



# THE STATE CORPORATIONS ADVISORY COMMITTEE

Telephone: NAIROBI 227411  
When replying please quote

OFFICE OF THE SECRETARY

K.J.C.C.

Ref. No. OP/SCAC.9/1 VOL.VII (9)  
and date

P.O. Box 42145-00100

NAIROBI

.....13<sup>th</sup> January, 20.....16

## CHAIRPERSONS BOARDS OF STATE CORPORATIONS

### CONTRACTS OF EMPLOYMENT FOR CHIEF EXECUTIVE OFFICERS IN STATE CORPORATIONS

The State Corporations Advisory Committee meeting held on 11<sup>th</sup> January 2016 noted that some State Corporations have executed Service Contracts with Chief Executive Officers (CEOs) which contain irregular provisions. Such irregularities include skewed exit clauses, excess leave days, payment of utilities, privileges for spouses, unlimited tenure, etc.

These irregular contracts have legally exposed the affected State Corporations as well as Government. As you are aware, the Guidelines on Terms and Conditions of Service in State Corporations (2004) provides a template to guide in the design of Service Contracts for Chief Executive Officers (copy attached). It is expected that all CEOs should therefore have their contract terms and conditions limited to those in that template.

Henceforth, Board Chairpersons will be held personally liable for any irregular terms and conditions of service contained in the Service Contracts that they execute with their respective Chief Executive Officers.

Jane Mugambi, OGW  
**SECRETARY**

**CC: Mr. Joseph K. Kinyua, EGH**  
Chief of Staff and Head of Public Service  
Executive Office of the President  
**NAIROBI.**

Hon. Githu Muigai, EGH, SC  
Attorney General  
Office of the Attorney General &  
Department of Justice  
Sheria House  
**NAIROBI.**

Mr. Henry K. Rotich, EGH  
Cabinet Secretary  
The National Treasury  
NAIROBI.

Principal Secretaries

JMM

Chief Executive Officers