



KENYA PORTS AUTHORITY
RETIREMENT BENEFITS
SCHEME 2012 (DC)

MINUTES OF THE 11TH ANNUAL GENERAL MEETING OF THE KENYA PORTS AUTHORITY RETIREMENT BENEFITS SCHEME 2012 HELD ON 30TH NOVEMBER 2025 AT THE BANDARI MARITIME ACADEMY IN MOMBASA AS FROM 09.00 AM

PRESENT

1. Ms. Emma A. Okello - Trustee
2. Ms. Dolorees Maikah - Trustee
3. Ms. Mercy Kirui - Trustee
4. Mr. Samuel O. Tawa - Trustee
5. Members - As per the register

APOLOGY

1. Lucas M. Katema - Trustee/ Chairperson
2. Daniel M. Mugao - Trustee

SECRETARIAT

1. Mr. B. Kibet - Scheme Administrator
2. Mr. V. Oweya - Secretary

IN ATTENDANCE: -

1. Dr. Sudi Mwasinago - Sponsor Representative
2. Mr. Francis Tsuma - Trustee DB Scheme
3. Ms. Catherine Wangari - Trustee DB Scheme
4. Ms. Susan Kagete - Trustee DB Scheme
5. Mr. Ferdinand Malumbo - Trustee DB Scheme
6. Ms. Violet Mugambi - Trustee DB Scheme
7. Mr. John Muli - RBA
8. Mr. Fred Gekonde - RBA
9. Mr. Lewis Rapando - Zamara
10. Ms. Janelucy Mwangi - Zamara
11. Mr. Mohamed Abdi - Gen Africa
12. Mr. Gaston Mukunu - Coop Bank
13. Mr. John Ndegwa - ICEA Lion
14. Mr. Paul Ngomba - KCB Bank Kenya Limited
15. Mr. Christopher Lesialoi - Ken India Asset Managers

The meeting was called to order at approximately 9:26 a.m. It commenced with a word of prayer offered by representatives of both the Christian and Muslim faiths.

1. MINUTE 01/2025: PRELIMINARIES

1. The sessional Chairperson confirmed that the requisite quorum was present and declared the meeting duly constituted for the transaction of business.
2. The Scheme Administrator read the Notice convening the meeting. Thereafter, the agenda was presented for consideration and was duly adopted upon a proposal by J. Mutere and secondment by J. Ogolla.
3. The Minutes of the 10th Annual General Meeting held on 27th November 2024 were presented to the members and, having been considered, were confirmed as a true record of the proceedings. The confirmation was proposed by J. Cheki and seconded by V. Gumo.

2. MINUTE 02/2025: TRUSTEES' OPENING REMARKS

1. Trustee E. Okello introduced the Trustees present to the members and delivered the opening remarks. She expressed appreciation to the members for their continued support during the year under review and informed the meeting that the Scheme had achieved one of the highest investment returns in its history.
2. She further emphasized the importance of members regularly updating and submitting their Nomination of Beneficiaries Forms. Trustee E. Okello thereafter invited the other Trustees to make brief remarks.
3. Trustee S. Tawa thanked the members for attending the meeting despite the unfavourable weather conditions. He underscored the importance of unity and collaboration between members and the Board of Trustees in advancing the interests and objectives of the Scheme.
4. Trustee M. Kirui thanked the members for their cooperation and support and called for continued collaboration between the membership and the Board of Trustees to ensure the sustained success of the Scheme.
5. Trustee D. Maikah highlighted the Scheme's investment performance during the year under review and informed the members that the Scheme had achieved a return of 16.58%. She further reported that the Scheme had successfully rolled out the Post-Retirement Medical Fund (PRMF), Income Drawdown Fund, and Child Trust Fund as part of its initiatives to enhance member value and benefits.

