Board Members present: Thomas Iten, Michael Czempinski, Christian Schlosser, Oliver Stegen, Heidi Gürtler, Anne Weber, Sabine Rundgren

Mr. Iten officially opened the meeting at 6.16 p.m. and welcomed all members present. From the 357 members of the German School Society (380 last year), 51 vote holders were present. The meeting was carried out bilingually. Ms. Gürtler translated from German into English.

The following proxy votes (31) were given:
- Franz-Josef Baur to Doris Binger
- Jan Semjank to Susan Semjank-Nadolny
- Wanja Mwaura to Ernst Tenambergen
- Christina Niehaus to Matthias Haße
- Manuel Baldomer Aguilar Romero to Andrea Urban
- Horand Knaup to Christine Buchheit
- Stefanie Birichi to Susan Wakaba
- Helga Ohany to Barbara Schlie
- Klaus Masuch to Inge Berger
- Claudia Reim to Gertraud Fogt
- Harald Mink to Andrea Mink
- Jörg-Hendrik Brase to Julia Mielke
- Björn Hägmark to Karin Bock-Hägmark
- Renate Culley to Alistair Culley
- Dorothée Schulz-Ngome to Salomon Ngome
- Wairimu Kaniu-Prieske to Jürgen Prieske

Total: 82 Votes (necessary quorum is 1/8 of total members, currently 45 votes)

Mr. Tenambergen and Ms. Hittmeier were appointed to count the votes.

**Agenda topic 1: Approval of the minutes of the previous General Meeting held on 29 September 2009.**

Mr. Horand Knaup, who was not present at the meeting, had mooted the following point:
- The members raised their concern with regards to procedure of the increase of school fees which have to be approved during the annual general meeting and subsequently an additional invoice is raised for previous months. After discussion, the members asked the School Board to find a solution to this problem.

Approval of minutes with the above mentioned change:

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<tr>
<th>Yes - Votes</th>
<th>No - Votes</th>
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<td>69</td>
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The minutes of the meeting on 29.09.2009 were thus accepted.
Agenda topic 2: Approval of the School Board’s detailed proposals as submitted to the Members together with the invitation to the General Meeting.

The board seeks approval from the General Meeting to build a new Kindergarten in the amount of approximately EUR 222,000 according to the project plan presented.

The Kindergarten project was introduced through a presentation by Dr. Anne Weber. The presentation is enclosed with these minutes. The following enquiries were made regarding the different options:

**Discussion Option A: (Minimal changes)**

Question from a member: Will the capacity of the Kindergarten remain the same if Option A is accepted?  
Answer from Ms. Weber: Yes. The Kindergarten in its current form can accept 60 children. Currently there are 68 children in the KG.

**Discussion Option B: (Moderate changes)**

Question from a member: What exactly does Option B consist of?  
Answer from Ms. Weber: The current classrooms would be renovated. An additional office would be built next to the classrooms, which would mean the garden becomes smaller. The toilet block would be reconstructed.

**Discussion Option C: (Reconstruction with increase in capacity)**

Question from a member: What exactly will the 222,000 Euro include?  
Answer from Ms. Weber: The 222,000 Euros include costs of the architect, interior equipment of the classrooms, as well as the new construction.

Interjection from a member: Should the new construction be done (Option C), facilities for disabled children should be taken into account.

Interjection from a member: With regard to any new construction, it should be noted that the City Council requires a minimum distance of 0.5 meters between compound boundaries and new construction.

Question from a member: With both new constructions, the size of the garden in the Kindergarten will remain the same, yet the number of children will go up by 40.  
Answer from Ms. Berge: Not all children will be in the garden at the same time. For example, the one year old children will go to eat earlier than the older ones. In addition, both the open area near the long jump area and the current playground of the kindergarten will be used by the Kindergarten.

Question from a member: Will the planned kitchen in the new construction be used simply as a teaching kitchen for the children, or will it also be used to cook lunch?  
Answer from Ms. Weber: This kitchen will continue to be a teaching kitchen. Lunch will be prepared in the cafeteria as usual.

Question from a member: Are there plans to build a new cafeteria for the Kindergarten?  
Answer from Ms. Weber: A cafeteria that is for the sole use of the Kindergarten has not been taken into consideration. Exactly how the lunch break will be organized for the Kindergarten children will be further discussed.

Question from a member: When the generator is running, will the children be affected by the smell of diesel and the noise?
Answer from Ms. Berge: The smell of diesel does not present any danger. As the new kitchen and storage room will be constructed between the eating area and the generator, noise should not be a problem either.

Question from a member: Will the basketball court be affected?
Answer from Ms. Weber: Definitely not!

Interjection from a member: There is no guarantee that with a new construction, 70% of the KG children will continue in the Primary School.
Answer from Ms. Weber: There is no guarantee. However, there is a bigger possibility that more children will join the Primary School. It must also be considered that the Kindergarten as a school in itself should be made as attractive as possible.

Interjection from a member: Through better preparation of the children in the Pre-School, the school will become more known, and therefore be more attractive for parents to let their children continue at the German School Nairobi.

