



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

Approved
SNA
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THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026
PUBLIC PETITIONS COMMITTEE

REPORT ON-

CONSIDERATION OF PUBLIC PETITION NO. 9 OF 2026 REGARDING UNPAID
SALARY ARREARS AND TERMINAL DUES BY THE FORMER EMPLOYEES OF
UCHUMI SUPERMARKETS PLC

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 SEP 2026	DAY: Wednesday
TABLED BY:	Hon. Janet Silienei, MP (Vice-Chairperson)
CLERK-AT-THE-TABLE:	Lorna



Directorate of Audit Appropriations &
General-Purpose Committees
Clerk's Chambers
Main Parliament Buildings
NAIROBI

SEPTEMBER, 2026

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CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on the Public Petition No. 9 of 2026 regarding unpaid salary arrears and terminal dues by the former employees of Uchumi Supermarkets PLC.

The petition was presented to the house by former employees of Uchumi Supermarket who sought the intervention of the National Assembly through the Public Petitions Committee to ensure transparency in the management of lease proceeds and other company assets and to facilitate the establishment of a clear timeline and mechanism for the resolution of all pending CVA obligations relating to former staff claims.

The Committee observed that the outstanding employee obligations was not disputed by the Company. Delay in settlement of employee dues was due to the inability to dispose a parcel of land that was earmarked for that purpose, through a court ruling that it had since appealed. The Committee however found that state officers and a previous court ruling had previously confirmed validity of the title.

The Committee recommends that management of Uchumi Supermarkets file quarterly returns with the CVA supervisor, meets with the petitioner and workers' union to harmonize dues owed. The Committee further recommends that the outcome of appeal of the 17-acre Kasarani land be awaited and dues owed to former employees subsequently settled as a matter of priority.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1. PREFACE

1.1 Establishment and Mandate of the Committee

- 1) The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:
 - i) considering all public petitions tabled in the House;
 - ii) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
 - iii) recommending whether the findings arising from consideration of a petition should be debated; and
 - iv) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

- 2) The Public Petitions Committee was constituted in October 2022 and comprises the following Members:

Chairperson

Hon. Muchangi Karemba, CBS, M.P.
Runyenjes Constituency

United Democratic Alliance (UDA)

Vice Chairperson

Hon. Janet Jepkemboi Sitienei, M.P.
Turbo Constituency

United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Edith Vethi Nyenze, M.P.
Kitui West Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Ntwiga Patrick Munene, M.P.
Chuka Igambang'ombe Constituency

United Democratic Alliance (UDA)

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency

United Democratic Alliance (UDA)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency

United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, M.P.
Dagoretti North Constituency

Orange Democratic Movement (ODM)

Hon. Bernard Muriuki Nebart, M.P.
Mbeere South Constituency

Independent

Hon. Biego Paul Kibichy, M.P.
Chesumei

United Democratic Alliance (UDA)

Hon. Peter Irungu Kihungi, M.P.
Kangema Constituency

Maendeleo Chap Chap Party (MCCP)

Hon. John Bwire Okano, M.P.
Taveta Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency

Jubilee Party (JP)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency

United Democratic Alliance (UDA)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency

Wiper Democratic Movement-Kenya (WDM-K)

1.3 Committee Secretariat

3) The Public Petitions Committee is facilitated by the following members of the secretariat:

