



REPUBLIC OF KENYA
EXECUTIVE OFFICE OF THE PRESIDENT

SHAREHOLDER AND STAKEHOLDER RIGHTS AND OBLIGATIONS

PRESENTATION BY
**INSTITUTE OF CERTIFIED PUBLIC SECRETARIES OF
KENYA (ICPSK)**



Shareholder Rights and Interests

- ▶ The organizations should recognize the rights of all shareholders and in keeping with good governance practices ensure their equitable treatment.

- ▶ In this respect, the Board should:
 - Safeguard the rights of all shareholders;
 - Ensure that the shareholders receive adequate and timely information to enable them make appropriate decisions;
 - Facilitate consultation amongst shareholders on key issues;
 - Facilitate shareholders education on their rights and obligations.



Shareholder Obligations

The shareholders have obligations to the organization. Important obligations include to:

- Monitor the performance of the Board;
- Appoint the Board through a transparent and formal process;
- Approve remuneration of Board members;
- Attend and participate in general meetings;
- Provide an environment that allows the Board to exercise independent judgment and decision- making.



Oversight Institutions

- ▶ The role of oversight institutions has been enhanced to monitor, consolidate and share information across government
- ▶ SCAC has oversight responsibility to develop:
 - Guidelines on board induction
 - Terms and conditions of Board members
 - Board evaluation and performance management
 - Development and issue of policies, regulations and standards for implementation of Mwangozo



Stakeholder Relationships

Stakeholders can make or break an organization

Stakeholder relationships should be proactively managed to ensure the realization of the legitimate interests and expectations of diverse stakeholders.

Proactively in stakeholder management can help secure sustainability for the Organization.

In this respect the Board should consider the following matters:

- Stakeholder engagement
- Stakeholder rights
- Dispute resolution
- Relationship with governments



Stakeholder Engagement

In their engagement with stakeholders, the Board should:

- Carry out shareholder mapping;
- Ensure that a policy on the management of stakeholder relationships is developed and implemented;
- Promote effective communication with stakeholders;
- Ensure that the reputation of the organization and its linkage with stakeholders is a regular Board agenda item.

Involving Stakeholders



Stakeholders Mapping Matrix

LEVEL OF INTEREST

HIGH

KEEP SATISFIED

KEEP INFORMED INVOLVED
AND CONTRIBUTING

LOW

MINIMAL EFFORT

KEEP INFORMED

LOW

HIGH

LEVEL OF ATTENTION



Stakeholder Rights

The Board should:

- Identify the rights of the key stakeholders and ensure that their rights are respected.
- Take account of the legitimate interests and expectations of its stakeholders in its decision-making
- Be aware of the stakeholder's rights to information under the Constitution



Dispute Resolution

The Board should:

- **Ensure that disputes with and among stakeholders are resolved effectively, efficiently and expeditiously;**
- **Take reasonable steps to encourage stakeholders to solve their disputes through Alternative Dispute Resolution mechanisms.**



Relationship with Governments

The Board should:

Take proactive steps to manage relationships with the National and County Governments

Disclose in the annual report the nature of the organization's engagement with the National and County Governments and other State Corporations

Ensure strategic plans, policies, and practices are aligned with Government directives, National Policies and National Development Goals.

Have due regard to the Government as shareholder on behalf of the public.



What about Wanjiku?

State Corporations are established for the public good.

The public is therefore a major stakeholder in state corporations, which are established from public coffers.

The Board should therefore ensure the sustainability of the Organization for the benefit of “Wanjiku” and for national Development.





THANK YOU

Questions

