences or any problem during payments.

Minute No.6/7/2015/2016.D.C.O report:

The D.C.O Mr. Edward Gachau thanked members for good co-operation and unity. He informed members that society cannot progress without co-operation and unity. He encouraged farmers to produce good quality and quantity coffee since we now have the county coffee mill which needs lot of coffee hence good grades and class will raise our prices.

Minute No.7/7/2015/2016.Chairman's report

The chairman opened his speech by greeting all the members and the invited guests as well as welcoming them to the meeting. He then thanked members for their good support towards the management committee.

Thereafter he showed them the year 2013/2014 payment of 591127 kgs;

| Activity | 1 st crop | Rate | 2 nd crop(A) | Rate | 2 nd crop(B) | Rate | Total kgs |
|---------------|----------------------|-------|-------------------------|-------|-------------------------|------|---------------|
| Gakwegori | 47238 | 43.20 | 30012 | 45.15 | 13409 | 38= | 90659 |
| Gachungu | 22971 | 31.10 | 85680 | 40= | 45182 | 35= | 153833 |
| Gachagori | 46530 | 41.10 | 88659 | 44= | 45150 | 39= | 180339 |
| Njauri | 20625 | 30.15 | 123710 | 41= | 21961 | 36= | 166296 |
| Totals | 137364 | | 328061 | | 125702 | | 591127 |

He then continued showing them the coffee production for the year 2014/2015 1st and 2nd crop

| Activity | 1 st crop | 2 nd crop(A) | 2 nd crop(B) | Total kgs |
|---------------|----------------------|-------------------------|-------------------------|---------------|
| Gakwegori | 32216 | 60782 | 18572 | 111570 |
| Gachungu | 4271 | 116619 | 28751 | 149641 |
| Gachagori | 18596 | 143422 | 37481 | 199499 |
| Njauri | 4633 | 160896 | 33457 | 198986 |
| Totals | 59716 | 481719 | 118261 | 659696 |

The chairman asked members to go back to their coffee shambas in order to improve on quality and quantity. He informed members that the 1st crop 2014/2015 was auctioned but they were not yet paid due to 2nd crop coffee processing and that they will be paid once we get money.

N.H.I.F

Since we have not been served with the circular from their offices, we are still paying five hundred shillings monthly still waiting for the government to settle the matter.

The chairman informed members that the county coffee mill at kavutiri and the county government had assisted 10 million shillings for fencing.

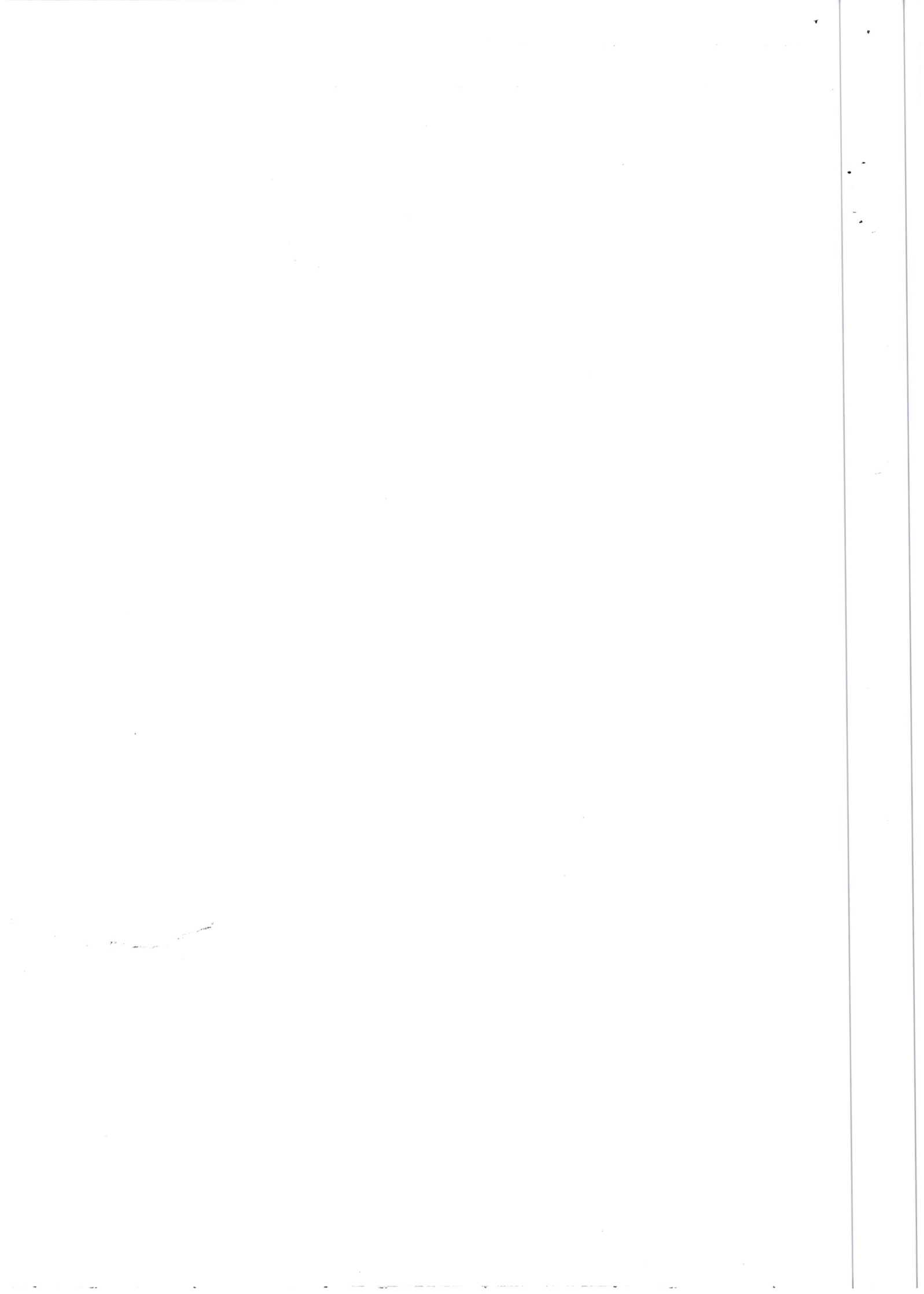
Finally the chairman reminded the members of the ksh.2 deductions to minimum shares of ksh.4000= so as to meet the 3.8 million. In length of the discussion, members sent the C.S (county secretary) Mr. Raymond and the M.C.A Mr. Salesio Kimaru to the county governor to own the mill and wave the loan of mill from members.

Minute No.8/7/2015/2016.A.O.B (Any Other Business.):

The MCA Mr. Salesio Kimaru of Kyeni south ward congratulated members for their unity together with other Embu Coffee Societies for proposing to have a county mill. He said that as the chairman for agriculture, he has given out ten million for the mill and that the county is fully supporting the mill. Therefore he requested members to increase production in quality and quantity for the machine has a larger volume for milling.

The C.S (County Secretary) Mr. Raymond also emphasized on production of good quality and quantity to the mill due to its volume. He also asked members to maintain macadamia nuts for the mill has already started at Muthatari which will also need lots of macadamia.

He also informed members that they have agreed the school fund bursaries to be increased due to our children.