3 MINUTE 03/2025: THE CHAIRPERSON'S REPORT

1. The Chairperson's report for the year under review was presented by Trustee Emma Okello who was standing in for the Board of Trustees Chairperson, Mr. Lucas Katema. She begun by conveying apologies from the Chairperson who could not attend meetings due to reasons beyond his control. She then read the Chairpersons report. A highlight of the report is summarized as follows:

Financial Performance

2. Members were informed that, despite a challenging global and domestic economic environment, the Scheme recorded strong financial growth and maintained a sound financial position.
3. The Scheme's net assets increased from Kshs. 21.14 billion in 2023 to Kshs. 28.25 billion in 2024, representing a growth of 33.6%.
4. This performance was attributed to strong investment returns, prudent cost management, and stable contribution inflows.

Membership Status

5. The Chairman reported that the Scheme's membership stood at 5,887 members as at 31st December 2024.
6. The onboarding of members from the former Kenya Ferry Services Staff Retirement Benefits Scheme was successfully concluded.

Investment Performance and Strategy

7. It was reported that the Scheme maintained a diversified and compliant investment portfolio. Government securities constituted the largest proportion of assets.
8. The Chairperson noted that the investment strategy remained focused on capital preservation, income generation, and long-term sustainability.

Governance and Compliance

9. The Chairman highlighted the Scheme's strong governance framework. It was reported that the Board of Trustees achieved a self-evaluation score of 84% during the year. The Scheme remained compliant with all applicable regulatory requirements.
10. The Chairman expressed confidence in the Scheme's prospects and reiterated the Board's commitment to Portfolio optimisation, Enhanced member satisfaction, Operational excellence and Strong governance.

Members' Resolution

11. Members noted the contents of the Chairman's Report and commended the Board of Trustees and the Secretariat for the Scheme's strong performance during the year under review.

4. MINUTE 04/2025: THE SPONSOR'S REPORT

1. The members were presented with the Sponsor's report. The report was presented by Dr. Sudi Mwasinago on behalf of the Managing Director of the Kenya Ports Authority. A highlight of the report is as follows:

Appreciation to Members

2. On behalf of the Sponsor (Kenya Ports Authority), Dr. Sudi Mwasinago extended sincere appreciation to all members of the Scheme – both serving and retired – for their invaluable contribution to the growth and success of the Authority over the years.
3. Members were acknowledged for their hard work, loyalty, and dedication, which have been instrumental in positioning the Authority as a leader in port and maritime services.

Commitment to Member Welfare

4. The Sponsor reaffirmed its commitment to the wellbeing of members, both during active service and in retirement.
5. It was emphasized that true success is measured not only by operational excellence but also by the care and dignity extended to employees and retirees.
6. The Authority confirmed that it continues to prioritize employee welfare through the defined contribution arrangement, aimed at promoting secure and sustainable retirement savings.
7. The Sponsor confirmed that it has consistently honoured its obligation to remit contributions promptly and remains committed to prudent investment of all contributions for long-term member benefit.
8. The importance of member education was underscored, with continued support pledged for initiatives that enhance financial literacy and informed decision-making.

Partnership and Good Governance

9. The Sponsor noted that the strength and stability of the Scheme is anchored on the partnership between the Sponsor, Board of Trustees, Administrator, Fund Managers, and other service providers.
10. The Trustees were commended for their diligence, professionalism, integrity, and adherence to good governance and regulatory standards.
11. The Sponsor reiterated its commitment to the timely appointment of Trustees with diverse expertise to strengthen Scheme governance and strategic direction.

Regulatory Compliance and Institutional Reforms

12. The Sponsor acknowledged the evolving regulatory environment, including the implementation of data protection laws, and assured members of full compliance in the handling and sharing of member data.
13. Appreciation was expressed for the Scheme's proactive alignment with legislative reforms, including tax law amendments that have improved retirement benefits administration.

