

THE UNITED KENYA CLUB

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1.0 Background

1. At the annual general meeting (AGM) held on 5 June, 2021, a motion was tabled by Prof. Njuguna Mwangi and Mr. Paul Mutie in accordance with the provisions of the Articles of Association of the Club.
2. In their motion, they proposed three main items for consideration by the AGM:
 - i) **Enhanced Role of the Club Patron.** That a body made up of three to five senior members of the Club be constituted to make the body of Club Patrons to help strengthen the provision of the **advisory support role** to the Board of Directors and the Club generally. The body of Patrons would also help handle some disputes as an amicable internal mechanism for dealing with such disputes.
 - ii) **Appointment of Honorary Officers.** In this one, Directors seeking to be elevated to Honorary positions as Chairman, Vice Chairman and Honorary Treasurer should first be vetted before presenting themselves to their fellow Directors to elect them as such. The purpose would be to ensure that the Club was able to get the right leadership. Their previous performance record as Directors or members of the Club would be taken into account during the vetting.
 - iii) **Dealing with Non-performing members of the Board.** That consideration be given to including a recall clause in the Articles of Association so that non-performing Directors could be discontinued.
3. However, when the motions were tabled at the tail end of the AGM, members observed that these were very weighty issues and could not be transacted properly when members were already tired. The AGM directed the Board to take them up and process for re-submission to the general meeting.
4. This extraordinary general meeting (EGM) is the outcome of the direction from the AGM.

2.0 Action Taken by the Board

1. In order to ensure that justice was done to the issues directed by the AGM, the Board constituted a Task Force made up of 10 members but two of them dropped out leaving the balance of 8 members to consider the issues and make their

findings, which form the basis of the proposed amendments to the Articles as will be table before the EGM.

2. In addition, the Board subjected the Task Force recommendations to a team of advocates which included two of the three Club advocates. The schedule of proposed amendment is a correlated work through a long process supported with legal teams.
3. The Board took the view that members should look at the proposals before them as an act of achieving prosperity for the Club and purely for the benefit of all members of the Club.
4. Attached herein are the sections of the Articles of Association which have been affected by the recommendations arising from actualization of the members' motion.

Yours sincerely

Prof. William Ogara
Club Chairman

THE UNITED KENYA CLUB

SCHEDULE OF PROPOSED AMENDMENTS TO THE CLUB'S ARTICLES OF ASSOCIATION

Article No.	Current Position	Proposed Amendments	Observations
34	<p>The Club shall have a Patron whose responsibilities, rights and privileges shall be as provided below:</p> <p>a) The Board of Directors shall recommend to the annual general meeting a person who shall be identified on the basis of his distinguished service in society to be elected as the Club Patron.</p> <p>b) The Club Patron shall serve for a term of three years but shall be eligible for re-election.</p> <p>c) The Club Patron shall be expected to offer advisory support to the Board of Directors and to help in the resolution of disputes which may not have been expressly provided for in these Articles or other regulations of the Club.</p> <p>d) The Club Patron shall also be available to perform such ceremonial functions as the Club through the Board Directors shall determine from time to time.</p> <p>e) While serving as Club Patron, and if such a person is not a member of the Club, he will be entitled to enjoy such privileges of the Club as the Board of Directors may decide.</p>	<p>The Club shall have a Council of Patrons consisting of seven (7) members whose composition, responsibilities, duties, rights and privileges shall be as provided below:</p> <p>a) The Electoral Committee shall at least ninety (90) days before the date appointed for the annual general meeting of each year invite members to submit their nominations to the Committee for the position of member of the Council of Patrons on a prescribed form for that purpose.</p> <p>b) The persons to be elected as members of the Council of Patrons shall be full members of the Club or be life members of the Club in good standing for at least ten (10) years consecutively preceding their election to the position of member of Council of Patrons.</p>	<ul style="list-style-type: none"> • It is important to note that the role of the Club Patron in the of “<i>offering advisory support to the Board of Directors and to help in the resolution of disputes</i>” already exists. The only difference here is that this role will now be played by the “<i>Council of Patrons</i>”. (see 34 (c) of current Articles. • The other additions in the proposed amendments is to subject the Patrons to a vetting process and other minor details.