Lead Clerk

Mr. Victor Weke

Principal Clerk Assistant II

Ms. Miriam Modo

First Clerk Assistant

Ms. Kafuyai Wamae

Third Clerk Assistant

Ms. Nancy Akinyi

Research Officer III

Ms. Roselyne Njuki

Principal Serjeant-at-Arms

Mr. Pascal Valerian

Hansard Officer III

Ms. Felistus Muiya

Public Communication Officer

Mr. Benard Toroitich

Third Clerk Assistant

Mr. Clinton Sindiga

Legal Counsel II

Ms. Viola Saiya

Research Officer III

Mr. Paul Shana

Serjeant-at-Arms

Mr. Collins Mahamba

Audio Officer III

Ms. Fridah Ngari

Media Relations Officer III

PART TWO

1 BACKGROUND OF THE PETITION

1.1 Introduction

- 4) Article 119 of the Constitution of Kenya gives every person the right to petition Parliament to consider any matter within its authority, including enacting, amending, or repealing legislation.
- 5) Public Petition No. 9 of 2026 regarding unpaid salary arrears and terminal dues by the former employees of Uchumi Supermarkets PLC. was presented to the House on 4th June 2026 by the Rt.Hon. (Dr.) Moses Wetangula, SC, EGH, MP on behalf of the Former Uchumi Staff Welfare Association.
- 6) The Petitioners submitted that despite numerous engagements with the appointed administrators, the courts, and processes established under the Company Voluntary Arrangement (CVA), their claims for unpaid salary arrears, gratuity, and other terminal benefits remain unresolved.
- 7) The Petitioners further state that commitments made under the CVA to settle staff claims have not been honoured, despite repeated reminders and demonstrations by former employees.
- 8) Additionally, the Petitioners allege that lease proceeds from tenants occupying the company's premises, including payments reportedly made by China Square, have been diverted to other projects instead of being applied towards the settlement of staff claims.
- 9) The Petitioners also cite a lack of transparency and accountability in decisions affecting staff welfare. They contend that certain directives issued during the last Annual General Meeting by the CVA monitor have not been implemented, and that affected employees have not been adequately consulted.
- 10) The Petition further highlighted the difficult circumstances faced by many former employees, some of whom are unable to provide for their families, meet medical expenses, or support their children's education. It is also reported that some former staff have passed on before receiving their rightful dues.
- 11) The matters raised in this Petition are not pending before any court of law, constitutional body or other legal institution.

1.2 Petitioners' Prayers

- 12) The Petitioners prayed that the National Assembly, through the Public Petitions Committee—
 - i) Ensures transparency in the management of lease proceeds and other company assets;
 - ii) To facilitate the establishment of a clear timeline and mechanism for the resolution of all pending CVA obligations relating to former staff; and
 - iii) Makes any other recommendations it may deem appropriate to address the plight of the Petitioners.

PART THREE

2 STAKEHOLDERS' SUBMISSIONS ON THE PETITION

2.1 The Petitioners

The petitioners, led by Mr. Philomena Oburenji, the chairperson for Uchumi Welfare Association, appeared before the Committee on Tuesday 23rd June, 2026;

- 13) Despite numerous engagements with the appointed administrators, the courts, and processes established under the Company Voluntary Arrangement (CVA), their claims for unpaid salary arrears, gratuity, and other terminal benefits remain unresolved. The commitments made under the CVA to settle staff claims have not been honored, despite repeated reminders and demonstrations by former employees.
- 14) The lease proceeds from tenants occupying the company's premises, including payments reportedly made by China Square, have been diverted to other projects instead of being applied towards the settlement of staff claims. There is a lack of transparency and accountability in decisions affecting staff welfare. They contend that certain directives issued during the last Annual General Meeting by the CVA monitor have not been implemented, and that affected employees have not been adequately consulted.
- 15) He further highlighted the difficult circumstances faced by many former employees, some of whom are unable to provide for their families, meet medical expenses, or support their children's education. It is also reported that some former staff have passed on before receiving their rightful dues. There is continued failure by Uchumi Supermarkets Ltd to settle outstanding salary arrears, gratuity, and terminal dues owed to former employees despite the passage of several years, existing court interventions, and commitments previously made under the Company Voluntary Arrangement (CVA).
- 16) Uchumi Supermarkets Ltd experienced prolonged financial distress which led to closure of operations, employee redundancies, and termination of employment for numerous staff members across the country. The petitioners informed the Committee that statutory remittance to NSSF, loan deductions and Sacco contributions were not indicated in their termination letters.
- 17) Finally, in light of the foregoing, the Petitioners seek the intervention of the National Assembly to ensure transparency in the management of lease proceeds and other company assets, and to facilitate the establishment of a clear timeline and mechanism for the resolution of all pending CVA obligations relating to former staff claims.

2.2 Uchumi Supermarkets PLC

Mr. Lawrence Ngao, the Chief Executive Officer, and Mr. John Mwara, the Board Chairperson of Uchumi Supermarkets PLC, appeared before the committee Thursday, 4th August, 2026, and submitted as follows on the Petition—

