

BY LAWS

OF

ASILI

SAVINGS AND CREDIT

CO-OPERATIVE SOCIETY LTD

CS/NO: 2077

Amended to Conform with the Co-operative Societies Act

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1. NAME AND AREA OF OPERATION

This Society shall be called **ASILI SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED**, hereinafter referred to in these By-laws, as “the Society” and its area of operation shall be within the Republic of Kenya.

2. REGISTERED OFFICE AND POSTAL ADDRESS

The registered office of the Society shall be at **ASILI CO-OP. CENTRE, LOWER NGARA ROAD** and its postal address shall be **P.O. Box 49064 -00100 GPO, Nairobi**

Notice of any change of postal address shall be given to the Commissioner for Co-operative Development, herein after referred to as “The Commissioner”, the Sacco Societies Regulatory Authority (SASRA), herein after referred to as “the Authority” and to all members of the Sacco society through their last known address as per records held at the Sacco society within 30 days of such change.

3. OPENING AND RELOCATION OF SACCO OFFICE/BRANCH

The Sacco Society shall seek a written approval from the Authority to open a new branch, relocate or close a place of business.

4. DEFINITIONS AND INTERPRETATIONS

- a) In these By-laws, unless the context otherwise requires, words or phrases shall be defined/interpreted in accordance with the Co-operative Societies Act No. 12, 1997, Co-operative Societies (Amendment) Act, No.2, 2004, The SACCO Societies Act No.14 of 2008 and the Co-operative Societies Rules LN 123 of 2004 and the SACCO Societies (deposit taking SACCO business) regulations 2010 made there under, hereinafter referred to as “the Act” and “the Rules” respectively and which term shall include their subsequent amendments
- b) “**Apex Society**” means a society formed at the National level by the Co-operative movement in Kenya and registered under this Act to promote Co-operative Development and represent the interests of cooperative societies locally and internationally.
- c) “**Core Capital**” shall mean fully paid up members shares, capital issued, disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the Sacco Society.
- d) “**Commissioner**” shall mean “the Commissioner for Co-operative Development as provided for in the Co-operative Societies Act.
- e) “**Deposit**” means a sum of money received or paid on terms under which it shall be repaid with or without interest or premium and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it
- f) “**Share Capital**” shall mean members’ equity in the form of issued and fully paid up

shares of common stock.

- g) “**Special resolution**” means a resolution passed by two thirds of the members present and voting at a Delegates Meeting of the society
- h) “**Institutional Capital**” means and is comprised of statutory reserves, entrance fees, appropriation accumulated account and any other reserve established by the Society’s Management for which there is no claim.
- i) “**Minors**” shall mean person who are not up to 18 years of age but who may benefit from some of the products and services of the Society.
- j) “**Tribunal**” shall mean the Co-operative Tribunal established under the Co-operative Act to hear and determine disputes.
- k) “**Supervisory Committee**” means an oversight committee elected at a Delegates Meeting.
- l) “**Bonus**” means something given, paid or received above what is due or expected or an extra dividend allotted to shareholders out of the profits especially a percentage of the net profit distributed to policyholders. In relation to a member of a cooperative society means that member’s share of the surplus of the society which is divided amongst its members, calculated by reference to the proportion which that member’s volumes with the society bears to the total volume of the business done by the society.
- m) “**Dividend**” shall mean members share of the surplus of the Sacco society which is divided amongst its members based on shareholding.
- n) “**Personal representative**” means any person who, under law or customs, is responsible for administering the estate of a deceased person
- o) “**Users**” in the Society shall mean groups and other co-operatives who may from time to time carry out some business with the Society
- p) “**Applicable Law**” shall mean any other relevant law other than the Sacco Societies Act, 2008 and the Regulations, Co-operative Societies Act cap 490, Rules, and these by-laws.
- q) “**Board**” of Directors” shall refer to the persons elected in a duly convened Delegates Meeting to govern the Business of the SACCO society as per these by-laws herein after referred to as the “Board”
- r) “**Returning officer**” is a person appointed to oversee or conduct the elections of a co-operative society at a Branch Annual General Meeting/Annual Delegates Meeting.
- s) “**SACCO Society**” means a savings and credit co-operative society registered under the Co-operative Act and licensed under the Sacco Societies Act, 2008.
- t) “**Audit Committee**” Committee of the Board established as per the Regulations
- u) “**Authority**” shall mean the Sacco Societies Regulatory Authority

Any questions concerning interpretation of these by-laws or any matters not provided for therein, errors and omissions shall be referred to the Authority or Commissioner or Tribunal as is applicable

5. CO-OPERATIVE PRINCIPLES AND VALUES

In order to achieve its objects the Sacco society shall act in accordance with the following Co-operative principles and relevant values.

a) PRINCIPLES

i. *Voluntary and open membership*

The society shall always be guided by the principle of voluntary and open membership in its member recruitment drive without political, ethnic, religious, gender or social discrimination.

ii. *Democratic member control*

The society will be fully controlled by members who will have equal voting rights on the basis of one member one vote.

iii. *Economic participation by member*

Members shall contribute equitably to the capital of the society and share in the results of its operations.

iv. *Autonomy and independence*

The society shall operate on mutually acceptable terms with its stakeholders who will ensure its autonomy and independence.

v. *Education, training and information*

The society shall foster reciprocal, on-going education programmes for members, leaders, staff and the community so that they can teach and learn from each other or from the appropriate resource persons in understanding and carrying out their respective roles.

vi. *Co-operation among co-operatives*

In order to better serve the interests of the members and the community, the society shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.

vii. *Concern for community in General*

The society shall show concern to the community in which it exists and operates.

b) CO-OPERATIVE VALUES

All the Asili SACCO activities will be guided by the following six (6) Core Values:-

- i. **Honesty** - Moral character such as integrity, truthfulness, straight-forwardness, no cheating, lying or theft.
- ii. **Transparency** – Openness, Communication and accountability
- iii. **Responsiveness** – Quick response to issues at hand
- iv. **Fairness** – Equal treatment
- v. **Team work** – Ability to work together as a team
- vi. **Customer Focus, professionalism**

6. OBJECTS

The objects for which the society is established are:-

To promote the economic interest of the members in accordance with the co-operative Principles and particularly:-