Interjection from a member: Too much focus is being given to the German School Nairobi, as opposed to the Kindergarten itself.
Answer from Ms. Weber: The first priority in this project is making the Kindergarten more attractive. If more children are enrolled in the school as a consequence, this can only be seen as a plus.
Answer from Ms. Berge: In interviews with interested parents, it has become apparent that with the explanation of the new concept, and the resulting consequences of the new construction, many parents have commented they would consider the German School Nairobi as a future possibility.

Question from a member: How long would it take for the new Kindergarten to be built?
Answer from Ms. Weber: At the latest by the academic year 2011 / 2012, the construction project should have been implemented.

Interjection from a member: The one storey project would mean, that the Kindergarten could continue to exist in its current form, while the new one is being built. Can this project be postponed by a few years, in order to avoid having to take up a loan?
Answer from Ms. Weber: As the toilet block has to be rebuilt, and some walls have to be dried out, it makes more sense financially to start the new construction now rather than later.

Financing of Option C

Question from a member: The estimated costs of the new construction amount to some 222,000 Euros. The school has some 200,000 Euros from the reserves fund. Why, then, should there be the need for a loan of over 100,000 Euros?
Answer from Mr. Iten: The money is not available from reserve funds, but from the cash and securities capital that the school has. Running costs of the school have to be paid from these monies available. The reserves of about 150,000 have been banked in Germany as a bond. To cash in the deposit now would be a loss. It is a matter of opinion, whether it would be better to use the reserve funds completely first, in order to keep the amount required as a loan as low as possible or to use the reserve (as a security measure) to only partially finance the project.

Question from a member: How long would it take to repay the intended loan?
Answer from Mr. Iten: Six years.

Question from a member: How can members vote on the matter, without a definite offer from a bank regarding interest rates?
Answer from Mr. Iten: The Board has worked on a worst case scenario basis, assuming an interest rate of 9%.

Question from a member: If the Kindergarten successfully enrolls 40 more children after the new construction, surely a new bus must be purchased. Has this been taken into account?
Answer from Mr. Iten: The costs of a new bus have not been calculated. In case there is a need for a new bus, this will have to be paid for from the income of bus fees itself.
Question from a member: In case there are surprises during the building work, will this be reflected by an increase in the school fees?
Answer from Ms. Weber: As the school fees are supposed to be attractive in their current form, an increase in fee should be avoided.
Answer from Mr. Iten: Even if the cost went up by 20,000 – 30,000 Euros, this would mean a mere 1500 Euros extra cost per year, which would not have any major influence on the total account.

Question from a member: After the repayment of the loan, will the fees of the Kindergarten be lowered again?
Answer from Mr. Iten: No. A part of the income will then have to be saved, to pay for future renovations and / or constructions.

Question from a member: Are banks in Germany ready to give a loan?
Answer from Ms. Theilen: We have asked the “Deutsche Bank”. The regulations have been tightened in light of the financial crisis, so we cannot expect any support from this side.
Answer from Mr. Stegen: At the moment it is not possible to get a simple loan from Germany. The problem is that banks in Germany have no direct access to any securities in Kenya which the German School could give.

Interjection from member: With Option B, the school would not be obliged to take a loan. It would be wise to keep in mind the forthcoming elections and their consequences, and thus taking a loan should be avoided. We must take into consideration that many families might leave the country.
Answer from Ms. Weber: In this case, we would consider Option C3 that shows the financial impact if the number of children goes down by 40%.
Answer from 2 members: Considering the mould in the Kindergarten buildings, new construction is indispensible. It is not worth renovating the old buildings.

Herr Iten explained the voting process. Members would first vote for Option C. In case this option was voted out, there would be a second vote for Options A and / or B. It was also clarified, that by voting for Option C, members were also giving the project team the task of looking for possible financing (and, if necessary, securing it). The new fee structure, as outlined in the project and presented in the meeting, would be voted for in the same vote.

Vote for acceptance of option C: 72 Yes votes
0 No votes
10 Abstained

Agenda topic 3: Any Other Business

Interjection from a member: Members should have the right to vote for or against the new Kindergarten design.
Answer from Mr. Iten: Anyone interested could approach the project team at any time.

Interjection from a member: All the details regarding the construction of a new Kindergarten should be hung on the information boards.
Answer from Mr. Iten: Suggestion accepted.

Mr. Iten explained to the members present that the Board had decided that the increase in fee discussed at the previous AGM would be applicable from the second semester. No second invoice would thus be sent for the first semester. This has already been taken into account for the budget for the academic year 2010 / 2011. Members can either request for the entire year’s fees invoice, whereby they will receive a 2.5% discount on the fee, or they can pay for the first semester of 2010 / 2011. In the latter case, at the beginning of 2011, an invoice for the second semester will be sent, as well as the increment in fee should the AGM agree upon a fee increase.
Comments from Mr. Iten: We have a good product with the German School Nairobi, and we should be proud of it. We do not need to hide ourselves from other school systems. Please carry the positive aspects of the school to the outside world to advertise the school. More children in the school will also mean a lower increase in school fees, as the overhead costs can then be distributed over more families. In every school there are negative aspects, which we should discuss and solve internally whenever possible.

Question of a member: Will there be more meetings regarding the new construction?

Answer from Mr. Iten: The project team will send regular updates to all members. Anyone willing is welcome to join the team.

The meeting ended at 8.19 p.m.

Secretary: Beryl Maier

Nairobi, 26.05.2010