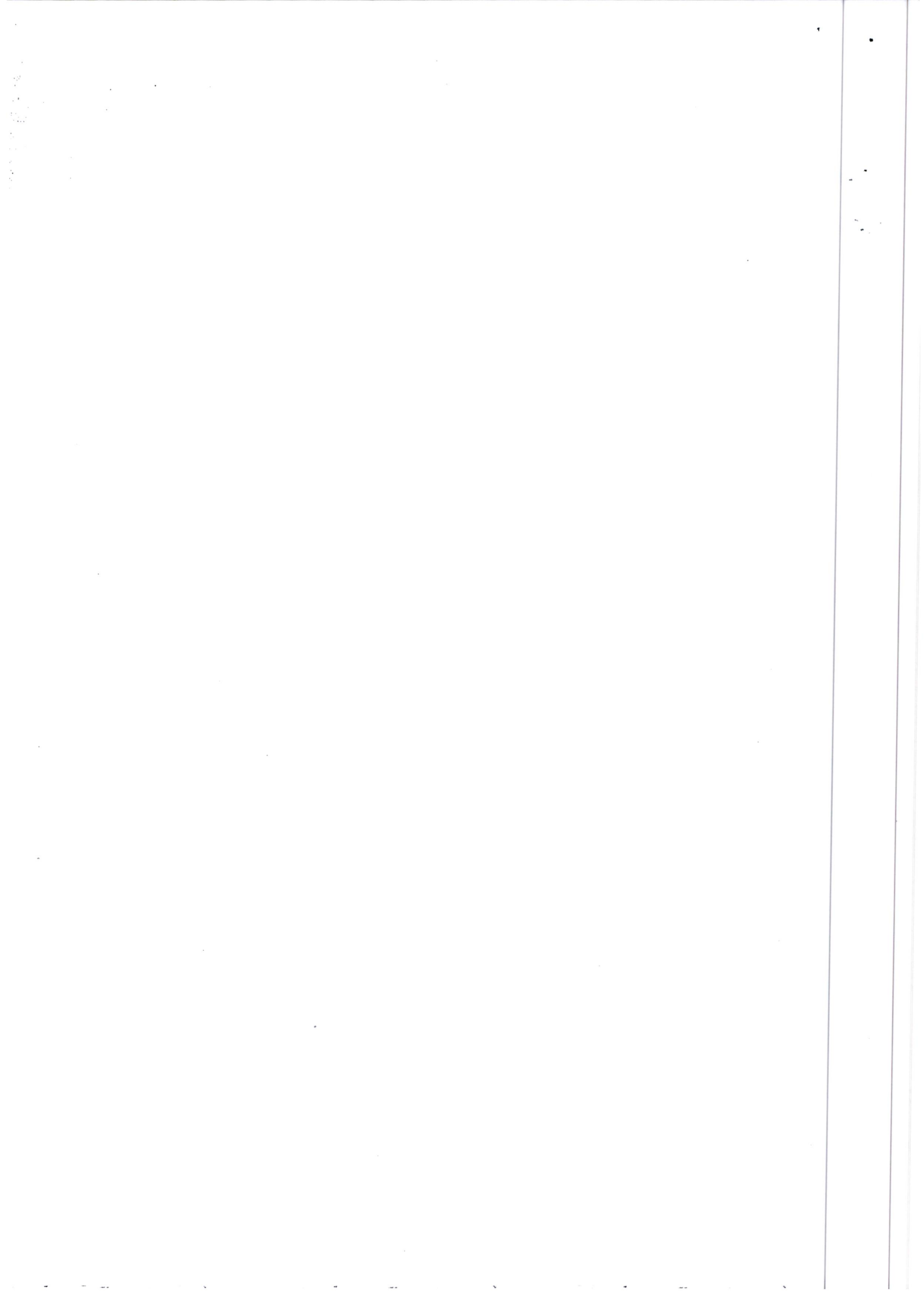
Finally, he asked members to support Embu county government for the few years remaining.

There being no more agendas, the meeting ended at 3:00pm with a word of prayer said by Mr. Elias Njiru.

MINUTES PREPARED BY:  - ROBERT N. IRERI
SECRET/MANAGER

MINUTES CONFIRMED BY:  CHARLES KARIUKI
CHAIRMAN

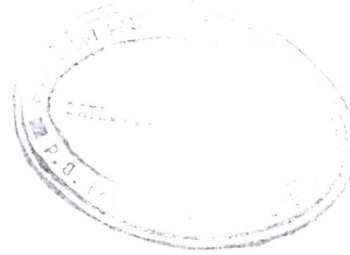




NEW KYENI FARMERS CO-OPERATIVE SOCIETY LIMITED SPECIAL GENERAL MEETING MINUTES HELD ON 30/8/2016 AT GACHAGORI FACTORY.

PRESENT:

- | | |
|------------------------|------------------|
| 1. Mr. Charles Kariuki | Chairman |
| 2. Mr. Peter N. Joseph | Vice Chairman |
| 3. Mr. Edwin Njagi | Committee Member |
| 4. Mr. Charles Nyaga | Committee Member |
| 5. Mr. Mwaniki Paul | Committee Member |
| 6. Mr. Elias Njiru | Committee Member |
| 7. Mr. Njiru Murefu | Committee Member |
| 8. Mr. Salesio Nthiga | Committee Member |
| 9. Mr. Evans Mbutho | Committee Member |



SUPERVISORY COMMITTEE:

- | | |
|---------------------|------------------|
| 1. Mr. Josiah Nyaga | Chairman |
| 2. Mr. Njue Gacami | Secretary |
| 3. Mr. Festus Ileri | Committee Member |

ABSENT WITH APOLOGY:

- | | |
|-----------------|-----------------|
| 1. Mrs. Kariuki | D.C.O Embu East |
|-----------------|-----------------|

IN ATTENDANT:

- | | |
|------------------------|-------------------|
| 1. Mr. Robert N. Ileri | Secretary Manager |
| 2. Mr. Nathan Charagu | Asst/Secr/Manager |

The meeting was started with a word of prayer said by Mr. Elias Njiru m/no 3644 at 10.25am. There were 401 members who had arrived.

The chairman started his remarks by welcoming all members, invited guests and all others. Then he asked the management/supervisory to introduce themselves. He then asked members to be patient and free when deliberating the society's way forward.

Minute No.1/30/8/2015/2016. Reading the previous minutes:

The minutes of the previous Special General Meeting of 31/7/2015 were read by the secr/manager and were confirmed by m/no 932 Mr. Harrison Ngondi with 1530kgs and seconded by m/no 3314 Mr. Samuel Njeru with 721kgs and were agreed by all.

Since there were no matters arising, the chairman asked the secretary manager to read the proposed budget.



Minute No.2/30/8/2015/2016.Reading 2016/2017 budget:

| | Gakwegori F. | Gachungu F. | Gachagori F. | Njauri F. |
|----------------------|---------------------|--------------------|---------------------|------------------|
| Estimated production | 100000kgs | 150000kgs | 180000kgs | 150000kgs |
| Cherry sales | 5000000= | 7500000= | 9000000= | 7500000kgs |
| Mbuni sales | 200000= | 200000= | 200000= | 200000= |
| Total | 5200000= | 7700000= | 9200000= | 7700000= |
| Expenditure | 1145910= | 1726400= | 2057300= | 1726400= |
| Payment to members | 3623860= 80% | 5400310= 80% | 6489900= 80% | 5400310= 80% |
| Mbuni payment | 160000= 80% | 160000= 80% | 160000= 80% | 160000= 80% |
| Budget contribution | 270230= | 413290= | 492800= | 413290= |

1. 466 store for resale

- ~ Purchase 3500000=
- ~ Sales 3675000=
- ~ Expenditure 3580000=
- ~ Net profit 95000=

2. Society lorry KQJ 244

- ~ Sales on transport 150000=
- ~ Expenditure 100000=
- ~ Net profit 50000=

3. Society nurseries

- ~ 5000 seedlings
- ~ Sales 100000=
- ~ Expenditure 30000=
- ~ Profit 70000=

4. Society farms

- ~ Production 10000kgs
- ~ Sales 30000=
- ~ Expenditure 250000=
- ~ Profit 50000=