- a) To promote thrift among its members by affording them an opportunity for accumulating their savings and deposits and create thereby a source of funds from which loans can be made available to them for purposes of providence or production or both at a fair and reasonable rate of interest.
- b) To provide an opportunity for each of its members to improve his/her respective economic and social conditions.
- c) To ensure safety and soundness of members' funds through Risk Management Programme or any other appropriate insurance scheme.
- d) To ensure progress of its members by educating them continuously on proper use of savings and credit.
- e) To perform all those functions and exercise these powers designated for savings and credit co-operative societies under the applicable law for the benefit of members and the community.
- f) To co-operate with other co-operatives in order to promote members' interests and in furtherance of the object, the SACCO may affiliate to National Co-operative organizations such as Kenya Union of Savings and Credit Co-operative (KUSCCO Ltd.), Co-operative Bank of Kenya, CIC Insurance Group Ltd. and Co-operative Alliance of Kenya (CAK) and any other such apex organizations as may be determined by the Board of Directors and approved by the Delegates meeting.
- g) To offer the members complementary savings and credit services and other financial products such as Front Office Saving Account (FOSA) or withdrawable savings/deposits accounts as may be required by members from time to time

Specifically:-

- i) Mobilize financial resources from the SACCO and the Members for their economic benefit;
- ii) Provide SACCO and its Members with affordable savings and credit facilities.
- iii) Improve the SACCO liquidity (resource pool) in order to serve its Members
- iv) Promote and initiate the pooling together of extra financial resources by SACCO and its members under one roof which are otherwise kept in other financial institutions;
- v) Act as channel through which SACCO members' salaries are paid;
- vi) Facilitate the payment of Account holder's interest on deposits and dividends; and Generate more income to the Societies and their members.

For the attainment of the above objects, the society may do all acts and things permissible under the Act, Rules and these By-laws. Provided that the acts or things are approved by the Delegates Meeting of the society either specifically or generally.

7. MEMBERSHIP

Membership shall consist of:-

- i) Original members who signed the application for registration.
- ii) New members subsequently admitted in accordance with these by-laws.
- iii) Retirees and pensioners
- iv) Qualified persons in groups
- v) Business persons
- vi) Informal and formal sector employees

8. QUALIFICATION FOR MEMBERSHIP

A person who possesses the following qualifications shall be eligible for membership:-

- (i) Has attained the age of 18 years.
- (ii) Is of good character and sound mind
- (iii) Pays the entrance fees and share capital as prescribed in these By-laws.
- (iv) Prescribes minimum contributions to the society as approved from time to time by the Annual Delegates Meeting.

9. MEMBERSHIP APPLICATION FORM

Every applicant for membership shall complete an “*application for membership*” form.

10. ADMISSION INTO MEMBERSHIP

- a) An applicant shall be admitted to membership on being accepted by majority of the Board of Directors subject to confirmation by the subsequent Annual Delegates Meeting but shall not qualify for the rights and privileges of membership until he/she has paid an entrance fee of KShs.1000/= and paid in full for at least 1000 shares of KShs.20/= each or as may be decided by the Board of Directors and approved by the Annual Delegates Meeting.
- b) Upon admission, the member's name shall be entered in the membership register and a membership number and Card issued.
- c) The member shall pay for a copy of the society's by-laws at its actual cost to the society and submit any document as required by the Board from time to time.

11. REFUSAL OF MEMBERSHIP

The board may refuse admission to a person after assigning reasons for their decision. Such a person, if otherwise eligible for membership, shall have the right to appeal to the next Delegates Meeting. Any such appeal must be supported by at least ten (10) of the registered members and upon payment of a fee of KShs.1,000/= through a registered member. The decision of the Delegates Meeting on the matter shall be final.

12. MEMBERSHIP RIGHTS

A member of the Sacco society shall have the right to:-

- a) Be elected to organs of the Sacco society, subject to these by-laws; Enjoy the use of all the facilities and services of the Sacco society subject to the Sacco society's by-laws;
- b) All legitimate information relating to the Sacco society, including, internal regulations, registers, minutes of general meetings and supervisory committees reports, annual accounts and inventories at the Sacco society's registered office.

13. MEMBERSHIP OBLIGATIONS

In complement to the Co-operative Societies Act, members of ASILI SACCO are obliged to:-

- a) Show good co-operative spirit
- b) Participate in SACCO projects both physically and financially
- c) Attend educational meetings and seminars organized by the SACCO or other organization approved by the Board.
- d) Comply with these By-laws, the Co-operative Societies Act, Rules and Delegates meeting resolutions
- e) Buy and pay up for shares, deposits or make any other payment provided for in the By-laws of the society
- f) Open a FOSA account for financial transactions.
- g) Pay for debts of the society in case of bankruptcy or liquidation in accordance with the provisions of the Act and by-laws of the society
- h) Support projects of the society approved by the relevant authority

14. MEMBER PERSONAL ACCOUNT

Every member shall receive regular statements at least once in a year, or on demand which shall contain particulars of membership, shares, deposits and loan transactions with the Sacco society.

15. APPOINTMENT OF NOMINEE(S)

- a) Every member shall nominate in writing by filling a nomination form one or more persons as nominee(s).
- b) The names of such nominee(s) shall be entered in the nominee register provided that a member shall have the right to change his/her nominee(s) in writing.
- c) Where more than 1 nominee is appointed, the amount of shares, deposits and other interest to be transferred to each nominee shall be specified at the time of nominating provided that where no amount is specified, each of the nominee shall receive an equal share.

16. PAYMENT TO REGISTERED NOMINEE

If not admitted into membership, the nominee(s) shall be paid the value of the deceased member's deposits and any other benefit less any sums due by the latter to the society as a primary or contingent liability within 60 days upon receiving official notice of the death of the member.

17. CESSATION OF MEMBERSHIP

Membership in the society shall be terminated upon:-

- a) Voluntary resignation.
- b) Death.
- c) Being expelled from membership.
- d) Be certified insane.
- e) Transferring of shareholding
- f) Failing deliberately to contribute deposits for a continuous period of 3 months without authority from the society.

18. VOLUNTARY WITHDRAWAL

- a) Members with no liability or outstanding obligations in respect of other member's loans may withdraw from membership at any time provided that where a member has an outstanding obligation in respect of guarantee, shall continue to be responsible.
- b) A member may at any time withdraw from the society by giving 60 days written notice to the society during which time the society will settle the member's accounts and refund the member's deposits if he/she has no outstanding liability with the society.