- 18) Uchumi Supermarkets PLC acknowledges and remains committed to honoring all legitimate obligations owed to its former employees and other creditors. The delays in settling these obligations were not attributable to any unwillingness on the part of the Company, but rather arose from the legal framework governing the Court-approved Company Voluntary Arrangement (CVA) and the unforeseen inability to realize one of the principal strategic assets upon which the approved restructuring plan was founded.
- 19) The matters raised in the Petition can only be properly understood within the legal framework governing Uchumi Supermarkets PLC. The Company is presently operating under a Court-approved Company Voluntary Arrangement (CVA), a statutory corporate rescue mechanism established under the Insolvency Act, 2015.
- 20) The CVA was approved by the Company's creditors and subsequently sanctioned by the High Court of Kenya in Insolvency Petition No. 25 of 2018 through the Judgment of the Honourable Lady Justice Mary Kasango delivered on 1st July 2020. The Arrangement provides the legal framework within which Uchumi is restructuring its operations while progressively settling its obligations to all creditors, including former employees.
- 21) The Insolvency Act, 2015 embodies the modern principle of corporate rescue, recognizing that where a financially distressed company retains the potential to operate as a viable commercial enterprise, preserving the business as a going concern generally produces superior outcomes for creditors, employees, shareholders, customers, suppliers and the wider economy than liquidation.
- 22) A Company Voluntary Arrangement is therefore intended to provide an orderly, transparent and judicially supervised framework through which a financially distressed company can continue trading, restore commercial viability and progressively satisfy creditor claims from the value generated by a recovering business.
- 23) The philosophy underpinning the CVA is not to avoid payment of debts, nor to postpone legitimate obligations indefinitely. Rather, it seeks to maximize recoveries by preserving enterprise value and enabling the Company to generate sustainable cash flows from which creditors can be paid in accordance with an agreed and legally binding restructuring framework.
- 24) This philosophy recognizes that liquidation often results in the destruction of enterprise value and significantly lower recoveries for creditors, whereas successful business rehabilitation creates the greatest opportunity for all stakeholders to recover value.
- 25) Upon approval by creditors and sanction by the High Court, the Company Voluntary Arrangement became legally binding upon Uchumi Supermarkets PLC and all creditors whose claims fall within its scope. The Board of Directors and Management are under a statutory and fiduciary obligation to administer the affairs of the Company strictly in

- accordance with the provisions of the CVA. Compliance with the Arrangement is independently supervised by the appointed CVA Monitor, who oversees implementation, monitors compliance and safeguards the interests of all creditors.
- 26) Consequently, neither the Board nor Management possesses legal discretion to depart from the approved restructuring framework by preferring one class of creditors over another or making payments outside the approved payment structure. Any such action would undermine the integrity of the Court-approved Arrangement and prejudice the equitable treatment of creditors.
 - 27) A fundamental feature of the Company Voluntary Arrangement is the payment waterfall, which establishes the legally approved order and methodology through which available funds are distributed among the various classes of creditors. The payment waterfall is intended to ensure transparency, fairness and equality of treatment by requiring that all available resources be applied in accordance with the priorities approved by creditors and supervised by the CVA Monitor.
 - 28) Former employees constitute an important class of creditors within this framework. Payments made to former employees are therefore distributed on a pro-rata basis in accordance with verified claims and the availability of distributable funds under the CVA. Management is not legally permitted to accelerate or vary these payments outside the approved framework without the necessary approvals under the Arrangement.
 - 29) Since commencement of the Company Voluntary Arrangement, Uchumi Supermarkets PLC had implemented measures aimed at restoring operational stability, strengthening commercial performance and improving revenue generation.
 - 30) The Company's operational initiatives, including optimization of its retail network, prudent commercial investments and business expansion, are not inconsistent with the interests of creditors. Rather, they are integral components of the recovery strategy because the successful implementation of the CVA depends upon the Company's ability to generate sustainable revenues from continuing operations.
 - 31) Every additional revenue stream improves the Company's capacity to satisfy outstanding obligations and accelerate payments to creditors in accordance with the Court-approved payment framework.
 - 32) One of the principal funding assumptions underpinning the approved Company Voluntary Arrangement was the realization of value from approximately seventeen (17) acres of land owned by Kasarani Mall Limited, a wholly owned subsidiary of Uchumi Supermarkets PLC.
 - 33) The importance of this strategic asset formed part of the restructuring proposal considered by the High Court during the approval of the CVA. As reflected in the Judgment of the Honourable Lady Justice Mary Kasango delivered on 1 July 2020 in Insolvency Petition No. 25 of 2018, the realization of this asset constituted a significant component of the Company's recovery strategy and was expected to generate substantial proceeds for distribution to creditors in accordance with the approved CVA.