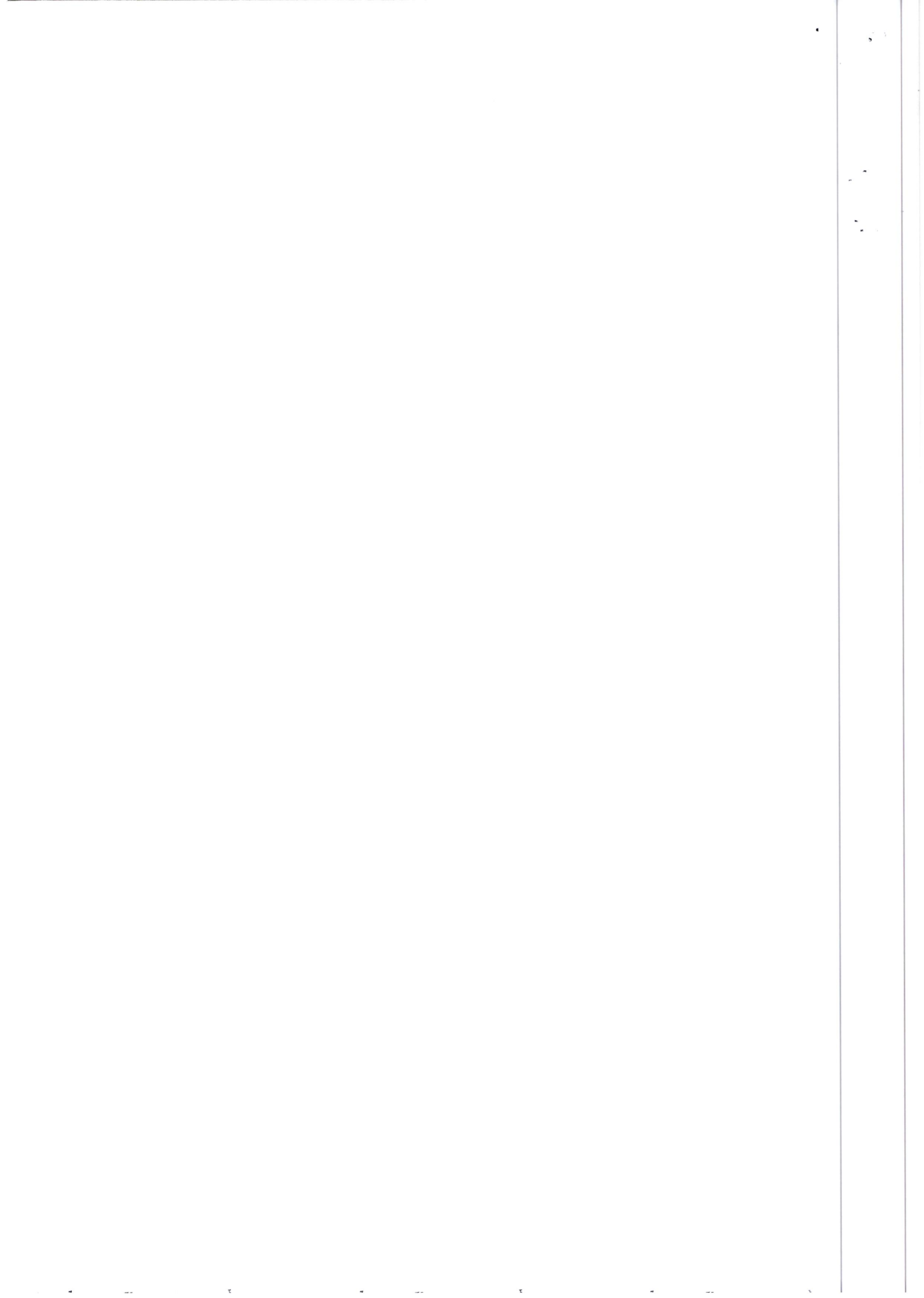
5. Society general

- ~ Income 555000
- ~ Expenditure 240000
- ~ Loss (1854610=)

6. 99 society expenditure

- ~ New office furniture 2million

After reading the budget and been discussed it was confirmed then proposed by m/no 1595 Mr. Jacob Njue with 1873kgs and seconded by m/no 2729 Mr. Gerald Ireri with 507kgs and was agreed by all.



Minute No.3/30/8/2015/2016.Maximum borrowing power:

In reference to more than fifteen years, members noted that they had never used any borrowing power. So they lastly agreed to continue with the same 20million year 2016/2017.This was proposed by m/no 4380 Mr. Alfred Kariuki Njeru with 3356kgs and seconded by m/no 2351 Mr. Titus Ireri Humphrey with 1170kgs and was agreed by all.

Minute No.4/30/8/2015/2016.Chairman's report:

The chairman started his speech by greeting all members and the invited guests as well as welcoming all to the meeting. He then thanked members for unity and co-operation to the entire management. He then read to members coffee production and payment year 2015/2016 of 366922kgs.

| | 1st Crop | Rate | 2nd Crop (A) | 2nd Crop (B) | Total |
|-------------------|----------------------------|-------------|--------------------------------|--------------------------------|------------------|
| Gakwegori factory | 40844kgs | 31.10 | 18068 | 3227 | 62139kgs |
| Gachungu factory | 3548kgs | 30= | 82358 | 18925 | 104831kgs |
| Gachagori factory | 26626kgs | 30= | 68576 | 12668 | 107870kgs |
| Njauri factory | 2074kgs | 30= | 83375 | 6633 | 92082kgs |
| Total | 73092kgs | | 252377kgs | 41453 | 366922kgs |

The chairman requested members to go back to their farm in order to farm good quality and quantity which will bring better payments. He then informed members that 2nd crop was on process of been delivered for milling, but we had challenge of weather and luck of good coffee maintenance which had down fall of 250000kgs compared with the previous years

i. Coffee mill

He urged members to be serious on farming because the mill is almost to be completed and it will be a challenge if we won't have enough production.

He then congratulated those members who had completed kshs4000= coffee county mill shares.

ii. Coffee tax force

The chairman informed members that 80% of coffee tax force report is good but 20% need adjustment before been taped to the parliament.

So he urged members to wait before having grouped one Central Centre of coffee processing of (A&B).

iii. Nawiri Sacco

The chairman informed members that Nawiri Sacco society was in position 3 in the republic of Kenya on paying divided at 12%.So he encouraged members to support the Sacco.

After the chairman's report been read, it was proposed by m/no 1856 Mr. peter Ndwiga with 1430kgs and seconded by m/no 690 Mr. Isaack Njue with 1442kgs and was agreed by all.

There been no more agenda, the meeting was closed with a word of prayer said by Mrs. Virginia Wanjiri m/no 2460 at 2.00pm.