19. SUSPENSION FROM MEMBERSHIP

The **Board of Directors** may suspend a member pending expulsion by a Delegates meeting who:-

- a) Willfully fails to comply or refuses to comply with the society's By-laws, policies and contracts and persists in such refusal or failure
- b) Willfully defaults in the repayment of loans due or part of loans due for a period exceeding six months without authority from the society.
- c) Acts in any way detrimental or prejudicial to the society's interests or for other just cause.
- d) Is convicted in a court of law for a criminal offence involving dishonesty or imprisoned for any other offence for three months or
- e) For any other reason approved by the Delegates meeting and/or as may be contained in the Society's Code of Ethics.

20. SUSPENSION AND EXPULSION PROCEDURE

- a) Upon formal and written proof that a member has committed a violation punishable by

expulsion, the board shall serve a thirty (30) days written notice to the member stating the reason(s) for the proposed expulsion and requiring him/her to file a defense.

- b) Upon the expiry of the 30 days and taking into consideration the member's defense if any, the board shall initiate administrative inquiry and make a decision on its findings within 15 days. The Board may;-
 - i) Suspend the member pending appeal to a Delegates Meeting.
 - ii) Impose any other punishment as may be in this By Law or as may be directed by the Delegates Meeting from time to time.
- c) Any member suspended by the Board shall appeal to the next Annual Delegates Meeting which shall have power to either lift the suspension or expel the member or give further direction.
- d) A member who is expelled from the Sacco society through an appeal to the Annual Delegates Meeting shall have the right to appeal to the tribunal.

21. PAYMENTS RESULTING FROM CESSATION OF MEMBERSHIP

On cessation of membership, a person shall be paid the following less any outstanding obligations;-

- (i) The book value of his/her deposit/savings
- (ii) Any dividends or interest due to him/her on the date membership ceased.
- (iii) Any deposits or other sums held by the society on his/her behalf.

22. LIABILITY

- a) The liability of a member shall be limited to the nominal value of the shares held.
- b) In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by members; the funds shall be distributed pro-rata among the shareholders according to the amount of shares held by each.
- c) In addition to (22 .b) above, members shall be compensated by the Deposit Guarantee Fund as provided in the Regulations.

23. SOCIETY'S FUNDS

The funds of the Sacco Society shall consist of:

1. (a) Income

- (i) Interest, fees and charges, penalties and commissions.
- (ii) Entrance fee.
- (iii) Any donations, grants or gifts from other bodies, organizations or Individuals.
- (iv) Funds obtained from other lawful miscellaneous sources.
- (v) An unlimited number of shares to the value of Kshs.20/= each.
- (vi) Deposits and transfers from members.
- (vii) Such reserves as may be kept by the society.

(viii) Any surplus from the operations of the society.

(b) Liabilities which include:

- (i) Deposits from members and borrowings from other sources as may be prescribed by the Authority.
- (ii) Funds obtained from lawful miscellaneous sources.

2. (a) Core Capital

- (i) Paid up members shares
- (ii) Retained Earnings
- (iii) Disclosed Reserves
- (iv) Grants and Donations

(b) Society's capital (Capital Adequacy)

The Sacco Society shall at all times maintain:-

- (i) Core Capital of not less than 10million shillings
- (ii) Core capital of not less than 10% of total assets
- (iii) Core capital of not less than 8% of total deposits
- (iv) Institutional capital of not less than 8% of total assets

24. INVESTMENT OF SOCIETY FUNDS

- a) The funds of the Sacco society shall only be applied for the promotion of the stated objects of the society as set forth in these by laws and as determined and approved by the Delegates Meeting, and shall be invested in:
 - (i) Securities issued or guaranteed by the government or any agency of the government.
 - (ii) Deposits obligations or other accounts of deposit taking institutions under the banking Act
 - (iii) Shares, stocks, deposits in, loans to or other obligations to any Sacco Society or Co-operative Society.
 - (iv) Loans to members.
 - (v) Properties and Equipment for purposes of Sacco business
- b) Investments under (a) above shall not in the aggregate, exceed such proportion of total assets, core capital and deposits of the Sacco society as prescribed in the Regulations

25. SHARES

- a) Every member shall hold at least 1000 shares of Kshs.20/= each or as shall be fixed by the Delegates Meeting. However, no member shall hold more than one-fifth of the total shares of the Sacco Society.
- b) With the approval of the board, a member may at any time transfer shares to another member but not to non member. Such transfers must be in writing and at nominal value.

- c) All transfers of shares shall be in prescribed transfer form and registered with the society and no transfer shall be valid unless so registered. A fee as approved by the Board shall be payable by the transferee for each transfer.
- d) A share certificate shall be issued upon payment of Share Capital.

26. DEPOSITS

- a) Deposits to the society made by a member through the Back Office Operations shall not be withdrawable in whole or in part unless on cessation of a member.
- b) Deposits made to the Society's Front Office Service operations shall be withdrawable according to the terms and conditions as provided by the Board.
- c) Minimum monthly deposit contribution as may be approved by the Annual Delegates Meeting from time to time.

27. POWER TO BORROW

- a) Loans may be obtained from members and non-members, amounts which shall be fixed by the Annual Delegates or special Delegates meeting and shall be notified to the Commissioner in FORM VIII.
- b) For the necessary securing of any loans accepted by the society under by-law 27(a), the society may grant a charge over the assets of the society subject to approval by the Commissioner who may at any time reduce it or impose such conditions as he may deem necessary.
- c) Any charge created by the society shall be registered with the Commissioner in FORM IX within 30 days. In default every officer of the society shall pay a fine not exceeding two thousand shillings for every day of default.
- d) The rate of interest on loans or deposits shall not exceed the current market rates or as may be from time to time be determined by the Board.
- e) The society may invest or deposit its funds only
 - (i) With any bank licensed under the banking act.
 - (ii) In the stock of any statutory body established in Kenya or share and deposit of any co-operative society or limited company incorporated in Kenya or in any other manner approved by the Annual Delegates Meeting.

28. RESERVE FUND

The society shall maintain a reserve fund as required by the Act and the Rules. Unless otherwise resolved by the Delegates Meeting and approved by the Commissioner, the reserve fund shall be credited with not less than twenty percent (20%) of its net surplus resulting from the operations during the financial year.