- 34) The anticipated realization of this strategic asset was therefore not merely a commercial aspiration but one of the important financial assumptions underpinning the Court-approved restructuring framework.
- 35) Following approval of the Company Voluntary Arrangement, circumstances arose that materially affected the implementation of this important funding strategy. In 2023, the Company was unable to realize the Kasarani property following a dispute concerning its occupation by the Kenya Defence Forces, after which the Government proceeded with the development of an Affordable Housing Project on the site.
- 36) Consequently, the Company was unable to realize the value of a strategic asset that had been expected to contribute significantly towards implementation of the CVA and acceleration of payments to creditors. The Company instituted legal proceedings to protect its interests and the matter is presently pending before the Court of Appeal in proceedings involving the Honourable Attorney General, the Ministry of Defence and the Kenya Defence Forces.
- 37) Consistent with the doctrine of sub judice and out of respect for the independence of the Judiciary, the Company does not invite the Committee to determine matters that are properly before the Court and therefore refrains from commenting on the merits of the pending proceedings.
- 38) The inability to realize this strategic asset had materially affected one of the principal funding assumptions underpinning the approved Company Voluntary Arrangement and had impacted the pace at which creditor obligations, including those owed to former employees, can be satisfied.
- 39) Subject to the determination of the Court of Appeal, the property is currently estimated to have a market value exceeding Kenya Shillings Five Billion (KES 5 billion). Realization of the Company's interest in this asset would materially strengthen its financial position and significantly enhance its ability to accelerate settlement of outstanding obligations under the Court-approved CVA.
- 40) The successful rehabilitation of Uchumi Supermarkets PLC extends beyond the interests of the Company itself. It serves broader public policy objectives by preserving employment opportunities, protecting shareholder value, sustaining supplier relationships, maintaining competition within Kenya's retail sector and maximizing recoveries for creditors.
- 41) Conversely, liquidation would likely result in the destruction of enterprise value and substantially lower recoveries for creditors, including former employees. Continued implementation of the Court-approved Company Voluntary Arrangement remains the most equitable, commercially prudent and legally compliant mechanism for balancing the interests of all stakeholders. Uchumi Supermarkets PLC remains committed to honouring all legitimate obligations owed to its former employees and other creditors.
- 42) The delays experienced in settling these obligations are not attributable to any unwillingness to pay but arise from the legal framework governing the Court-approved Company Voluntary Arrangement and the unforeseen inability to realize one of the principal strategic assets upon which the approved restructuring plan was founded.

- 43) The Board, Management and the CVA Monitor remain committed to implementing the Arrangement in full compliance with the Insolvency Act, the directions of the High Court and the resolutions approved by creditors, while continuing to pursue all lawful avenues for strengthening the Company's financial position and accelerating payments to creditors.

2.3 CVA Monitor

FCPA Owen Koimburi, the Monitor of the Company Voluntary Arrangement, appeared before the Committee on Thursday 4th August, 2026, and submitted as follows on the Petition;

- 44) He was appointed in March 2019 to oversee the implementation of Uchumi Supermarkets PLC's Company Voluntary Arrangement, which was approved by creditors in March 2020 and subsequently revised in August 2023. He clarified that his role is limited to oversight and reporting on the implementation of the CVA, while the day-to-day management of the Company remains the responsibility of the Board of Directors.
- 45) The Monitor explained that some outstanding payments remained unclaimed because beneficiaries had not collected their cheques, rather than due to a lack of funding. He further informed the Committee that he did not have complete records relating to former employees' terminal dues, noting that the Company was in the process of compiling a comprehensive inventory for submission to the Committee.
- 46) The revised CVA makes specific provision for staff related obligations. The recent Quarter one report filed with the official receiver on 24th April, 2026 showed that the position on staff salary arrears specifically scheduled under the CVA was as follows: of Ksh 8,000,000, Ksh 6,825,157(85.31%) had been paid, with the balance in process. The Company's broader creditor's schedule additionally records staff dues of Ksh 521,724,214 within the total creditor position of approximately Ksh 9.79 billion, and the company has indicated that a portion of outstanding amounts reflects cheques not yet collected by payees rather than a want of funding.
- 47) The CVA-scheduled arrears figure above relates to amounts owed to serving and CVA-era staff under the arrangement, and is not the same as a full inventory of terminal dues owed to former employees whose termination or redundancy may have arisen outside the CVA schedule.
- 48) He submitted that he does not independently hold personnel records, termination letters, or redundancy computations for former staff; those records are held by the Company. The Company, as a custodian of the relevant personnel and payroll records, was compiling the complete inventory requested by the Committee — former employees, their terms and conditions of employment, the conditions of their termination or redundancy, amounts owed, amounts paid, amounts outstanding, and a proposed settlement timeline.
- 49) The petition raised the concern that the Company continues to open new branches even as dues to former employees remain outstanding. The Monitor confirmed to the Committee that this was a matter he identified in his capacity as a Monitor. The Company had opened two new branches, located at Unicity Mall along Thika Road near Kenyatta University and at