5. MINUTE 05/2025: SCHEME AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2024

1. The audited financial statements for the year ended 31st December 2024 were presented by Ms. Evelyn Kanjagua on behalf of the Scheme's external auditors, M/s Ronalds LLP.
2. Members were informed that:
 - i. The financial statements present a true and fair view of the Scheme's financial position as at 31 December 2024.
 - ii. The audit was conducted in accordance with International Standards on Auditing and the auditor confirmed independence under the IESBA Code.
 - iii. The financial statements comply with IFRS, the Retirement Benefits Act, 1997, and the Scheme's Trust Deed.
 - iv. No material inconsistencies were identified between the financial statements and the annual report.
 - v. No key audit matters or going concern issues were reported.
 - vi. The Scheme has maintained proper books of account.
3. The meeting noted the auditor's opinion as unqualified and supportive of the Scheme's strong financial governance framework.
4. Ms. Kanjagua then presented the Statement of Net Assets Available for Benefits, highlighting the Scheme's financial position as of 31st December 2025. This can be summarized as follows:

| Item | 2024 (Kshs) | 2023 (Kshs) |
|-------------------------------|-----------------------|-----------------------|
| Contributions & transfers in | 2,179,894,893 | 2,890,053,189 |
| Benefits paid | -649,577,548 | -650,350,227 |
| Net dealings with members | 1,530,317,345 | 2,239,702,962 |
| Net return on investments | 5,913,420,198 | 107,894,894 |
| Other income | 86,499,365 | - |
| Tax & administrative expenses | -237,442,519 | -222,048,667 |
| Increase in net assets | 7,292,794,389 | 2,125,549,168 |
| Net assets at year end | 28,436,429,517 | 21,143,635,128 |

5. It was reported that, in the opinion of the auditors, the financial statements presented a true and fair view of the Scheme's financial position as at 31st December 2024, and accurately reflected the assets and liabilities (excluding post-year-end benefit obligations), in compliance with the International Financial Reporting Standards, the Retirement Benefits Act, 1997, and the Scheme's Trust Deed.

6. MINUTE 06/2025: SCHEME'S FUND MANAGEMENT REPORT

1. The investment report for the year ended 31st December 2024 was presented to the meeting on behalf of the Scheme's Fund Managers, namely GenAfrica Asset Managers, African Alliance, Kenindia Assurance and ICEA Lion Asset Management.
2. The meeting was informed that the Fund Managers are responsible for advising the Trustees on appropriate investment opportunities across various asset classes, including fixed income securities, domestic and offshore equities, alternative investments, and fixed deposits, with the objective of achieving optimal risk-adjusted returns for members.
3. The presenter briefed the meeting on the performance of the Kenyan economy and financial markets during the year under review. It was noted that the economy remained resilient and recorded a Gross Domestic Product (GDP) growth rate of 4.7%.
4. The meeting further noted that inflation declined significantly from 7.7% in 2023 to 4.5% in 2024, thereby enhancing macroeconomic stability and reducing inflationary pressures within the economy.
5. Members were informed that the Kenya Shilling appreciated by 17.4% against the United States Dollar during the year under review, largely due to improved foreign exchange inflows and increased market confidence.
6. It was further reported that interest rates generally declined during the second half of 2024, creating a more favourable investment environment and supporting activity in the financial markets.
7. The meeting was informed that the Scheme achieved an aggregate investment return of 16.58% during the year under review. Members were referred to the audited financial statements for further details on the Scheme's financial performance and position as at 31st December 2024.
8. The members noted the report and commended the Fund Managers and the Board of Trustees for the strong investment performance achieved during the year under review.

7. MINUTE 07/2025: PRESENTATION OF THE CUSTODIAL SERVICES REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

1. The Custodial Services Report for the year ended 31st December 2024 was presented on behalf of the Scheme's Custodian, Co-operative Bank of Kenya.
2. The meeting was informed that the Custodian is responsible for the safekeeping of the Scheme's assets, both in electronic and physical form, and for ensuring the secure settlement of all investment transactions undertaken by the Scheme.
3. It was further reported that the Custodian facilitates the settlement of purchases and sales of investments, collection of investment income including dividends, interest and bonus issues, as well as the processing of payments relating to Scheme expenses and member benefits.
4. The meeting noted that as at 31st December 2024, the Scheme's assets held under custody amounted to Kshs. 23.67 billion and were distributed across various asset classes as follows:

| Asset Class | Value (Kshs.) | Portfolio Allocation (%) |
|-----------------------------------|-----------------------|--------------------------|
| Cash | 126,661,645 | 0.75% |
| Deposits | 763,947,053 | 0.02% |
| Equities | 2,874,260,999 | 13.72% |
| Corporate Bonds | 15,000,000 | 0.10% |
| Offshore Investments | 279,505,520 | 1.79% |
| Treasury Bonds | 19,615,386,610 | 83.63% |
| Total Assets Under Custody | 23,674,761,827 | 100% |