29. DELEGATES SYSTEM

- (i) Members shall be represented at the General meeting by elected delegates from the

- branches.
- (ii) The Board shall determine the criteria and the number of the branches the society may have.
 - (iii) Elected delegates will serve for a term of three (3) years.

30. DELEGATES MEETING

The Supreme Authority shall be vested in the Delegates Meeting. Such meetings shall be held as follows:-

- a) The Annual Delegates Meeting shall be held within four (4) months of close of financial year. They shall be required to hold elections, read the audited accounts and undertake such other business as laid down in these by-laws.
- b) Any business not completed at the Delegates Meeting, such as acting upon the auditor's report (if not received by the time of the meeting) may be taken up at a subsequent Special Delegates Meeting, or at the next Annual Delegates Meeting.
- c) A special Delegates Meeting shall be held when convened:-
 - (i) By the Board.
 - (ii) By the Commissioner.
 - (iii) a) By the Board on receipt of a written request for such a meeting signed by 2/3 of the Delegates .
 - b) If the Board fails to convene a meeting within fifteen days of receiving the request under (iii-a) above, the Delegates demanding the meeting may themselves convene the meeting by giving notice to the other Delegates of the society, stating the objects and reasons for the meeting and the fact that the Board has failed to convene the meeting.

31. NOTICE OF DELEGATES MEETING

- a) At least fifteen (15) clear day's notice shall be given of Annual Delegates Meeting or a Special Delegates Meeting. The Hon. Secretary shall take or cause to be taken all possible and usual steps, such as announcements at public meetings, posting a notice on the society's notice Board or an advertisement in the local newspaper or new-sheet, or any other media to inform all Delegates of the date, venue and main business to be dealt with.
- b) The notice of the Special Delegates Meeting shall clearly specify the agenda to be discussed.
- c) The Special Delegates Meeting shall deal exclusively with the issues for which it was convened.
- d) Annual Delegates meeting or a Special Delegates meeting, convened solely for this purpose, shall have the exclusive power to amend the Society's by-laws.
- e) The Board of Directors shall conduct all meetings of Delegates according to the procedures and rules of order in section 27 of the Act and the Rules.

32. QUORUM

- a) Except when convened by the Commissioner, the presence of 35 Delegates or 2/3 of the Delegates, whichever is less shall constitute a quorum for the conduct of business at a Delegates Meeting.
- b) When a quorum is not attained, the Chairman shall adjourn the meeting and shall fix a date within one month for the adjourned meeting which shall be advertised as prescribed in these by laws. If at such subsequent meeting a quorum is again not attained, the Chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

33. IDENTIFICATION OF MEMBERS

Before they may attend or vote at a Delegates Meeting, each Delegate shall be required to produce a pass, card, or evidence of membership or identify himself/herself in an acceptable manner.

34. POWERS OF ANNUAL DELEGATES MEETING

The Delegates Meeting shall have the Powers and Duties prescribed in section 27(5) of the Act. At the Delegates Meeting, Delegates shall:-

- a) Confirm the minutes of the previous meetings
- b) Elect Board of Directors for the ensuing year as provided in the Act.
- c) Consider and decide upon the maximum borrowing powers of the society
- d) Consider and approve estimates of Income and Expenditure for the ensuing Financial year or part thereof
- e) Appoint the Society's Auditors, Bankers and Advocates
- f) Receive reports of the Chairman and Supervisory Committee for the past Financial Year.
- g) Consider the statements of accounts and the external auditor's report for the past financial year.
- h) Confirm or otherwise consider, action taken by the Board, and give direction to the new committees where necessary
- i) Consider appeals against the suspension of members and refusals of membership by the Board of Directors
- j) Elect or remove members of the Board and the Supervisory Committee provided that proper notice and the purpose of the meeting has been given in advance
- k) Fix the maximum liability, which the society may incur in loans and deposits whether from members and non-members.
- l) Fix the honoraria, bonuses and other allowances if any, for Board of Directors members or the employees

- m) Decide the amount and kind of surety, bond or other security which shall be required of the Board of Directors and any other officer or employee having the custody of, or handling funds or property of the society
- n) Receive, deliberate and make decisions on the Commissioner of Co-operatives reports.
- o) Transact any other general business of the society of which 7 days notice has been given to the society prior to the Annual Delegates Meeting.

35. BRANCH MEETING

- a) The Board shall determine the criteria and the number of the branches the society may have.
- b) Branch Members Meeting will take place annually and consist of the members of the branch.
- c) The Board or two thirds of the members of the branch shall have the powers to convene Branch Members Meetings.
- d) The Branch Members Meeting shall be presided by one of the branch representatives to be nominated by the members themselves.

36. ELIGIBILITY FOR ELECTION AS A DELEGATE

- (i) All active members of the society are eligible for election as delegates but
 - a) Must be 18 years and above.
 - b) Must hold a minimum deposit of Kshs.300,000/= contributed continuously over a period of 6 months.
 - c) Must not be delinquent
 - d) Must be of sound mind
 - e) Must have a minimum of 'O' level certificate of education or its equivalent.
 - f) Must have leadership qualities and zero tolerant on corruption
- (ii) Delegates shall serve for one term of 3 years but are eligible for re-election.

37. MINUTES

All business discussed at a Delegates Meeting shall be recorded in a minute book which, within one week of the meeting, shall be signed by the Chairman of the meeting and at least one other Board member who was present at the meeting to verify that in their opinion the minutes are a true and complete record of all important matters which were discussed or decided at the meeting. At the next meeting, after approving any alterations or variations, which shall be written immediately below the above signatures, and not as alterations to the original record, the meeting shall, by resolution, authorize its chairman to sign and date the final record.

38. ELECTIONS

- a) The board shall notify the delegates of the vacancies arising in both the board and the Supervisory Committee.
- b) There shall be a Nominating Committee constituted as per the Society's Electoral Policy formulated by the board to vet and clear the prospective candidates for elections as Board and Supervisory Committee members.
- c) During elections, the Returning Officer shall present duly nominated candidates for the vacant positions. Each candidate must have a proposer and a seconder.
- d) At the elections, members shall decide, by majority vote, the mode of voting. The mode may be by secret ballot or queuing or by show of hands.
- e) No member shall be entitled to vote by proxy.
- f) Irrespective of the number of shares held, no member shall have more than one vote.
- g) Within 7 days after their election the names and addresses of all persons elected to office shall be compiled and sent to the Commissioner.