Kitengela next to Shell Petrol Station on Kajiado Road. The Monitor had not been briefed on the financing of either branch, nor was his approval as Monitor sought or obtained for either decision. This is inconsistent with the duality of functions inherent in the CVA structure: while the Board is entitled to manage the Company's ordinary affairs, section 633(1) of the Act requires the Monitor to be able to monitor compliance with the arrangement, which is not possible where material capital decisions are taken without the Monitor's knowledge.

- 50) The act of opening new branches sits outside the CVA strategy that had been disclosed to and approved by creditors in 2020 and again in 2023, both of which centered on debt restructuring, asset realization, and cautious, franchise-led growth rather than direct Company-funded expansion.
- 51) It engages a specific creditor resolution of 17th March 2025 requiring joint Board and Monitor approval before surplus cashflows are applied; the Monitor was not approached for that approval in respect of either branch. The Company's ability to fund new capital commitments while creditor and former-staff obligations remain outstanding is a legitimate and material question.
- 52) The Monitor had identified a recurring pattern in which the Board had proceeded on material matters, and in one respect the Company's own CVA proceeded, without the leave, prior knowledge, or approval of either the Monitor or the Court, notwithstanding the statutory monitoring function conferred on the Monitor by section 633(1) of the Insolvency Act, 2015 and the requirement under section 630(1) of that Act that an amendment to a voluntary arrangement takes effect only once approved by the Court. The reliability of the governance and financial oversight surrounding the Company's obligations to its creditors and former staff is questionable.
- 53) The current CVA's five-year term expired on 30th June 2025. As at the most recent records available, the amendment required to extend the arrangement beyond that date had been the subject of a creditors' resolution but had not yet been ratified by the Court, as section 630(1) of the Act requires before an amendment takes effect. The Monitor had not been given, nor been briefed on, confirmation of whether Court ratification had been obtained, as required under section 630(1) of the Insolvency Act, 2015 for such an amendment to bind the Company and its creditors.
- 54) The Revised CVA's own proposal table records a change from the 40% debt-to-preferential-share conversion ratio for trade creditors approved in the original 2020 CVA to a 50% ratio in the 2023 revision, without a specific, identifiable Court approval of that change.
- 55) The Monitor sought on more than one occasion but not received a full update on the implementation of decisions taken at Board meetings, leaving a standing gap in the Monitor's visibility over matters the Board has already resolved upon. The Company's asset register had not been reconciled to its pre-CVA accounts or to its last audited financial statements, notwithstanding the Monitor having raised this specifically as a priority.
- 56) Creditors resolved on 17th March 2025 that surplus cashflows are to be applied to creditor settlements only with the joint approval of the Board and the Monitor; the Monitor not been

given, nor been briefed on, the Company's record of cashflow applications since that date, as required to enable him discharge monitoring functions under section 633(1) of the Insolvency Act, 2015.

- 57) None of these matters, on the material presently available to the Monitor, disclosed criminal conduct. They do, however, disclose a governance pattern in which the Board has not consistently sought or awaited the Monitor's advice before acting on matters squarely within the Monitor's oversight remit — a pattern the Committee may wish to weigh alongside the specific concerns raised in Petition No. 9 of 2026.

2.4 Ministry of Labour and Social Protection

The Committee received written submissions from the Cabinet Secretary, Hon. (Dr.) Alfred Mutua EGH, as follows;

- 58) The ministry of labour had considered the concerns raised by the former employees of Uchumi Supermarkets PLC regarding the alleged inordinate delay in the payment and settlement of salary arrears and terminal dues owed to former employees following cessation of their employment.
- 59) The Company attributes the delayed settlement to its operations under a Court-approved Company Voluntary Arrangement (CVA), which, according to the Company, establishes a payment waterfall governing the manner in which available funds are applied to creditors, including former employees. Uchumi Supermarkets PLC is a Kenyan supermarket company which has experienced financial and operational challenges resulting in outstanding obligations to various creditors, including former employees.
- 60) According to the Company's submission, Uchumi is currently operating under a Court-approved Company Voluntary Arrangement (CVA). The Company states that the CVA provides a structured framework for settlement of creditor and staff obligations while allowing the business to continue operating as a going concern.
- 61) The Company further states that payments to former employees have been made on a pro-rata basis, with each employee receiving a proportionate share based on their individual outstanding obligation. It nevertheless acknowledges that the amounts paid to date represent only a small proportion of the total outstanding obligations.
- 62) It is a fact that full settlement of former employees' dues has not been achieved. The Company attributes this primarily to constrained cash flows and the payment priorities established under the CVA. The Ministry notes that the existence of outstanding employee obligations is not disputed by the Company.
- 63) The Ministry notes that the company states that terminal dues were computed using the Employment Act, 2007 and applicable Collective Bargaining Agreements. According to the Company, the components included;