5. The meeting further noted that the Scheme remained financially sound and continued to record growth in its net assets during the year under review.
6. Members were informed that the guaranteed fund managed by Kenindia Assurance continued to perform favourably and remained above prevailing market averages.
7. The Custodian confirmed that robust custodial oversight mechanisms remained in place and noted that the majority of the Scheme's assets were invested in Government securities, thereby contributing to the security and stability of the investment portfolio.
8. The report was received and noted by the meeting.

8. MINUTE 08/2025: PRESENTATION OF THE SCHEME'S BENEFITS STRUCTURE BY THE SCHEME ACTUARY

1. The meeting received a presentation from Mr. Lewis Rapando from Zamara Actuaries for the financial year ended 31st December 2024. She provided an overview of the role of the actuary, the structure of the Defined Benefit (DB) Scheme, funding requirements, and member benefit provisions.

Role of the Actuary

2. Members were informed that the actuary is responsible for undertaking statutory actuarial valuations of the Scheme, advising on benefit calculations, supporting the development of the Investment Policy, and providing technical advice on all actuarial matters affecting the Scheme.

Scheme Structure

3. The meeting noted that the Kenya Ports Authority Pension Scheme commenced on 1st April 1998 and is duly registered with the Retirement Benefits Authority (RBA). The Scheme operates as a Defined Benefit arrangement and is administered by a Board of Trustees.
4. The pension benefit is determined using the formula: $1/480 \times \text{Final Pensionable Salary} \times \text{Pensionable Service}$, where the final pensionable salary is based on the average of the last three years' salary, and pensionable service comprises all completed years and months of membership in the Scheme.
5. It was further noted that the Defined Benefit structure provides members with predictable retirement benefits, while transferring investment and funding risks to the Scheme Sponsor. Actuarial valuations are undertaken every three years, and employer contribution rates are reviewed and adjusted based on the valuation results.

Funding Requirements

6. Members were informed that Defined Benefit Schemes are required to be fully funded. Where a funding deficit arises, the Sponsor is required to make additional contributions to eliminate the shortfall within a period not exceeding six years, based on actuarial recommendations.

Merits and Demerits of the DB Scheme

7. It was noted that the Defined Benefit arrangement provides advantages to members in the form of predictable retirement income and to the employer through improved staff retention and potential benefits from investment performance.
8. However, it was observed that the Scheme presents challenges, including uncertain long-term funding costs for the employer and relatively high administrative costs. For members, particularly younger employees, benefits may be less attractive in cases of early exit or Scheme wind-up.
9. The meeting was informed that the Defined Benefit Scheme was closed to new members with effect from 31st December 2012.

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10. Members aged 45 years and above as at the closure date remained in the DB Scheme as continuing members, while members below 45 years transitioned to a Defined Contribution Scheme with effect from 1st January 2013.
 11. Continuing members contribute 7.5% of basic salary, while the Sponsor contributes 14.7%. Members are entitled to commute up to one-quarter of their pension at retirement using a commutation factor of 20. Administrative expenses are charged to the Scheme fund.

Benefit Access Provisions

12. The meeting was informed of the benefit options available upon normal retirement, early retirement, or ill-health retirement, including receipt of full pension, commutation of up to 25% into a lump sum, or cash payment where benefits are deemed trivial. Early retirement benefits are subject to actuarial reduction.
13. Members exiting the Scheme before age 50 may either transfer the actuarial value of their accrued benefits to another registered retirement benefits scheme or defer benefits to retirement age. Deferred benefits accessed early are subject to actuarial reduction.