MINUTES PREPARED BY:  MR ROBERT N. IRERI
SECRETARY MANAGER

MINUTES CONFIRMED BY:  MR CHARLES KARIUKI
CHAIRMAN

Cc

D.C.O-Embu East Sub-County

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3

PROPOSED OFFICE BLOCK

FOR

THE NEW KYENI FARMERS

CO-OPERATIVE SOCIETY

CIVILWORKS

(FOUL DRAINAGE AND SEPTIC TANK)

COST ESTIMATES

ARCHITECTS

Arch Mould Planning Systems

Architects, Planners, Quantity surveyors,

Interior designers and project managers

P.O BOX 1574-60100

Tel. +254 - 068 - 31644

Cell +254-722305447

EMBU - KENYA

QS. R. M. NGARI
B.A.-Bldg'Econ(Hons)
P. O. BOX 302
EMBU



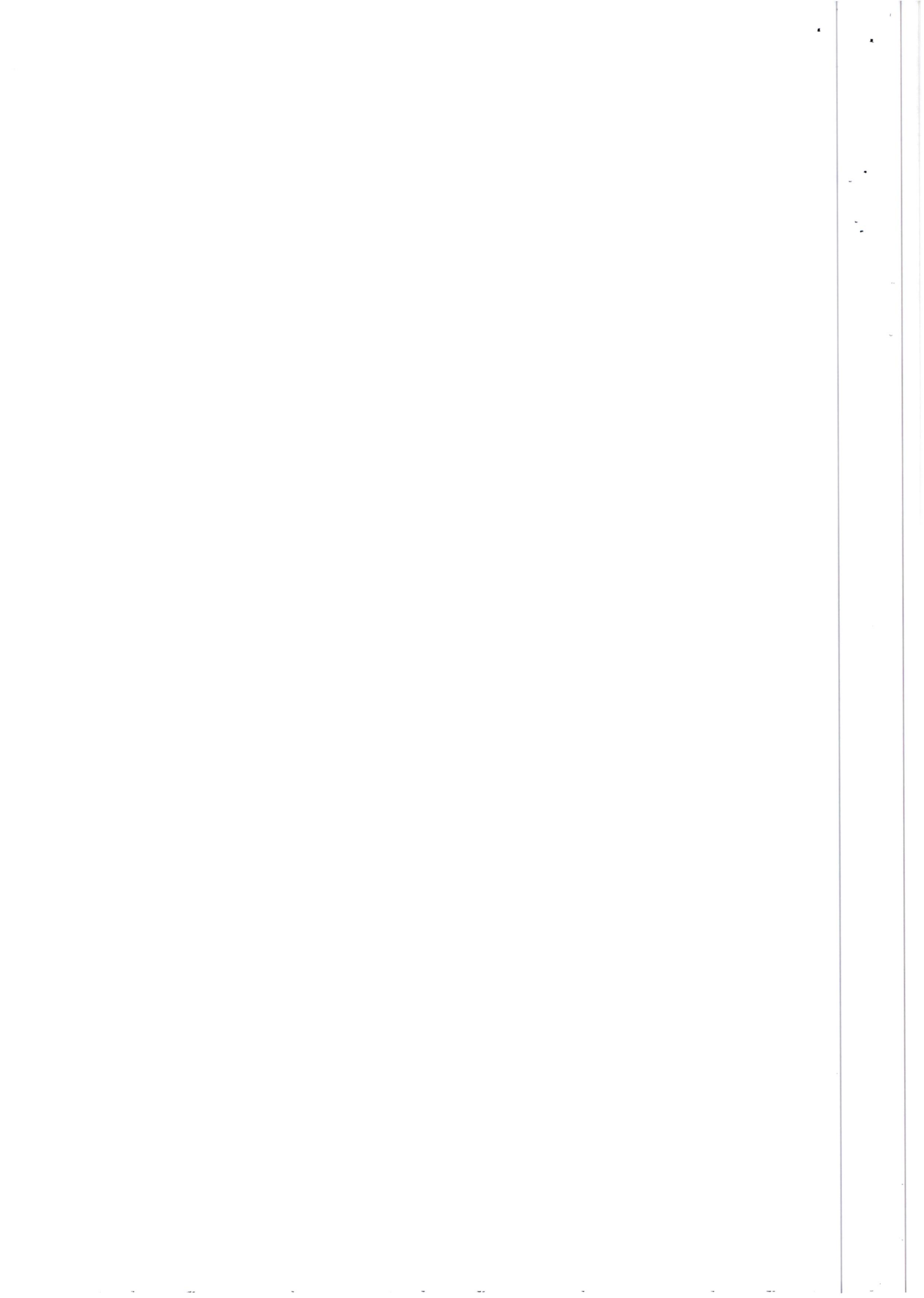
2.

PROJECT: PROPOSED OFFICE BLOCK FOR THE NEW KYENI FARMERS
CO-OPERATIVE SOCIETY - CIVIL WORKS

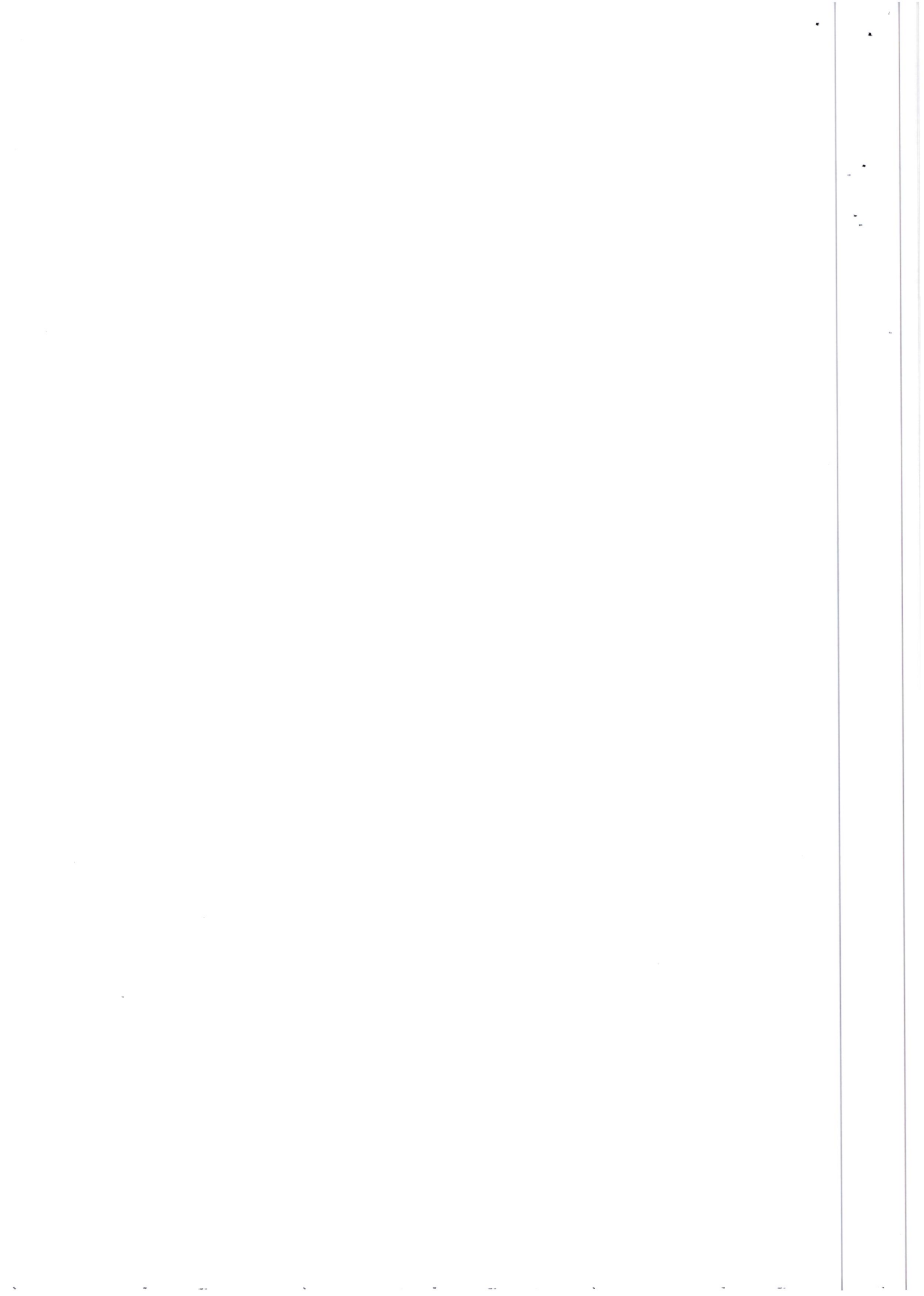
BILL NO. 01 FOUL DRAINAGE SYSTEM (DIA. 300MM UPVC PIPELINE)

| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|---|------|-----|-------|-------------------|
| | <u>FOUL DRAINAGE SYSTEM EXCAVATIONS.</u> | | | | |
| | Excavate trench for 160mm diameter uPVC pipe, backfill after laying of pipes and cart away. | | | | |
| A | Depth to invert n.e 1.50m. | CM | 86 | 350 | 30,100.00 |
| B | Ditto, depth n.l.t 1.5m but n.e 2.0m. | CM | 28 | 380 | 10,640.00 |
| C | Ditto, depth n.l.t 2.0m but n.e 2.5m. | CM | 28 | 420 | 11,760.00 |
| D | Ditto, depth n.l.t 2.5m but n.e 3.0m. (Provisional item). | CM | 28 | 480 | 13,440.00 |
| E | Extra over all excavation items for excavation in rock class II. | CM | 16 | 2,600 | 41,600.00 |
| | <u>PIPE LAYING.</u> | | | | |
| F | Provide lay and joint 160mm diameter uPVC pipe class 41 to B.S 4660 on compacted murrum bedding as per detailed drawing No. (50)5310. | M | 96 | 1,650 | 158,400.00 |
| G | Provide, placed compact murrum in 150mm bed and haunch type E to uPVC soil pipes as specified. | M | 96 | 300 | 28,800.00 |
| | <u>MANHOLES.</u> | | | | |
| H | Excavate in pit for rectangular manhole type A as per detailed drawing No. (50)5300, return fill and ram selected approved material after construction of manholes and cart away surplus excavated material depth n.e 0.6m. | CM | 18 | 260 | 4,680.00 |
| TOTAL CARRIED TO COLLECTION PAGE 4 | | | | | 299,420.00 |

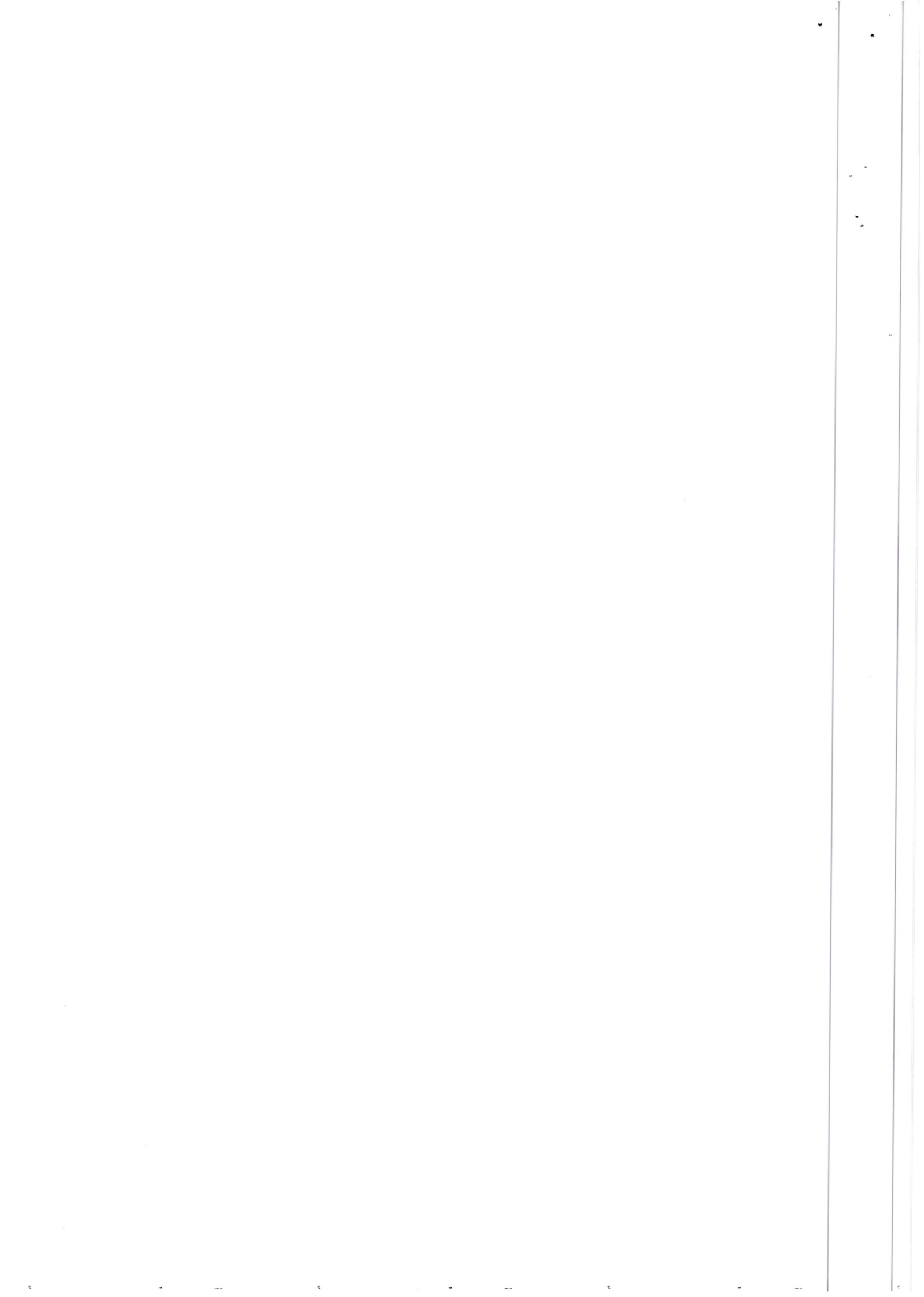
| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|---|------|-----|--------|-------------------|
| | <u>MANHOLES CONT'D</u> | | | | |
| C | Extra over all excavation items for excavation in rock class I. | CM | 5 | 1,500 | 7,500.00 |
| | <u>Concrete class P (mix 1:4:8)</u> | | | | |
| D | Provide all materials, mix and place 50mm thick concrete as blinding for manholes. | CM | 1 | 11,000 | 11,000.00 |
| | <u>Vibrated concrete class 15 (mix 1:3:6)</u> | | | | |
| E | Ditto but 150mm thick base slab for manholes. | SM | 2 | 1,800 | 3,600.00 |
| | <u>Vibrated reinforced concrete class 20/20 (mix 1:2:4)</u> | | | | |
| F | Provide all materials, mix and place 150mm thick concrete class 20 as cover for manholes. | SM | 2 | 1,500 | 3,000.00 |
| | <u>Vibrated concrete class 20 (mix 1:2:4)</u> | | | | |
| G | Provide all materials, mix place concrete class 20 as benching for 150mm diameter pipe. Include for forming the main and branch channels as well as finishing benching to falls and building-in pipes as per detailed drawings. | CM | 6 | 13,000 | 78,000.00 |
| TOTAL CARRIED TO COLLECTION PAGE 4 | | | | | 103,100.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|------------------------------------|---|------|-----|--------|------------|
| | <u>Walling.</u> | | | | |
| A | Provide, lay and joint 150mm thick approved concrete block or dressed natural stone walling to type B detail 50 (5301). | SM | 133 | 1,800 | 239,400.00 |
| B | <u>MILD STEEL REINFORCEMENT BARS TO B.S 4449.</u> | | | | |
| C | 8mm diameter bars for cover slab to detail 50 (5309). | KG | 165 | 250 | 41,250.00 |
| | <u>STEP IRON.</u> | | | | |
| D | Provide and fix Bitumen coated cast iron steps as per detailed drawings. | NO. | 72 | 220 | 15,840.00 |
| | <u>RENDERING.</u> | | | | |
| E | Provide 12mm thick water proof cement and sand (mix 1:3) steel float finished rendering to walls. | SM | 118 | 450 | 53,100.00 |
| | Ditto but to cover slab. | SM | 10 | 450 | 4,500.00 |
| F | Provide 12mm thick cement and sand (mix 1:1) water proof rendering trowelled smooth to surface of benching. | SM | 42 | 480 | 20,160.00 |
| | <u>C.I MANHOLE COVER AND FRAME TO B.S 497 & B.S 556.</u> | | | | |
| G | Provide and fix 600 X 450mm medium duty C.I manhole cover and frame and grease to detail 50 (5313). | NO. | 10 | 10,500 | 105,000.00 |
| | Allow for testing of the sewer line to the satisfaction of the engineer. | ITEM | | | 15,000.00 |
| TOTAL CARRIED TO COLLECTION PAGE 4 | | | | | 494,250.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|------------------------------|---|------|-----|------|-------------------|
| | COLLECTION (FOUL DRAINAGE SYSTEM) (DIA. 160MM UPVC PIPE) | | | | |
| | Brought forward from page.....1` | | | | 299,420.00 |
| | Brought forward from page.....2 | | | | 103,100.00 |
| | Brought forward from page.....3 | | | | 494,250.00 |
| | SUB-TOTAL | | | | 896,770.00 |
| TOTAL (FOUL DRAINAGE) | | | | | 896,770.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|--|------|-----|-------|-------------------|
| | <u>15,000 LITRES CAPACITY SEPTIC TANK FOR 50 PERSONS AND ASSOCIATED SOAKAGE AREA.</u> <u>Excavation</u> Excavate in pit for septic tank starting from ground level. | | | | |
| A | Depth not exceeding (n.e) 1.5m. | CM | 133 | 350 | 46,550.00 |
| B | Ditto, depth not limited to (n. l. t.) 1.5m but n.e 2.0m. | CM | 38 | 420 | 15,960.00 |
| C | Ditto, depth not limited to 2.0m but n.e 2.5m. | CM | 38 | 480 | 18,240.00 |
| D | Ditto, depth not limited to 2.5m but n.e 3.0m. | CM | 38 | 490 | 18,620.00 |
| E | Ditto, depth not limited to 3.0m but n.e 3.5m. | CM | 38 | 600 | 22,800.00 |
| G. | Trim bottom of excavated surface. | SM | 38 | 150 | 5,700.00 |
| H. | Extra over for excavation in rock class II. | CM | 13 | 1,500 | 19,500.00 |
| TOTAL CARRIED TO COLLECTION PAGE 9 | | | | | 147,370.00 |