Terminal Benefits	Governing Legal Framework	Method of Calculation
Severance / Redundancy Pay	Employment Act, 2007 — Sec. 40(1)(g)	Fifteen (15) day's for each completed year of service computed as one-half (0.5) of one month's salary multiplied by the exact number of years of service (calculated on a daily basis from commencement of employment to date of redundancy, inclusive of fractional years)
Notice Pay	Employment Act, 2007 Sec.35	One (1) month's gross monthly salary, (pay in lieu of notice). This reflects the contractual notice obligation applicable to the relevant employee levels.
Accrued Annual Leave	Employment Act, 2007 — Sec. 28 & 31	Outstanding accrued leave days multiplied by the daily leave rate is derived by dividing the employee's gross monthly salary by the annual leave. Where an employee had taken leave in excess of entitlement, the excess is treated as a deduction from terminal dues.
Service Years	Employment Act (general principles)	Computed as the exact number of calendar days between the date of first employment and the date of redundancy, divided by 365.25 to account for leap years. This produces a precise fractional year figure and applied consistently across all affected employees.
Salary Arrears	Employment Contracts; Employment Act, 2007	Outstanding gross salary due to each employee for periods worked but unpaid, as recorded in the company's payroll records. Amounts verified against

Terminal Benefits	Governing Legal Framework	Method of Calculation
		individual employment contracts and payroll history.

- 64) The Company states that the computation methodology was applied consistently to affected employees and that the basis of computation was shared with the relevant Workers Union. The ministry recommends that the actual individual computations be subjected to verification against the employees' contracts of employment, payroll records, applicable Collective Bargaining Agreements, statutory requirements and individual employment histories before the amounts claimed can be conclusively confirmed.
- 65) The ministry considers transparency in the computation and communication of terminal dues important in enabling former employees to understand and, where necessary, challenge the amounts attributed to them.
- 66) Accordingly, the Ministry recommends that each affected former employee be provided with an itemized statements showing:
- period of employment;
 - salary used in the computation;
 - salary arrears;
 - notice pay;
 - severance pay, where applicable;
 - accrued leave;
 - statutory deductions/contributions;
 - amounts already paid; and
 - the outstanding balance.
- 67) The petition raises concerns regarding the treatment of pension and Sacco contributions in the computation of terminal benefits. Uchumi states that it exercised due care in preparing the computations but is reviewing terminal benefit calculations to ensure compliance with statutory requirements, including pension and Sacco contribution obligations. The Ministry considers this matter requiring further verification, particularly in respect of statutory deductions and remittances that may have accrued during the employees' periods of service.
- 68) The former employees have raised concerns that lease and rental proceeds, including income from tenants occupying Uchumi-owned premises, may have been diverted away from staff claims. Uchumi categorically denies the allegation and states that lease and rental receipts are channeled through the Company's bank accounts and applied in accordance with the CVA payment framework.
- 69) The ministry notes that this is principally a matter requiring verification through the appropriate financial and/or insolvency oversight mechanisms. The ministry has not, on the

basis of the information presently available, independently verified the Company's financial records or the application of the rental proceeds, and seeks for more time to verify and submit the same.