	<p>f) The office of the Club Patron shall be vacated by the holder on resignation, death, bankruptcy, retirement, or upon termination of his term for any other reason determined by the Club.</p>	<p>c) The Electoral Committee shall put each of the candidates nominated through a vetting process and present qualified candidates to the general meeting for election as members of the Council of Patrons.</p> <p>d) At the third annual general meeting of the Club after the adoption of these Articles three members shall retire from office and shall be replaced by new members. The Patrons to retire at the third annual general meeting shall (unless otherwise agreed among themselves) be determined by lot. The remaining four members shall retire on their sixth year. Provided that no member shall serve for more than six (6) consecutive years as a member of the Council of Patrons.</p> <p>e) The constituted Council of Patrons shall reflect the interests of all sections of the Kenyan society and specifically shall take into account equitable representation in terms of regional and ethnic balance, gender</p>	
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		<p>access to the minutes of the Board of Directors.</p> <p>h) The Council shall hold at least two (2) consultative meetings with the Board of Directors in any year. The agenda for such meetings shall be agreed between the Council Chairman and the Club Chairman taking into account the prevailing circumstances at the time.</p> <p>i) The Council of Patrons shall offer advisory support to the Board of Directors and assist in the resolution of disputes which may not have been expressly provided for in these Articles or other regulations of the Club. The Council shall also deal with such issues as may arise in relation to the application of good governance practice in the stewardship of the Club by the Board of Directors, including but not limited to conflict of interest. Provided that where the issue involved results in a disciplinary action having to be taken against any member of the Board as contemplated under Article 8 of the</p>	
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		<p>consultation with the Council of Patrons. The person so appointed shall hold office until the next Annual General when the person shall be either confirmed or another person elected to fill the vacancy.</p> <p>m) Patrons shall take an oath of allegiance and service in the prescribed form immediately upon election or at the earliest possible opportunity as shall be determined by the Board of Directors.</p>	
75	<p>Should any dispute arise between the Club and the Directors on the one hand, and any of the members or their representatives on the other, or between any members or classes of members or between the directors with regard to the true construction of these presents or with regard to anything done, executed, omitted and suffered in pursuance of these presents or the Companies Act, or with regard to any breach or alleged breach of these presents or any claim on account of any such breach or alleged breach or otherwise relating to the premises or these presents or to any of the affairs of the Club, the Parties shall in the first instance attempt to resolve such dispute by amicable negotiation. Should such negotiations fail to achieve a resolution within Fifteen (15) days, the Parties may invite the Club Patron to help in the resolution of the matter. Should the intervention of the Club Patron fail to resolve the</p>	<p>Should any dispute arise between the Club and the Directors on the one hand, and any of the members or their representatives on the other, or between any members or classes of members or between the directors with regard to the true construction of these presents or with regard to anything done, executed, omitted and suffered in pursuance of these presents or the Companies Act, or with regard to any breach or alleged breach of these presents or any claim on account of any such breach or alleged breach or otherwise relating to the premises or these presents or to any of the affairs of the Club, the Parties shall in the first instance attempt to</p>	<p>The amendment emphasizes the concept of “Dispute resolution” other than “arbitration” which was the focus of the existing provision.</p>

	<p>matter within Fifteen (15) days, such matter shall then be referred to the decision of an Arbitrator to be appointed by the parties or if they cannot agree upon a single Arbitrator to the decision of two (2) Arbitrators of whom one shall be appointed by each of the parties in difference, and any such reference shall be subject to all the provisions of the Arbitration Act and any statutory modification thereof for the time being in force.</p>	<p>resolve such dispute by amicable negotiation. Should such negotiations fail to achieve a resolution within Fifteen (15) days, the Parties shall refer the matter to a joint accredited mediator agreed between both parties or if they cannot agree upon a single Mediator, to the decision of two (2) Mediators of whom one shall be appointed by each of the parties in difference to help in the resolution of the matter. Should the intervention of the Mediator(s) fail to resolve the matter within Fifteen (15) days, such matter shall then be referred to an Arbitrator to be appointed by the parties or if they cannot agree upon a single Arbitrator to the decision of two (2) Arbitrators of whom one shall be appointed by each of the parties in difference, and any such reference shall be subject to all the provisions of the Arbitration Act and any statutory modification thereof for the time being in force.</p> <p>Provided that a matter rightly falling under Article 34(i) shall not be the subject of dispute resolution under this Article.”</p>	
8 (b)	<p>The Board shall constitute a Disciplinary Committee to investigate any matters arising from 8(a) above whose findings and</p>	<p>The Board shall constitute a Disciplinary Committee consisting of five (5) Full or life members, one of</p>	<p>To introduce the composition of the Disciplinary Committee.</p>

	recommendations shall be forwarded to the Board for further action. However, where the punishment to be meted out on the member is expulsion the Board shall forward the decision to the general meeting for ratification.	whom shall be designated as Committee Chairman by the Board to investigate any matters arising from 8(a) above whose findings and recommendations shall be forwarded to the Board for further action. However, where the punishment to be meted out on the member is expulsion the Board .shall forward the decision to the general meeting for ratification.	
36(a)	The Honorary Officers shall be elected by the Directors from among their body.	The Honorary Officers shall be elected by the Directors from among their body. Persons seeking to be elected as Honorary Officers shall first undergo a vetting process conducted by the Electoral Committee and cleared to present themselves as candidates. Issues relating to their performance as Directors or Members, including those touching on their integrity shall be considered.	The election process of honorary Officers shall remain as before; by their fellow Directors. However, such persons must first be vetted.
40	The Club, at the meeting at which a Director retires in the manner aforesaid, may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting, it is expressly resolved not to fill such vacated offices or unless a resolution for the re-election of such Directors shall have been put to the meeting and lost.	The Club, at the meeting at which a Director retires in the manner aforesaid, may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting, it is expressly resolved not to fill such vacated offices or unless a resolution for the re-election of such	The addition is to provide for implementation of the recall of the Director.

		<p>Directors shall have been put to the meeting and lost or the general meeting shall have decided to recall the director for under-performance or/and for any other reason in the interest of the Club. Provided that in the case of under-performance related cases, the Directors' performance evaluation report as provided in the Board Charter shall also form the basis of determination.</p>	
46 (c)	No Honorary officer of the Club shall hold such office for a period of more than three consecutive years or otherwise.	The Honorary Officers shall hold office as may be determined by the Board. Provided that a Club Chairman shall not hold office for more than three consecutive years or otherwise.	It is proposed that term limit for other Honorary Officers be left to the Board members electing them to determine but the Chairman's term be limited to three years.
48	The quorum necessary for the transaction of the business of the Directors shall be a half of Directors the elected	The quorum necessary for the transaction of the business of the Directors shall be 7(seven) members.	Replace "half" with "seven"
63(j)	New	"When members at a general meeting exercise the right to recall the director for under-performance or for any other reason in the interest of the Club".	To introduce the power to recall a director through the disqualification route