Death Benefits

14. In the event of death in service, a life assurance benefit equivalent to five times the member's annual basic salary is payable. Additionally, a spouse or child pension is payable for a maximum period of ten years, being 100% of the member's pension for the first five years and 33% for the subsequent five years.
15. In the case of death in retirement, a last expense benefit of KES 100,000 is payable, together with a spouse or child pension arrangement as applicable under the Scheme Rules.
16. The presentation was noted by the meeting.

9. MINUTE 09/2025: PRESENTATION BY THE RETIREMENT BENEFIT AUTHORITY (RBA)

1. The Members received a regulatory update from the Retirement Benefits Authority (RBA). The presentation was made by Mr. John Muli, Director at the Retirement Benefits Authority, who briefed the meeting on recent regulatory developments affecting retirement benefits schemes and Income Drawdown Funds (IDDs).
2. The Authority informed the meeting that amendments had been made to the minimum disclosure requirements for Scheme financial statements. In particular, unrealised gains and losses arising from the valuation of financial assets under the fair value approach shall no longer be considered part of distributable income.
3. Mr. Muli further took the Members through their rights and obligations under the retirement benefits framework.
4. Members were informed that their rights include, inter alia, the right to:
 - a) Receive timely, accurate, and complete information relating to their retirement benefits;
 - b) Participate in Scheme governance structures and Annual General Meetings;
 - c) Nominate beneficiaries and update such nominations as necessary;
 - d) Receive benefits in accordance with the Scheme Rules and applicable law; and
 - e) Access member education and retirement planning information.
5. Members were further advised that their obligations include:
 - a) Ensuring that personal and beneficiary records are kept up to date;
 - b) Familiarising themselves with the Scheme's Trust Deed and Rules;
 - c) Complying with Scheme procedures and regulatory requirements; and
 - d) Actively participating in member education and engagement programmes.
6. The meeting was informed that an Income Drawdown (IDD) arrangement allows members to access retirement benefits as periodic income through investment in a registered Income Drawdown Fund.
7. The Authority confirmed that the Scheme was fully compliant with regulatory requirements, including:
 - i. Timely filing of statutory returns;
 - ii. Remittance of contributions;
 - iii. Compliance with investment guidelines;
 - iv. Proper trustee composition and training; and
 - v. Maintenance of updated legal documents, including the Investment Policy Statement and the Trust Deed and Rules.
8. The presentation was noted and appreciated by the Members.

10. MINUTE 11/2025: MEMBER COMMENTS, QUESTION AND ANSWER SESSION

1. The Question and Answer Session was held during the Annual General Meeting of the Scheme. Members raised various queries relating to investments, governance, benefits administration, legal compliance, and operational matters. The responses were provided by the Trustees and Management as set out below.

A. INVESTMENT PERFORMANCE AND STRATEGY

Treasury Bill Returns

2. **Question:** Members sought clarification on the decline in returns from Treasury Bills.
3. **Response:** The Trustees explained that the reduction in returns was attributable to a strategic reduction in allocation to Treasury Bills. Funds were reallocated to other asset classes, including Treasury Bonds, in line with the Scheme's investment strategy aimed at optimizing returns.

Alternative Investments

4. **Question:** Members inquired about alternative investment opportunities being considered by the Scheme.
5. **Response:** It was explained that the Scheme is exploring diversification into alternative asset classes, including private equity investments, with reference made to global investment managers such as BlackRock and Franklin Templeton, as part of the long-term diversification strategy.

Investment Management Fees

6. **Question:** Members sought clarification on how custodial and fund management fees are managed, particularly in light of fund growth and sponsor contributions.
7. **Response:** The Trustees clarified that fees for custodial and fund management services are computed based on Assets Under Management (AUM), in line with standard market practice.

Fluctuation of Investment Returns

8. **Question:** Members queried the reason for fluctuations in Scheme investment returns.
9. **Response:** It was explained that investment returns are subject to prevailing economic and market conditions, which are outside the direct control of the Scheme. It was indicated that market performance is influenced by macroeconomic factors including interest rates, inflation, and market demand and supply dynamics.