- 70) The Company has indicated that the Kitengela branch was opened on 1st July 2026 as part of its strategy to generate additional revenue. The Company argues that continued commercial operations are necessary to generate resources to meet obligations to creditors, including former employees.
- 71) The ministry notes that the continued operation of the business does not, in itself, extinguish or negate employees' lawful claims. At the same time, the Company's explanation indicates that the business is operating within the framework of the approved CVA.
- 72) The ministry therefore recommends that the payment of former employees' lawful employment-related claims should remain a clearly identifiable component of the Company's obligations under the applicable legal and CVA framework.
- 73) The Company has expressly acknowledged that former employees' claims remain outstanding. The dispute therefore appears to concern principally the quantification, verification and timing of settlement, rather than the existence of all employee claims.
- 74) The Company's submission refers to a verified schedule of former employee obligations. However, the Ministry has not independently verified the individual schedules against the employment records of each claimant. It is therefore necessary to obtain and examine the underlying records before the Ministry can certify the accuracy of the amounts claimed.
- 75) The Company's computation methodology should be tested against the applicable provisions of the Employment Act, 2007, individual contracts of employment and any applicable Collective Bargaining Agreements.
- 76) Particular attention should be given to:
 - the circumstances under which each employee's employment was terminated;
 - whether the termination constituted redundancy;
 - the applicable notice period;
 - the employee's length of service;
 - accrued leave;
 - salary arrears;
 - severance pay and /or gratuity where applicable;
 - contractual benefits; and
 - statutory contributions and deductions.
- 77) The Company stated that it was bound by a Court-approved CVA and that payment of creditors is governed by an agreed payment waterfall. The Ministry recognizes that the Company Voluntary Arrangement is relevant to the timing and manner of payment. However, the existence of a CVA should not be interpreted as extinguishing employees' substantive rights and lawful employment claims. The Ministry therefore considers it necessary for the Company to demonstrate how former employees' claims are classified and treated within the approved CVA and the expected mechanism and timetable for settlement.

- 78) Uchumi reports that it has held three meetings with representatives of former staff jointly with the CVA Monitor to discuss outstanding dues and the Company's recovery trajectory. The Ministry encourages continued engagement with the former employees and recommends that such engagement should result in clear, documented information on individual balances.
- 79) The ministry recommends that Uchumi Supermarkets PLC should submit to the ministry a comprehensive and updated schedule of all former employees affected, indicating:
- name of employee;
 - employment number, where applicable;
 - date of employment;
 - date and reason for separation;
 - last gross salary;
 - salary arrears;
 - notice pay;
 - severance pay, where applicable;
 - accrued leave;
 - other contractual or statutory benefits;
 - total amount due;
 - amount already paid; and
 - outstanding balance
- 80) The Company should make available for verification the relevant employment records, payroll records, terminal dues computations, payment schedules and applicable Collective Bargaining Agreements.
- 81) The Company should continue structured engagement with representatives of former employees and provide each claimant with an itemized statement of their individual claim.
- 82) The Company and/or CVA Monitor should provide the ministry with the relevant portion of the approved CVA demonstrating:
- how former employees' claims are classified;
 - the priority accorded to employee claims;
 - the payment mechanism;
 - amounts already paid;
 - amounts projected to be paid; and
 - the conditions, if any, that may affect future payments.
- 83) Uchumi Supermarkets PLC should provide a clear and realistic payment plan for settlement of verified former employee claims, subject to the terms of the Court-approved CVA. Where the payment schedule is subject to approval by creditors or the CVA Monitor, the Company should clearly indicate the applicable approval process and expected timelines.
- 84) The Company should undertake a reconciliation of statutory deductions and contributions relating to former employees and provide evidence of remittance or outstanding statutory obligations, as applicable.

- 85) Former employees who dispute the computation of their individual terminal benefits should be provided with an opportunity to raise their specific claims for verification and resolution through the appropriate labour dispute resolution mechanisms.
- 86) The Ministry of Labour shall continue monitoring the matter and engage Uchumi Supermarkets PLC, the former employees' representatives and the CVA Monitor to ensure that verified employment-related claims are addressed within the applicable legal and insolvency framework.

PART FOUR

3 COMMITTEE OBSERVATIONS

Upon hearing from the Petitioners, Uchumi Supermarket PLC and the Ministry of Labour, the Committee observed that—