39. BOARD OF DIRECTORS

I. MEMBERSHIP

- a) The Board shall be the governing body of the Sacco society elected from the Delegates from Nairobi County and shall consist of **9 (nine)** members who are non executive.
- b) The board shall include the Chairman, Vice chairman, Treasurer and Honorary Secretary all of whom shall be elected by the board from amongst the members of the board.
- c) Members of the board shall hold office for a period of three years provided that; one-third of the board members shall retire every year but will be eligible for re-election except for Chairman and Vice Chairman who retires in the third year.
- d) Where the membership of the board falls below five, the Board shall co-opt qualified delegate(s) from Nairobi County into the Board until the next Annual Delegates Meeting.

II. ELIGIBILITY FOR MEMBERSHIP TO THE BOARD

- a) No person shall be eligible as a member of Board of Directors if he/she;-
 - i) Is not an elected delegate from Nairobi County
 - ii) Has deposit of less than Ksh.500,000/=.
 - iii) Has not been a member of the Sacco Society for at least one year prior to the Annual Delegates Meeting
 - iv) Has been adversely named by the Commissioner or his/her representative in an inquiry report endorsed by an Annual or Special Delegates Meeting for mismanagement or corrupt practices whilst still a member of the Board of a co-operative society or union in the last ten years, or named in any other

- national inquiries where he/she has been shown to be engaging in dishonest activities.
- v) Has been adversely named by the Authority in an inspection report for mismanagement or corrupt practices while still a member of the board of a society.
 - vi) Has been charged of any offence involving dishonesty, a crime involving fraud, perjury or breach of contract of a licensed financial institution.
 - vii) Has been convicted of any offence involving dishonesty or is imprisoned for three months or more with a crime involving fraud, perjury or breach of contract of a licensed financial institution.
 - viii) Is delinquent on loans with the Society for more than 60 days within 2 years prior to elections;
 - ix) Shall not have attained a minimum of “O” Level Certificate of Education or equivalent;
 - x) Is un-discharged bankrupt;
 - xi) Is under 18 years of age;
 - xii) Is of unsound mind;
 - xiii) Is a Board member of another existing Sacco society licensed under the Act;
 - xiv) Is an official of or holds a political office at any level
 - xv) Does not conform to minimum qualification standards in accordance to the applicable law.
 - xvi) Has been removed from public office on disciplinary action.
- b) An elected Board member shall be required to execute fit and proper test as provided in the regulations.

40. POWERS AND DUTIES OF THE BOARD

The board of the Sacco society shall subject to any directions from the Delegates Meeting generally direct the affairs of the Sacco society. Its procedures, powers and duties shall be as prescribed by the Act, Regulations, co-operative Act and Rules and these by-laws. In particular, it shall:

- a) Observe in all its transactions the Act and the Regulations, Co-operative Act and the Rules, these by-laws and prudent business practices.
- b) Establish and approve appropriate policies including human resource management, savings, liquidity, investment, dividend, risk management, membership administration, cash handling and information management and preservation.
- c) Ensure that the management maintains proper and accurate records that reflect the true and fair position of the Sacco society’s financial condition.
- d) Prepare and develop business plans and annual budgets for presentation at the Delegates Meeting;

- e) Formulate the Electoral Policy to guide in the nomination and election process
- f) Appoint such number of board committees as may be necessary to effectively discharge its functions;
- g) Approve interest rates on loans, the maximum maturities and terms of payment or amortization of loans from time to time and the maximum amounts that may be loaned with or without security to any member as recommended by the Sacco society's management;
- h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the Delegates meeting;
- i) Lay before the Delegates Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- j) Recommend to the Delegates Meeting the dividend rate to be paid on shares, if any, and interest to be paid on non withdrawable deposits;
- k) Authorize the conveyance of properties;
- l) Authorize borrowing of the Sacco society in accordance with the law.
- m) Approve and review lending policies of the Sacco society to ensure compliance with the Law.
- n) Approve or ratify all loans to directors and employees of the Sacco society;
- o) Approve interest rates on loans to members as recommended by finance committee,
- p) Designate a depository or depositories for the funds of the Sacco society;
- q) Prepare and approve a code of conduct in the form set out in the third schedule of the Regulations;
- r) Employ and fix the remuneration of the employees including the appointment of Chief Executive Officer in accordance with the approved human resource policy;
- s) Report within 15 days the appointment, resignation or removal of the Chief Executive Officer to the Authority.
- t) Impose fines as provided for under these by-laws;
- u) Ensure that the Sacco Society pays its statutory levies to the Authority as and when they fall due;
- v) Ensure adequate provisions for known and probable losses and recommend to the Delegates Meeting the write-off of bad debts.
- w) Perform or authorize any actions consistent with the Act, the Regulations and these by-laws, unless specifically reserved for the Delegates Meeting;
- x) To provide adequate budget for education and training of members, and the capacity development of the board and staff.
- y) Receive and consider reports from the established Sub-Committees.

41. LEGAL STANDARDS OF CARE

In the conduct of the affairs of a Co-operative Society, the members of the Board shall

exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts which are contrary to the Act, Rules and the by-laws of the society or the directions of the delegates meeting. The Board may delegate any of its duties to an officer or officers of the Society but nothing shall absolve the Board from its responsibility of running the affairs of the Co-operative Society in proper and business-like manner.

42. EXECUTIVE OFFICERS

The Chairman, Vice-Chairman, Treasurer and Secretary shall be termed “Executive Officers”. The Executive Officers shall be elected at a meeting of the Board within 7 days after Delegates Meeting.

43. CHAIRMAN

The board Chairman shall:

- a) Preside at Delegates Meetings, board meetings and joint meetings with the Supervisory Committee.
- b) Perform such other duties as may be directed by the board, not inconsistent with provisions of the Act, the Regulations applicable laws and these by-laws

44. VICE CHAIRMAN

The Vice Chairman shall perform the duties of the Chairman during his/her absence and such other duties as the board may direct.

45. FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration Committee shall consist of three members from the board including the treasurer who shall serve as its Chairman. Its duties shall be to:

- i) Review and make recommendations to the board on the financial plans of the Sacco society ensuring its adequacy and soundness in providing for the Sacco Society current operations and long term stability.
- ii) Review, discuss and make recommendations to the board concerning significant financial planning, management and reporting issues of the Sacco society
- iii) Review periodic financial statements of the Sacco society before submission to the board.
- iv) Consider and advice the board on investments and borrowings.
- v) Make recommendations to the board on capital expenditure projects.
- vi) Ensure all expenditure of the Sacco society are within the approved budgets
- vii) Monitor the management’s adherence to the procurement plans approved by the board
- viii) Review and make recommendation on finance related policies including investments, capital adequacy and financial performance monitoring.
- ix) Ensure the Sacco society has liquidity management policies as prescribed in the

Regulations.

- x) Review loan interest rates and other levies proposed by the management and make recommendations to the board for approval.
- xi) Review and make recommendations on appropriate Human Resource Policies,
- xii) Review the organizational structure of the Sacco Society and ensure it is manned by staff with relevant skills and experience. Ensure that periodic reviews of staff performance are conducted.
- xiii) Examine and recommend Human Resource expenditure for approval by the board.
- xiv) Ensure establishment of management succession plan in the Sacco society.
- xv) Ensure the management adheres to the approved human resource and related policies
- xvi) Review and recommend education programmes for members, board members, and the general public for approval by the board.
- xvii) Monitor implementation of educational programs formulated to ensure that the members and the board are well trained and prepared for the tasks they are entrusted with.
- xviii) Organize, facilitate and promote members' and committee members' education
- xix) Organize, promote and oversee staff training
- xx) Ensure production and acquisition of literature including Periodical, Magazines, or brochures
- xxi) Promote distribution and interpretation of these By-laws to members.
- xxii) Arrange for educational tours in liaison with other members of the Board
- xxiii) Advise the Board and update members on all matters of education and information
- xxiv) Ensure allocation of funds for educational purposes and apply the funds for the benefit of the society
- xxv) Prepare periodic reports on educational and information and publicize the same for the benefit of members.
- xxvi) Identify, collect, disseminate and publish co-operative news for the benefit of the society
- xxvii) Perform any other duties as may be assigned by the Board.

46. HON SECRETARY

The duties of the Secretary are:-

- a) To record the minutes of the Board of Directors meetings and Delegates meetings
- b) To ensure that the society's correspondences are promptly and correctly attended to
- c) To ensure the communication of notices of meetings
- d) To perform such other duties as may from time to time be assigned by the Board

47. SUB COMMITTEES

The Board of Directors may appoint sub-committees, such as Executive Committee, Credit Committee, Investment Committee, Merchandise Committee, FOSA Committee, Audit Committee and such number of sub-committees, as the Board shall determine.

- a) Board committees shall consist of persons drawn from the board.
- b) The board may delegate to the Board-committees some of its duties under these by-laws as it deems fit.
- c) These committees shall convene as directed by the board.
- d) The Committees shall keep minutes of their work at all times
- e) The Committees may delegate to the management any of their functions but shall ultimately bare responsibility

48. CREDIT COMMITTEE

- a) The Credit Committee shall consist of three members who shall be members of the Board but none of whom shall be executive officers. The Credit Committee shall be chosen at a meeting of the Board of Directors within 7 days after each Delegates Meeting
- b) The Credit committee shall be people with unquestionable integrity. They should have strong financial and/credit management background.
- c) The Credit Committee shall hold such meetings as the business of the Society may reasonably require, but not less frequently than once a month
- d) The Credit Committee shall inquire carefully and diligently into the character and financial conditions of each applicant for a loan, and his guarantors, if any, to ascertain his ability to repay fully and promptly the obligations incurred by him/her and to determine whether the loan is for a worthy purpose and will be of probable benefit to the borrower.
- e) The Credit Committee shall make such reports to the Board as they may require.
- f) Ensure establishment and review of appropriate credit policy consistent with the relevant provisions of the Regulations and these by laws.
- g) Ensure that the problem loan accounts are adequately identified and classified as prescribed in the Regulations.
- h) Ensure adequate provisions for potential loss is maintained.
- i) Review periodic credit and loan portfolio reports of the Sacco society before submission to the board.

49. AUDIT COMMITTEE

- a) The audit committee shall consist of not more than three members appointed from the board, one of whom shall be conversant with financial and accounting matters. The chairman of the board shall not be a member of the Audit committee.
- b) The primary responsibility of the Audit committee shall be as prescribed in the Regulations which includes:-

- i. Ensuring establishment and review of the internal control system.
- ii. Review performance and findings of the internal auditor and recommend remedial actions regularly and at least once in every three months;
- iii. Recommending three names of external auditors and the remuneration to the board;
- iv. Reviewing coordination between internal and external audit functions as well as monitor external auditors independence and objectivity;
- v. Report to the board on their findings and recommendations

50. VACATION OF OFFICE BY A MEMBER OF THE BOARD

A member of the Board of Directors or any other Sub-committee member shall cease to hold office if he/she ceases to be an active member of the society.

51. SUSPENSION OF A BOARD MEMBER

- a) The Authority may suspend from duty any Board Member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.
- b) The majority of the Board Members may suspend a Board Member and accordingly inform the Authority subject to ratification by the Delegates Meeting for;
 - (i) Failure to disclose vested interests.
 - (ii) Any other good cause.

52. REMOVAL OF A BOARD MEMBER FROM OFFICE

A member of the board shall cease to hold office if he/she:

- a. Ceases to hold qualifications of a Board of Director as specified in the Act, Regulations and these By-laws;
- b. Is removed by the Authority under the provisions of the Act and Regulations;
- c. Is voted out by two-thirds majority of delegates present and voting at the Delegates Meeting.
- d. Is removed by the Commissioner under the provisions of Co-operative Act and the Rules.

53. RECORDS OF BOARD OF DIRECTORS MEETINGS

All business discussed or decided at Board Meetings shall be recorded in a minute book which, within one week of the meeting, shall be signed by the Chairman of the meeting, and at least one other Board member who was present at the meeting to verify that in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the Meeting.

At the next meeting, after approving any alterations or variations, which may be written immediately below the above signatures, and not as alterations to the original record, the meeting shall authorize the Chairman to sign and date the final record.