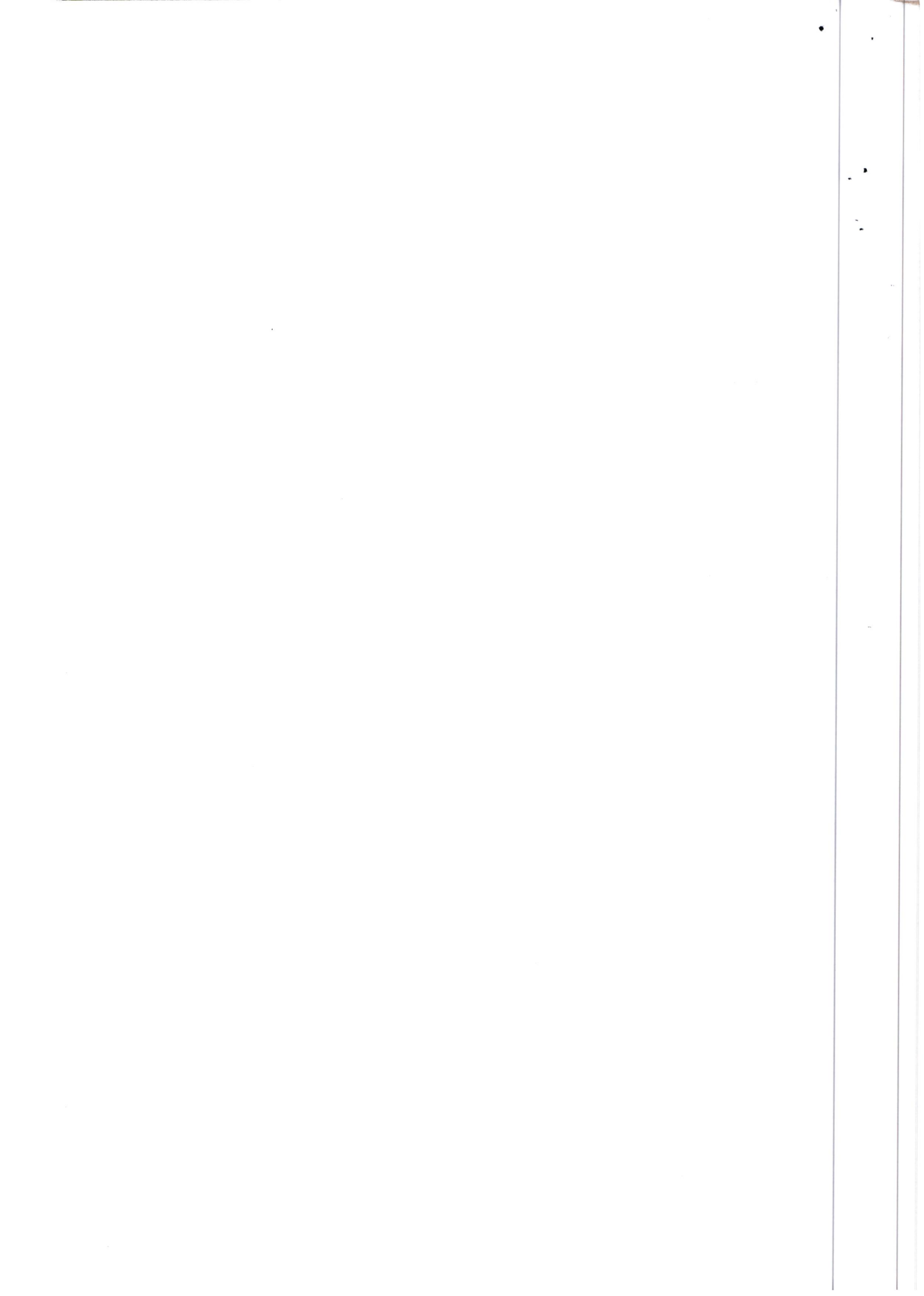
| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|---|------|-----|--------|-------------------|
| SEPTIC TANK Cont'd. | | | | | |
| <u>Concrete class 15 (mix 1:3:6)</u> | | | | | |
| A | Mix and place 50mm concrete blinding. | CM | 2 | 11,000 | 22,000.00 |
| <u>Vibrated reinforced concrete class 20/20 (mix 1:2:4)</u> | | | | | |
| B | Mix and place 200mm thick concrete in base slab. | CM | 6 | 13,000 | 78,000.00 |
| <u>Walling.</u> | | | | | |
| A | Provide, lay and joint 225mm thick approved concrete block or dressed natural stone walling to type B detail 50 (5301) . | SM | 72 | 1,800 | 129,600.00 |
| E | 150mm thick reinforced concrete scum baffle wall. | CM | 1 | 13,000 | 13,000.00 |
| F | Ditto, but in 200mm thick suspended cover slab. | SM | 18 | 3,100 | 55,800.00 |
| <u>High yield square twisted reinforcement steel to B.S 4461</u> | | | | | |
| G | 8mm diameter bars. | KG | 128 | 150 | 19,200.00 |
| H | 10mm diameter bars | KG | 121 | 150 | 18,150.00 |
| I | 12mm diameter bars. | KG | 242 | 150 | 36,300.00 |
| TOTAL CARRIED TO COLLECTION PAGE 9 | | | | | 372,050.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|---|------|-----|------|-------------------|
| | <u>BRC Mesh reinforcement to B.S 1483</u> <u>Concrete class 15 (mix 1:3:6)</u> | | | | |
| | BRC mesh No. 65/66. | SM | 19 | 350 | 6,650.00 |
| | <u>Formwork</u> Sawn formwork to:- Interior sides of vertical walls. | SM | 5 | 420 | 2,100.00 |
| | Soffit of suspended slab. | SM | 17 | 420 | 7,140.00 |
| | Edge of suspended slab, 150mm-225mm wide. | M | 21 | 180 | 3,780.00 |
| | Ditto to sides of entry and exit manholes. | M | 6 | 180 | 1,080.00 |
| | Boxing in formwork to form opening in cover slab for 600 x 450mm manhole cover and frame, 150-225mm wide. | M | 9 | 180 | 1,620.00 |
| | Return fill and ram selected approved material around external sides of septic tank. | CM | 72 | 260 | 18,720.00 |
| | <u>WATER PROOF CEMENT</u> <u>RENDERING.</u> | | | | |
| | 12mm thick sulphate resisting cement sand (mix 1:3) to base slab. | SM | 24 | 480 | 11,520.00 |
| | Ditto to sides of vertical walls internally and externally. | SM | 122 | 480 | 58,560.00 |
| | <u>FRENCH DRAINS</u> Excavate trench for agricultural pipe n.e 200mm in diameter for French drains to detailed drawing No. (50)5344, backfill after laying of pipes and cart away surplus excavated material. | | | | |
| TOTAL CARRIED TO COLLECTION PAGE 9 | | | | | 111,170.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|--|------|-----|--------|-------------------|
| | <u>FRENCH DRAINS cont'd</u> | | | | |
| A | Depth to invert n.e 1.5m | CM | 23 | 320 | 7,360.00 |
| B | Ditto, depth n.l.t 1.5m but n.e 2.0m. | CM | 7 | 360 | 2,520.00 |
| C | Provide and lay 100mm diameter agricultural pipes in French drains. Include for all other materials as per drawing No. (50)5344. | LM | 28 | 1,250 | 35,000.00 |
| D | Cultivate within soakage area, provide and spread 100mm thick layer of red soil mixed with manure (ratio manure: red soil = 1:6). Plant Kikuyu grass, maintain till established. | SM | 185 | 480 | 88,800.00 |
| | <u>DISTRIBUTION MANHOLES.</u> | | | | |
| | Excavate pit for rectangular distribution manhole as per detailed drawing No. (50) 5351. | | | | |
| E | Depth n.e 1.5m. | CM | 3 | 360 | 1,080.00 |
| F | Ditto, depth n.l.t 1.5m but n.e 2.0m. | CM | 1 | 420 | 420.00 |
| | <u>Concrete class 15 (mix 1:3:6)</u> | | | | |
| G | Mix and place 50mm thick blinding to manholes. | CM | 1 | 11,000 | 11,000.00 |
| | <u>Vibrated concrete class 20/20 (mix 1:2:4)</u> | | | | |
| H | Mix and place 150mm thick concrete class 20 as base slab. | SM | 2 | 1,800 | 3,600.00 |
| I | Ditto, in 150mm thick reinforced concrete cover slab. | SM | 2 | 1,800 | 3,600.00 |
| TOTAL CARRIED TO COLLECTION PAGE 9 | | | | | 153,380.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|---|--|------|-----|--------|-------------------|
| | <u>Distribution manholes Cont.d.</u> | | | | |
| | <u>Walling.</u> | | | | |
| A | 200mm thick dressed natural stone. | SM | 18 | 1,800 | 32,400.00 |
| B | 12mm thick water proof cement rendering to vertical walls and base slab. | SM | 18 | 480 | 8,640.00 |
| | <u>SOAKPITS.</u> | | | | |
| C | Excavate pit for circular soak pit as per detailed drawing No. (50) 5345, depth not less than 3.0m but n.e 5.0m. | CM | 16 | 1,200 | 19,200.00 |
| | <u>Concrete class 15 (mix 1:3:6)</u> | | | | |
| D | Mix and place 50mm thick concrete blinding in strip footing. | CM | 1 | 11,000 | 11,000.00 |
| E | Ditto but 100mm thick strip footing. | CM | 1 | 13,000 | 13,000.00 |
| | <u>Walling.</u> | | | | |
| F | 150mm thick dressed natural stone to detail 50 (5345). | SM | 7 | 1,800 | 12,600.00 |
| G | 12mm thick water proof cement rendering to vertical walls. | SM | 7 | 480 | 3,360.00 |
| | <u>Vibrated reinforced concrete class 20/20 (mix 1:2:4)</u> | | | | |
| H | Mix and place concrete class 20/20 in 150mm thick suspended slab. | CM | 2 | 13,000 | 26,000.00 |
| | <u>Mild steel reinforcement bars to B.S 4449</u> | | | | |
| I | 12mm diameter round bars. | KG | 33 | 150 | 4,950.00 |
| M | Provide 200mm diameter stone blocks or hardcore in soak pits. | CM | 8 | 2,200 | 17,600.00 |
| N | Provide and fix 600 x 450mm medium duty C.I manhole cover and frame to B.S 497 | No. | 8 | 9,500 | 76,000.00 |
| TOTAL CARRIED TO COLLECTION PAGE 9 | | | | | 224,750.00 |

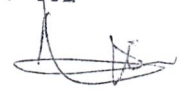


| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|----------------------------|--|------|-----|------|---------------------|
| | <u>COLLECTION (SEPTIC TANK)</u> | | | | |
| | Brought forward from page.....4 | | | | 147,370.00 |
| | Brought forward from page.....5 | | | | 372,050.00 |
| | Brought forward from page.....6 | | | | 111,170.00 |
| | Brought forward from page.....7 | | | | 153,380.00 |
| | Brought forward from page.....8 | | | | 224,750.00 |
| | SUB-TOTAL | | | | 1,008,720.00 |
| TOTAL (SEPTIC TANK) | | | | | 1,008,720.00 |



| ITEM | DESCRIPTION | UNIT | QTY | RATE | KHS/CTS |
|------|----------------------------|------|-----|------|---------------------|
| | SUMMARY | | | | |
| | Foul drainage | | | | 896,770.00 |
| | Septic tank | | | | 1,008,720.00 |
| | SUB-TOTAL | | | | 1,905,490.00 |
| | TOTAL (SEPTIC TANK) | | | | 1,905,490.00 |

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 B.A. - Bldg. Econ (HONS)
 P.O. Box 302
 ENBU





3

PROPOSED ROADWORKS AND PARKING

FOR

THE NEW KYENI FARMERS

CO-OPERATIVE SOCIETY

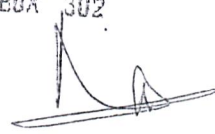
ARCHITECTS

Arch Mould Planning Systems

Architects, Planners, Quantity surveyors,
Interior designers and project managers
P.O BOX 1574-60100
Tel. +254 - 068 - 31644
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EMBU - KENYA

NOVEMBER-2010

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22

| Item No | Description | Qty | Unit | Rate | Kshs |
|---------|---|------|------|----------|---------------------|
| | BILLS OF QUANTITIES FOR THE PROPOSED ROADWORKS AND PARKING FOR NEW KYENI FARMERS CO OPERATIVE SOCIETY | | | | |
| | ACCESS ROAD AND PARKING | | | | |
| A | Strip top soil 200 mm depth maximum and dispose as directed by DR. | 610 | SM | 110.00 | 67,100.00 |
| B | Excavate to remove vegetable soil not exceeding 0.5 m starting from stripped level and cart materials to tips as directed by DR. | 305 | CM | 280.00 | 85,400.00 |
| C | Provide, lay and compact approved imported filling material in layers not exceeding 200 mm upto formation level. | 1040 | CM | 350.00 | 364,000.00 |
| D | Trim and compact formation to correct falls and crossfalls. | 610 | SM | 150.00 | 91,500.00 |
| E | Treat the surfaces of base with approved herbicide. | 610 | SM | 200.00 | 122,000.00 |
| F | Provide, lay and compact 150 mm thick approved murrum subbase. | 610 | SM | 630.00 | 384,300.00 |
| G | Provide, lay and compact 150 mm thick approved handpacked stone base including stone dust blinding. | 610 | SM | 315.00 | 192,150.00 |
| | KERBS ONLY. | | | | |
| H | Provide, lay and joint along the edge of the road and parking 250 x 125 mm kerb including 350 x 325 mm bed and haunch (concrete mix 1:3:6) and any necessary formwork to detail (50) 5332'A' | 61 | LM | 800.00 | 48,800.00 |
| J | Ditto to radius not exceeding 3.0 m | 18 | LM | 910.00 | 16,380.00 |
| K | Ditto to radius not exceeding 7.5 m. | 30 | LM | 910.00 | 27,300.00 |
| | KERBS AND CHANNEL | | | | |
| L | Provide, lay and joint along edge of the road and parking 250 x 125 mm kerb and channel including 450 x 350 mm bed and haunch (concrete mix 1:3:6) and any necessary formwork to detail (50) 5332 'B' | 41 | LM | 1,600.00 | 65,600.00 |
| | Total carried to Summary | | | | 1,464,530.00 |



| Item No | Description | Qty | Unit | Rate | Kshs |
|---|--|-----|------|----------|------------|
| KERBS AND CHANNEL (con'd) | | | | | |
| A | Ditto radius not exceeding 3.0 m. | 6 | LM | 1,865.00 | 11,190.00 |
| B | Ditto radius not exceeding 7.5 m | 15 | LM | 1,865.00 | 27,975.00 |
| FOOTPATHS | | | | | |
| C | Excavate 300 mm deep to remove vegetable soil and cart away as directed by DR. | 18 | SM | 35.00 | 630.00 |
| D | Provide, lay and compact 200 mm thick imported filling material. | 4 | CM | 150.00 | 600.00 |
| E | Treat surface of base with approved herbicide. | 36 | SM | 200.00 | 7,200.00 |
| F | Provide and spray MC 30 prime coat at the rate of 0.75 litres per square metre to surface of base. | 54 | SM | 200.00 | 10,800.00 |
| G | Provide, lay and compact 15 mm thick premix dense bituminous macadam wearing course. | 54 | SM | 85.00 | 4,590.00 |
| H | Provide, lay and joint 600 x 600 x 50 mm p.c.c slabs including 50 mm thick sand bed. | 54 | SM | 1,550.00 | 83,700.00 |
| J | Provide, lay and joint 125 x 100 mm channel as footpath edging including 100 mm thick bed and haunch (concrete mix 1:3:6) and any necessary formwork, excavation and disposal of surplus material. | 90 | LM | 800.00 | 72,000.00 |
| K | Ditto to radius of 3.0 m | 6 | LM | 900.00 | 5,400.00 |
| L | Ditto to radius of 7.5 m. | 15 | LM | 900.00 | 13,500.00 |
| RETAINING WALL | | | | | |
| Excavate | | | | | |
| M | Pits for Column bases; Depth 0 -1.5 M | 17 | CM | 85.00 | 1,445.00 |
| N | Trench for strip foundation; Depth 0 -1.5 M Ditto. | 29 | CM | 85.00 | 2,465.00 |
| Backfilling, Disposal and Anti Termite treatment | | | | | |
| P | Re-excavate from spoil heaps; refill trenches and compact in 150 mm layers. | 35 | CM | 100.00 | 3,500.00 |
| Q | Load and wheel surplus excavated soil, deposit and spread on site. | 11 | CM | 100.00 | 1,100.00 |
| Total carried to Summary | | | | | 246,095.00 |



| Item No | Description | Qty | Unit | Rate | Kshs |
|---------|---|-----|------|----------|-------------------|
| | 50 mm thick Plain concrete mix (1:4:8) blinding under: | | | | |
| A | Strip foundation | 20 | SM | 275.00 | 5,500.00 |
| B | Column bases | 11 | SM | 275.00 | 3,025.00 |
| | Vibrated Reinforced concrete mix (1:2:4) Class 20/20mm | | | | |
| C | Strip Foundation | 5 | CM | 7,500.00 | 37,500.00 |
| D | Columns bases | 4 | CM | 7,500.00 | 30,000.00 |
| E | Columns | 2 | CM | 7,500.00 | 15,000.00 |
| F | Ground beam | 3 | CM | 7,500.00 | 22,500.00 |
| | High tensile Square Twisted Steel Bars reinforcement measured nett including cutting bending, labelling, hooking, typing and supporting as: | | | | |
| G | 8 mm diameter in Columns/ground beam | 259 | KG | 75.00 | 19,425.00 |
| H | Ditto in strip foundation | 46 | KG | 75.00 | 3,450.00 |
| J | 10 mm diameter in Strip foundation | 54 | KG | 75.00 | 4,050.00 |
| K | 12 mm in Columns and bases | 254 | KG | 75.00 | 19,050.00 |
| L | 12 mm in ground beam | 137 | KG | 75.00 | 10,275.00 |
| | Sawn formwork to: | | | | |
| M | Vertical sides of Strip foundation | 20 | SM | 200.00 | 4,000.00 |
| N | Ditto Columns and bases | 59 | SM | 200.00 | 11,800.00 |
| | Walling | | | | |
| P | 225 mm wide Natural Stone Walling bedded and jointed in cement and sand mortar mix 1:3 and reinforced with 20 Gauge 25 x 3 mm hoop iron wall ties laid horizontally at every alternate course. | 112 | SM | 950.00 | 106,400.00 |
| | DRAINAGE AROUND BUILDING | | | | |
| Q | Provide, lay and joint around the building stormwater channel including 70 mm hardcore filling, 50 mm concrete blinding, 50 mm cobbles set in 100 mm concrete, 600 x 600 x 50 mm pcc slab laid to fall (1:40) and any necessary excavation and disposal of surplus material to detail (50)5353. | 64 | LM | 1,800.00 | 115,200.00 |
| | Total carried to Summary | | | | 407,175.00 |



| Item No | Description | Qty | Unit | Rate | Kshs |
|----------------|---------------------------------------|-----|------|------|--------------|
| SUMMARY | | | | | |
| | Brought forward from page SF/01 | | | | 1,464,530.00 |
| | Brought forward from page SF/02 | | | | 246,095.00 |
| | Brought down from page above | | | | 407,175.00 |
| | TOTAL CARRIED TO GRAND SUMMARY | | | | 2,117,800.00 |

SF/04

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