B. GOVERNANCE, COMPLIANCE AND ADMINISTRATION

Anti-Bribery Compliance

10. **Question:** Members inquired about the Scheme's compliance with documentation requirements under the Bribery Act.
11. **Response:** The Trustees noted the requirement and confirmed that the Scheme has undertaken to implement the necessary compliance measures in accordance with applicable legal and regulatory frameworks.

Internal Audit Arrangements

12. **Question:** Members sought clarification on the Scheme's internal auditor and associated costs.
13. **Response:** It was clarified that the Scheme does not maintain an internal audit function in-house. Instead, the firm of PKF Kenya has been engaged to provide internal audit services for the period under review.

Trustee Term Limits

14. **Question:** Members inquired when the five-year Trustee term will take effect and the allowable number of terms.
15. **Response:** It was explained that the five-year Trustee term will take effect upon amendment of the Trust Deed and Rules. The number of permissible terms shall be as prescribed in the amended Trust Deed and Rules.

Public Participation and AGM Venue

16. **Question:** Members sought clarification on public participation and the decision to hold the AGM in Kisumu.
17. **Response:** The Trustees explained that the decision was informed by proposals from members in upcountry regions advocating for rotational AGMs to enhance inclusivity and participation across all member regions.

MEMBER BENEFITS AND SCHEME RULES

Pre-RBA Contributions

18. **Question:** Members inquired how contributions made prior to the enactment of the Retirement Benefits Authority (RBA) Act in 2000 were treated.
19. **Response:**
It was clarified that the Defined Benefit Scheme was operational prior to the enactment of the RBA Act. All contributions made during that period remain fully accounted for, and no member benefits were lost. Pensioners from that period continue to receive their rightful benefits.

IDD and Annuity Options

20. **Question:** Members sought clarification on Income Drawdown (IDD) and annuity benefits.
21. **Response:** The Trustees explained that these are retirement benefit options designed to provide structured post-retirement income. Members were encouraged to attend member education forums for further detailed understanding.

Reduction in Contributions

22. **Question:** Members queried the reduction in member contributions.
23. **Response:** It was explained that the reduction was due to reduced recruitment by the sponsor and increased staff exits through retirement, leading to a decline in active contributors.

Interest on Retained Benefits

24. **Question:** Members asked whether benefits retained in the Scheme after partial withdrawal attract interest.
25. **Response:** It was confirmed that any balance retained within the Scheme continues to earn interest in accordance with the Scheme's investment performance and governing rules.

LEGAL AND RISK MATTERS

Potential Privatisation of KPA

26. **Question:** Members sought clarification on the fate of the Scheme in the event of privatisation of the Kenya Ports Authority.
27. **Response:** The Trustees confirmed that the Kenya Ports Authority is not undergoing privatisation. However, in the unlikely event of such an occurrence, member funds would remain protected under the Scheme's trust arrangements and applicable law.

Kikambala Land Case

28. **Question:** Members inquired whether the Scheme suffered losses in relation to the EACC matter concerning Kikambala land.
29. **Response:** It was confirmed that the Scheme recovered all amounts paid as deposit together with accrued interest, and therefore suffered no financial loss.

EXPENDITURE AND COST MANAGEMENT

Trustee and Training Costs

30. **Question:** Members queried the increase in Trustee expenses and staff training costs from KES 4 million to KES 7 million.
31. **Response:** The increase was attributed to enhanced training programmes, capacity building initiatives, and inflationary adjustments aimed at strengthening governance and institutional capacity.

11. MINUTE 11/2025: VOTE OF THANKS AND ADJOURNEMENT OF MEETING

1. The Trustees extended their sincere appreciation to all members and stakeholders for their consistent cooperation and support over the years. They urged continued collaboration to ensure the ongoing growth and prosperity of the Scheme.
2. There being no other business, Trustee E. Okello gave the vote of thanks.
3. The meeting was officially adjourned at 1:21 p.m. Members were advised that the date and venue of the next meeting would be communicated in due course.

Chairperson

Trust Secretary

Confirmed and Signed as a True and Correct Record of the Proceedings

This day of..... 2026