54. SUPERVISORY COMMITTEE

- a) The Sacco society shall have a supervisory committee consisting of three members elected at the Delegates Meeting for a period of three years and one member of the supervisory committee shall retire annually. No person who has been a member of the board within two (2) years preceding the date of the anticipated election shall be eligible for membership of the supervisory committee.
- b) The committee shall:
 - i. Have qualifications similar to those of members of the Board except that they may come out of Nairobi County
 - ii. One member of the supervisory committee should have at least accounting knowledge.

55. DUTIES OF THE SUPERVISORY COMMITTEE

The duties of the supervisory committee shall include:

- a) Counterchecking, the effectiveness of the society's internal control systems through:-
 - i. Verification of all transactions of the Sacco society
 - ii. Writing periodic report to be tabled at board meetings
 - iii. Submission of its reports to the commissioner
 - iv. Presenting its reports to Delegates meeting.
 - v. Handling member's complaints.
 - vi. Vetting /vouching society payments etc.
- b) The supervisory committee shall not perform the duties or exercise any of the powers of the board.

56. LIABILITY OF SUPERVISORY COMMITTEE

In spite of its independence from the Society's administration, the Supervisory Committee members are jointly liable for the non-performance of duties, whether resulting from the lack of supervision or negligence in noticing illegal and fraudulent acts.

57. THE CHIEF EXECUTIVE OFFICER

- i). The chief executive officer shall be appointed by the board and shall be responsible for the day to day operations of the Sacco society and in particular ensure;
 - a) The implementation of and adherence to the policies, procedures and standards;
 - b) Systems that have been established to facilitate efficient operations and communication are followed
 - c) The planning process that has been developed to facilitate achievement of targets and objective is adhered to.

- d) All staff matters, particularly human resource development and training are attended to.
 - e) Adherence to the established code of conduct;
 - f) Compliance with the Act, Regulations, Co-operative Act, Rules these by laws and any other applicable laws.
- ii). The chief executive shall ensure that the board is frequently and adequately appraised on the operations of the Sacco society through presentation of relevant reports which shall cover, but not limited to the following:-
- a) financial statements (monthly, quarterly and annual); showing current compared with past period actual performance, the budget compared with the actual and with explanations for any variances;
 - b) capital structure and adequacy;
 - c) delinquent loan list, and in particular growth in loans, loan losses, recoveries and provisioning;
 - d) Statement of comprehensive income (monthly, quarterly and annual) comparison with budgeted against actual;
 - e) Sources and application of savings and deposits;
 - f) All insider lending and non-performing insider loans, if any.
 - g) violation of the Act, these regulations and any other applicable law, and remedial actions taken to comply;
 - h) large risk exposures;
 - i) investment portfolio;
- iii). He/She shall be the Chief Executive of the Society. His/Her powers and duties shall be assigned by the Board and in particular:
- a) To manage the affairs of the society in a competent manner
 - b) To cause to be kept proper books of records and registers
 - c) To attend Committee meetings and the Delegates Meetings in an advisory Capacities but have no voting rights
 - d) To prepare and analyze on a quarterly basis the society's business plan and budget
 - e) To represent the society in business transactions and any other transaction authorized by the Board
 - f) To provide information required by the Supervisory Committee in time
 - g) To propose to the Board of new positions arising at the society, and the revision of the salary schedule for all the society's staff
 - h) To implement recommendations set forth in the audit reports and those issued by the Supervisory Committee.
 - i) To ensure on a monthly basis the accounting records are in balance and the individual accounts subsidiaries are up to date and the income statement, balance

sheet, and delinquency lists are complete and correct. Ensure that the account records are maintained in accordance with internationally accepted accounting principles.

- j) To ensure that adequate insurance is in place, if available, for all employees, Board Members and property of the society
- k) To direct and supervise the administration and processing of loan applications
- l) To establish a pricing strategy for products and services, in which the interest rates structure will seek a balance between the loans available to the members, and the long-term viability of society. For this purpose the Chief Executive should consider:-
 - i). Costs, particularly those related to members' savings, dividends, the allowance for loan loss, and operating expenses
 - ii). The need for a strong capital position, which is essential for the Society's long-term viability and future growth.
 - iii). The competitions pricing structure, given the competitive nature of the financial market.
- m) To assist the Board in determining acceptable types of collateral that can be used to secure the Society's loans.
- n) To ensure there is adequate liquidity to meet loan demands, savings withdrawal, and operating expenses.
- o) To ensure drawing up and updating of job descriptions of each employee.
- p) To ensure implementations without delay of all decisions of all Committees of the society and the Delegates Meeting
- q) Counter sign the society cheques, contracts and other documents
- r) Carry other duties as prescribed in the Act, Rules

58. DELEGATION TO EMPLOYEES

- i. The board may delegate to the Chief Executive Officer of the Sacco society such duties as it deems fit.
- ii. Nothing in (i) above shall absolve the board from its responsibility of running the affairs of the Sacco society in a proper and businesslike manner.

59. INDEMNITY

All Board and Supervisory Committee members shall each provide an indemnity of an amount approved by the Annual Delegates Meeting. A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner within 14 days upon election to the board.

60. DECLARATION OF WEALTH

Every Board of Director and Supervisory Committee member shall within 30 days of being elected declare wealth to the Commissioner in the prescribed manner.

61. BOOKS OF ACCOUNTS AND RECORDS

The Sacco society shall keep up to date and in a proper businesslike manner, electronic or otherwise, such books of accounts and records as stipulated in Co-operative Act and Rules, and in particular:-

- a) A register of members showing in respect of each member:
 - i) Name, age, date of application for membership, address and occupation;
 - ii) Date of admission to membership;
 - iii) Date of cessation of membership,
 - iv) Name and particulars of nominees,
 - v) Any information as may be required by the Society from time to time,
- b) Number and Value of shares held
- c) Minute books giving details of proceedings of board, Board committees, joint board and Supervisory Committee, Supervisory Committee meetings and all other committee meetings held in accordance with these by-laws.
- d) Minute book giving details of proceedings at the Delegates Meetings.
- e) A cashbook showing the details of all monies received or paid out by the society.
- f) A general ledger containing such accounts as is necessary to accurately reflect the business of the society.
- g) A personal ledger for each member showing his/her transactions with the Sacco society.
- h) A register of assets and property.
- i) A register of loans to members showing in respect of each loan; the loan number, name of the borrower, the amount borrowed, the purpose of the loan, security, the due date of repayments and the date repayments were completed.
- j) Such other books and records as the board or the Authority may decide or prescribe.

