



MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF THE KWACHA PENSION TRUST FUND HELD ON MONDAY 18th DECEMBER 2017 AT 14:30 HOURS AT THE BANK OF ZAMBIA BOARDROOM IN NDOLA

PRESENT

Mr Hastings Mtine
Mr Isaac Muhanga
Mr Chingeni Ndhlovu
Mr Maulu Hamunjele
Mr Charles Mpundu

DESIGNATION

Chairperson
V/Chairperson
Trustee
Trustee
Trustee

MEMBERS

1. Philip Zulu	25. Mwamba Chokolo
2. Benny Mumba	26. Kristen Kombe
3. Felix Goma	27. Given Sivubwa
4. Mwila Cheelo	28. Bwembya Mulopa
5. Mweempe Sampa	29. Jane Sibande
6. Mr. Felix Kapapula	30. Priscilla Silwamba
7. Towela Lengwe	31. Mubwaluka Mutati
8. Agastar Mwelwa	32. William Zimba
9. Dorothy Zulu	33. Visscher Bbuku
10. Margaret Chambwe	34. Andrew Boma
11. Rhoda Musonda	35. Kelvin Kapota
12. Stella Phiri	36. Vernon Hachombwa
13. James Mbewe	37. Rosemary Kamfwa
14. Pamela Msiska	38. Jane Kayesa
15. Christopher Silondwa	39. Collin Sankwana
16. Lombe Mulanda	40. George Simwanza
17. Kamuti Chama	41. Abel Shimba
18. Patrick Bwalya	42. Charles Mukuka
19. Phillip Tembo	43. Maurice Katongo
20. Mavis Muyangana	44. Lovemore Chakatala
21. Grace Longwe	45. Diana Chisulo
22. Oritah Mutoloki	46. Harrie Mulenga
23. Misozi Mapala	47. Nelson Kaluba
24. Sililo Likezo	48. Devilous Sitenta

IN ATTENDANCE

Ms Abigail N. Zulu
Mr Lupambo Kabwe
Mrs Lilian Nachinga
Ms Musopelo Mwanda
Mr Mwape chewe
Mr Billson Kayombo
Mr Alichangel Mbewe

MMK Corporate Services - Secretarial
KPTF - Acting CEO
KPTF - Internal Auditor
KPTF - Investments Officer
KPTF - Management Account
KPTF - IT Officer
KPTF -

1.0 DIRECTORATE

1.1 The Chairperson welcomed everyone to the meeting and the meeting was called to order at 15:20hrs after which the opening prayer was given. The Board of Trustees introduced themselves to the Members because it was their first meeting with the Members after their appointment.

1.2 **Apologies** – The Chairperson apologised to the Members for starting the meeting late and informed the Members that, the Board of Trustees were served with summons by one of the members just before 14:00hrs, and that the summons were in relation to agenda item no. 3. The Chairperson further informed the Members that with that development, the Board was making some consultations on how to proceed with the meeting hence the delay in starting the meeting.

1.3 Agenda

1.0 Adoption of the Agenda

2.0 To receive and adopt the Trustee's report to the members

3.0 Election of one Trustee.

1.3.1 The Chairperson presented the agenda as above and the members were informed that agenda item no 3.0 would not be dealt with because one of the Members was seeking a court order on the same. However, the Members informed the Board that there would be no meeting if elections would not be held, for that was the only agenda item that the Members were interested in, the Members inquired on the name of the member that wanted to put a stop on the elections.

1.3.2 The Chairperson informed the Members that the court action was taken by Mr Ackim Mweemba who was one of the nominees and

that was the reason why agenda item no. 3 would not be dealt with immediately.

- 1.3.3 Members expressed their disappointment with the Board because they felt that the Board was siding with Mr Ackim Mweemba and at this point a Member inquired on whether the Board was cleared by PIA and if there was any written document from PIA clearing the Board.
- 1.3.4 The Chairperson informed the Members that all the members of the Board were cleared by PIA, for it was a PIA requirement to clear members before they could start serving as a Board, however the Board did not receive any written documentation from PIA either clearing or disapproving any of the Trustees' appointment.
- 1.3.5 At this point, the Chairperson requested the meeting to adjourn briefly whilst the Board discussed the way forward with Mr Ackim Mweemba. A special delegation of Trustees was tasked with meeting with Mr Mweemba in this regard.
- 1.3.6 After the meeting with Mr Mweemba, the EGM resumed at 16:20 hrs, and the Members were informed by the Trustee delegation that met with Mr Mweemba that Mr Mweemba's position was that he would not be part of the election process. However, the Members overwhelmingly polled that the elections should be conducted especially that there was no court order to the contrary.
- 1.3.7 The Board and the Members resolved that they proceed with the elections and that Mr Mweemba's nomination be considered as one of the nominees.
- 1.3.8 The Agenda for the Meeting was approved with amendments in the order of conducting business for the day, with elections coming first and the rest remaining the same.

2.0 ELECTIONS OF ONE TRUSTEE

- 2.1.1 MMK secretariat announced the names of the successful nominees in alphabetical order as follows:
Chokolo Mwamba;
Mweemba Ackim;
Sankwana K Collin;

- and the elections proceeded thereafter.
- 2.1.2 MMK secretariat announced the poll results at 16:50hrs in alphabetical order as follows:
- | Name | No. of Votes |
|-------------------|---------------------|
| Chokolo Mwamba | 03 |
| Mweemba Ackim | 01 |
| Sankwana K Collin | 45 |
- 2.1.3 MMK secretariat informed the Members that 47 Members voted physically, and 2 Members voted through proxies. Bringing the total number of votes cast to 49 votes.
- 2.1.4 The Board congratulated the winner and the Chairperson asked the Members if he could proceed with the remaining agenda items. In response the Members gave their assent.

3.0 TRUSTEES' REPORT TO THE MEMBER

- 3.1.1 The Chairperson for the Finance and Audit Committee presented the PIA and the Forensic Audit Reports to the Members highlighting on the key areas:
- 3.1.2 PIA Report highlights
- i. High costs;
 - ii. Too many Trustees' meetings and allowances (Former Trustees);
 - iii. Non-qualifying expenditure incurred by some former Trustees;
 - iv. Management exceeding limits on authorised approvals;
 - v. Non-compliance on investment guidelines – SI no. 141;
 - vi. Under utilisation of pension software (Com-pen).
- 3.1.3 Forensic Audit Report highlights:
- i. Irregularities by Management during the Kwacha Square building project;
 - ii. The Board sought legal guidelines on civil and criminal capabilities of the parties involved in the project;
 - iii. The Board has since reported suspected fraud to the law enforcement agency;
 - iv. The Board was in the process of engaging an independent expert quantity surveyor to review the quality of the work done at Kwacha Square.
- 3.1.4 The Members were invited to note / comment on the PIA and Forensic Audit Reports.
- 3.1.5 The Members wanted to know what the pension investment guidelines were.
- 3.1.6 The Board informed the Members that pension investment was guided by Statutory Instrument (SI) no.141 which required that:
- i. 30% investment in real estate and KPTF was above at 50%;
 - ii. 2% investment in collective schemes and KPTF had no investment in collective schemes.
- 3.1.7 The Board further informed the Members that SI no. 141 used the principal of one size fits all, however that was not the case because pension funds could invest directly in other forms of investments without the collective schemes as was the case for KPTF. The Board also informed the Members that PIA had invited all Pension Funds

- to a meeting so as to devise best investment guidelines to be implemented by all Pension Funds.
- 3.1.8 The Members wanted to know why the Board wanted to seek a second opinion when the forensic audit report was enough evidence to commence fraud, civil and criminal proceedings in the courts of law against the offenders.
 - 3.1.9 In response the Board informed the Members that the auditors made a recommendation to the Board to seek a second opinion from an independent expert quantity surveyor who would quantify the works done at Kwacha Square in case of a counter claim matter.
 - 3.1.10 The Members wanted to know when they would have their annual general meeting and they also wanted to know why the Board of Trustees took so long in meeting with the Ndola Members.
 - 3.1.11 The Board informed the Members that good corporate governance permitted the holding of one annual general meeting, and that the Board was trying to formulate strategy of the possibility of holding one annual general meeting which would incorporate both Lusaka and Ndola Members effective 2018. The Board apologised to the Members for not having met them earlier.
 - 3.1.12 The Members wanted to know how the pension software (Compen) was being under utilised by KPTF staff and what the situation was concerning the CEO and the Finance Manager at KPTF.
 - 3.1.13 In response the Board informed the Members that all the pension calculations should have been system generated, however KPTF staff had challenges with the software (Com-pen). The Board further informed the Members that KPTF was in the process of restructuring and that the Board was considering changing the position of Chief Executive Officer (CEO) to that of Principal Officer because the position of CEO was perceived in the market place as a very senior position that came with a lot of expectations cost wise. However, positions would be clarified only after the process of restructuring. The Board further informed the members that the Board had requested the Bank of Zambia (BOZ) to second a Finance Manger to the Fund, however BOZ had since responded and indicated that it did not have the capacity to do so and hence the Board would now be looking at other alternatives including advertising the position of Finance Manager externally.

4.0 ANY OTHER BUSINESS

There being no any other business to discuss, the Board Chairperson thanked everyone for attending the meeting and the meeting was called to a close at 17:50hrs.

Signed this.....day of.....2018

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Hastings Mtine
Chairperson

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MMk Corporate Services Ltd
Secretary

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