- 87) Management of Uchumi Supermarkets PLC did not dispute the arrears owed and committed to honoring all legitimate obligations to its former employees and other creditors. The Company's creditor's schedule records staff dues of Kshs. 521,724,214 within the total creditor position of approximately Kshs. 9.79 billion.
- 88) Uchumi Supermarkets Ltd had experienced prolonged financial distress since 2013 which led to closure of operations, employee redundancies, and termination of employment for numerous staff members across the country.
- 89) Uchumi Supermarket and the Kenya Union of Commercial, Food and Allied Workers had entered a consent dated 8th November 2024, agreeing on the tabulation of benefits owed to the former workers. This was registered in the Employment and Labour Relations Court at Nairobi as cause no. 459 of 2016.
- 90) Creditors applied for a court approved Company Voluntary Arrangement as per part IX of the Insolvency Act 2015. This was the chosen option provided for in the Act, other than Liquidation or Administration. The CVA under the Insolvency Act, 2015 embodies the principle of corporate rescue, recognizing that where a financially distressed company retains the potential to operate as a viable commercial enterprise, preserving the business as a going concern generally produces superior outcomes for creditors, employees, shareholders, customers, suppliers and the wider economy than liquidation.
- 91) A fundamental feature of this court approved CVA was the payment waterfall, which established the order and methodology through which available funds are to be distributed among the various classes of creditors. One of the underpinning funding assumptions was the realization of value from approximately twenty (20) acres- (a 3- acre parcel and another adjacent 17-acre parcel-) of land owned by Kasarani Mall Limited, a wholly owned subsidiary of Uchumi Supermarkets PLC. The land was valued at approximately Kshs. 2.5 billion as at 2020.
- 92) From the foregoing, the company had since opened two new branches, in Kitengela and Unicity Mall along Thika Road, and made a profit of Kshs. 10 million in 2025. Part of these profits and the realization of the 3-acre parcel of land in Kasarani had been used to settle Kshs. 9.3 million of employee dues so far.
- 93) The inability to realize sale of the remaining 17-acre parcel (L.R 5875/2 (IR. 85371)) followed a dispute concerning its occupation by the Kenya Defence Forces, after which the Government proceeded with the development of an Affordable Housing Project on the site. The Company instituted legal proceedings to protect its interests, and lost in the Environment and Land Court in case no. E010 of 2022 despite evidence of documentation by the Attorney General, Director of Public Prosecutions, Commissioner of Lands, and a previous court

ruling evicting squatters from the land, ascertaining that the allotment was procedurally done. The matter was pending before the Court of Appeal.

- 94) The former employees' claims therefore remain outstanding due to the inability of the company to realize value of this 17-acre land, pending appeal.

PART FIVE

4 COMMITTEE RECOMMENDATIONS

Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—

- i) On the prayer that the Committee ensures transparency in the management of lease proceeds and other company assets; **the Committee notes that Uchumi Supermarket had availed audited financial statements and recommends that the Chief Executive Officer avails to the CVA supervisor/ monitor quarterly written updates on operations of the company.**
- ii) On the prayer that the Committee facilitates the establishment of a clear timeline and mechanism for the resolution of all pending CVA obligations relating to former staff;
 - a) **the Committee recommends that subsequent to realization of recommendation (iii) below, dues owing to former employees totaling Kshs. 521,724,214 be fully settled as a matter of priority.**
 - b) **The Committee recommends that within thirty (30) days upon tabling of this report, Chief Executive Officer of Uchumi Supermarkets should meet with the petitioners and representatives of the former employees and the respective workers' union and, provide a breakdown of amounts owed to each former employee. A signed consent by all parties be filed with the National Assembly within fourteen (14) days thereafter.**
- iii) On the prayer that the Committee makes any other recommendations it may deem appropriate to address the plight of the Petitioners; **the Committee recommends that the outcome of the appeal on the case of the Kasarani land be awaited, and that the Chief Executive Officer ensures robust defense in light of the documentation affirming legality of the allotment, in its possession.**

Signed:  for _____ Date: 30/09/2026

HON. MUCHANGI KAREMBA, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 SEP 2026	
DAY: <u>Wednesday</u>	
TABLED BY:	Hon. Janet Sieni MP
CLERK-AT-THE-TABLE:	(Vice-Chairperson) <u>Lorraine</u>

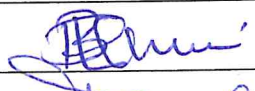
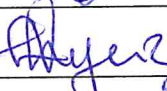
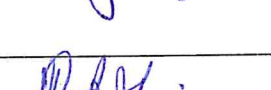
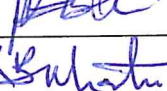
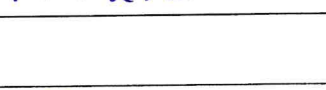
PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

- (i) Consideration and adoption of the P/No. 09 of 2026 on Unpaid Salary arrears and terminal dues to the employees of Uchumi Supermarket PLC by the Chairperson of the Former Uchumi Staff Welfare Association.

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 2/9/2026

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba, CBS, M.P. (Chairperson)	
2.	Hon. Janet Jepkemboi Sitienei, CBS, M.P. (Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene, CBS, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	