The accounts and the financial records of the society shall be denominated in Kenya shillings and shall comply with international financial reporting standards and any reporting requirements prescribed by the Authority.

62. INSPECTION OF DOCUMENTS

- a) All books of accounts and other records shall at all times be available for inspection by the Authority, supervisory committee and the members.
- b) The by-laws of the Sacco society and the registration certificate shall at all times be available for inspection by the Authority and the Commissioner.
- c) A list of members (excluding details of nominees and shareholdings, deposits and loans) shall be available for inspection by any member and any other stakeholder upon payment of a prescribed fee.

63. FINANCIAL YEAR

The financial year of the society shall be the same as the calendar year that is from January to 31st December.

64. CONDUCT OF THE BUSINESS

- a) The Board may make such policies consistent with these By-laws as necessary for the conduct of the society's business. Any such regulations shall be recorded in the minute book and shall be posted on the society's notice board, and shall come into force when and as determined by the Board.
- b) The officers of the society shall comply with governance rules as prescribed by the ethics commission for cooperatives.
- c) The society shall formulate a code of conduct in accordance with third schedule of the regulations which shall be approved by the Authority.

65. CONFLICT OF INTEREST

- a) No Board member, Executive Officer or employee of the society shall in any manner participate in the deliberations upon, or determination of any question affecting his/her own financial or personal interest.

66. AUTHORIZATION TO SIGN DOCUMENTS

Unless decided otherwise by the Board all documents, contracts and Cheques shall be signed on behalf of the society by:-

- a) Chairman or Vice Chairman
- b) Hon. Secretary
- c) Treasurer
- d) The C.E.O

67. DISTRIBUTION OF SURPLUS FUNDS

Subject to the Act, Regulations and approval by the Annual Delegates Meeting, the net surplus resulting from operations of the Sacco society during any financial year may be disposed off as follows:

- a) Credited to the Reserve Fund.
- b) Disposed off as decided by the Delegates Meeting for:
 - i). Paying dividends on shares/and or Bonus shares/interest
 - ii). Being forwarded to Education Fund or any other fund or funds of the Sacco society including the appropriations.
 - iii). Paying honorarium to Board members.
 - iv). In any other way recommended by the board and approved by the Delegates Meeting.
 - v). Capitalization of dividends and interest

68. LOANS TO MEMBERS AND REPAYMENT

All loans shall be approved and repaid as per the Credit Policy approved by the Board.

69. SECURITY FOR LOANS

- a) All loans must be secured as considered necessary.
- b) Where there is, after 60 days, continued delinquency, the board may off-set the loan balance from the deposits, guarantors or corateral pledged.
- c) No Board member shall act as endorser, guarantor for the borrowers
- d) The Board may refuse to accept as a guarantor a person who is in receipt of a loan, and may decline to grant a loan subsequently to a member while he/she remains liable as a guarantor.
- e) A borrower may apply to the Credit Officer for change of the guarantor(s).
- f) Loan defaulted for 90 days and above shall be recovered from guarantors. Loan default is an offence under this by-laws and the defaulter shall be liable for prosecution under Co-operative Societies Act and some other laws.

70. CASH RESERVE

Except as otherwise authorized by the delegates meeting, a cash reserve shall be maintained of not less than 10% of the total deposits for the specific purpose of meeting request for deposit withdrawals and other emergency pay out. The cash reserve may consist of cash in hand, current account, the society savings account or fixed deposit account.

71. COMMON SEAL

The society may adopt and use a common seal bearing the word “seal of the “**ASILI SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD**” and shall be kept securely under lock and key by the Chief Executive Officer or duly designated officer for that purpose and shall be used only by, and in the presence of, the officers authorized to sign documents on behalf of the society.

72. FINES AND PENALTIES

For any breach of this by-law or instruction issued by the delegates meeting or failure of a member to meet his/her obligations on time is liable to a Fine not exceeding Twenty Thousand Shillings (Ksh.20,000/=) notwithstanding any other action that may be taken against him in accordance with Section 94 of the Act, Rules, this by-law or any other law.

73. DISPUTES

- a) If any dispute concerning the business of the society arises: -
 - i). Among members, past members and persons claiming through members, past members and deceased members; or
 - ii). Between members, past members or deceased members, and the Sacco society, its committee or any officer of the Sacco society; or
 - iii). Between the society and any other co-operative society;
- b) Which cannot be determined by the board (or Delegates Meeting), shall be referred to the Tribunal. Appeals shall be taken to the High Court.

74. CONFIDENTIALITY OATH

- a). The Board of Directors, Executive Officer and employees of the society shall hold in the strictest confidence all transactions of the society, with its members, and all information respecting their personal affairs, except to the extent deemed necessary by the Board in connection with the loans and the collection thereof.
- b). In cases of breach of confidentiality, besides the resulting action for damages, the responsible party shall be removed from the office or their employment terminated
- c). On being elected as a new board member, he/she shall sign an oath of secrecy form in compliance with this section.
- d). In the event of disqualification, of any such Chief Executive Officer, Board of Directors, or employee, he/she shall withdraw Board members present at the meeting, if constituting a quorum without the disqualified person, may exercise with respect to the matter, all the powers of the Board.

This By-law may be amended in accordance with the procedure set forth in the Act, Rules and no amendment shall become effective until it is approved by the Delegates Meeting and registered by the Commissioner.

75. ACQUISITION OF BY-LAWS

A copy of the By-laws shall be furnished to every member upon payment of an amount as may be determined by the Board from time to time

76. DISSOLUTION

The society may be dissolved in accordance with the procedures set forth in the co-operative Societies Act and Rules.

77. ACCEPTANCE

We the undersigned Executive Officers of the Co-operative Society named herein do hereby accept and adopt these By-laws for and on behalf of **ASILI SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED** together with any changes or alterations that have been initiated or signed by us.

POSITION	NAME	SIGNATURE	ID/NO.	DATE
Chairman				
Vice Chairman				
Hon. Secretary				
Treasurer				

CERTIFIED that the foregoing By-laws of the **ASILI SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED** have been approved by me and duly registered.

GIVEN UNDER MY HAND AT NAIROBI

THIS DAY OF 2016

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT