



UAMINIFU SACCO

Pillar to prosperity

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BY-LAWS OF
UAMINIFU SAVINGS & CREDIT CO-OPERATIVE SOCIETY CS/NO 9337
A REGULATED NON-WITHDRAWABLE DEPOSIT TAKING SACCO

TABLE OF CONTENTS

BNO. Subject Matter	PAGE
1.0 NAME AND AREA OF OPERATION	
1.1 Name and Area of Operation	5
1.2 Registered office	5
1.3 Postal and Electronic Address	5
1.4 Change or Relocation of head Office	5
1.5 Notice of change of Address	5
2.0 INTERPRETATIONS/DEFINITIONS	
2.1 General Interpretations	6
2.2 Gender Neutrality	6
2.3 Specific Interpretations	6
3.0 OBJECTS AND CO-OPERATIVE PRINCIPALS	
3.1 Objects	9
3.2 Prohibited Business	9
3.3 Co-operative principles	10
3.4 Co-operative Values and Ethical Beliefs	11
4.0 MEMBERSHIP	
4.1 Composition of Membership	12
4.2 Qualification for Membership by Natural Persons	12
4.3 Qualification for Membership by Institutions	12
4.4 Partnership and Collaboration	13
4.5 Application for Membership	13
4.6 Admission in to Membership	13
4.7 Board of Directors to Admit Members	14
4.8 Rights of Members	14
4.9 Obligation of Members	15
4.10 Contribution, Remittance & Member Personal Account	16
4.11 Cessation of Membership	16
4.12 Suspension	16
4.13 Procedure of Suspension	16
4.14 Withdrawal from Society	17
4.15 Payment on Cessation of Membership	17
4.16 Nominee/Next of kin	18
4.17 Payment to Nominee	18
4.18 Admission of Nominee	18
5.0 FUNDS OF THE SOCIETY	19
5.1 Sources of Funds	19
5.2 Core Capital	19
5.3 Income	19
5.4 Liquidity	20
5.5 Application of funds	20
5.6 Restriction of Investments	20
5.7 Financial Year and Accounts Denomination	20
5.8 Distribution of Surplus funds	20

5.9	Restriction of payment of Dividend, Honorarium	20
5.10	Statutory Reserve Fund	21
6.0	SHARES OF THE SOCIETY	
6.1	Prescribed Minimum Shareholding	22
6.2	Transfer of Shares	22
6.3	Shares to Attract Dividend	22
6.4	Liability Limited to shareholding	23
7.0	POWERS TO BORROW	25
8.0	ELECTIONS	25
8.1	Election Zones	25
8.2	Representative Elections	25
8.3	Nomination Committee	25
8.4	Duties and Responsibilities of Delegates	25
9.0	ANNUAL DELEGATES MEETING	
9.1	Delegates Meeting and Authority to Convene	27
9.2	Notice of Meetings	27
9.3	Quorum	27
9.4	Elections during Delegates Meeting	28
9.5	Virtual Delegates Meetings	28
9.6	Virtual Delegates meeting to comply with guidelines	28
9.7	Duties of Delegates Meeting	29
9.8	Records of Business	29
10.0	THE BOARD OF DIRECTORS	
10.1	Board of Directors as Governing Authority	30
10.2	Eligibility to Board of Directors	31
10.3	Composition of the Board	31
10.4	Duties and Powers of Board of Directors	33
10.5	Board Sub Committees	34
10.6	Board of Directors Meetings	36
10.7	Record of Business of Board of Directors	36
10.8	Suspension from the Board of Directors	37
10.9	Removal from Board of Directors	37
10.10	Board Compensation	37
10.11	Delegation to the Chief Executive Officer	37
11.0	SUPERVISORY COMMITTEE	38
11.1	Duties of Supervisory Committee	39
11.2	Internal Audit function	
12.0	INDEMNITY	40
13.0	DECLARATION OF WEALTH	40
14.0	LEGAL STANDARD OF CARE	40

15.0 THE CHIEF EXECUTIVE OFFICER	41
15.1 Board appointment of the Chief Executive officer	41
15.2 Duties and Responsibilities of the Chief Executive Officer	41
15.3 Removal/Resignation of Chief Executive Officer	42
16.0 RECORDS AND BOOKS OF ACCOUNTS	43
16.1 Member Register	43
16.2 Electronic Members Register	43
16.3 Minute Books	43
16.4 Accounting Records	43
17.0 POLICIES AND PROCEDURES	44
18.0 CODE OF CONDUCT	45
18.1 Application of Public officers Ethics Act, 2003	45
18.2 Confidentiality	45
18.3 Conflict of Interest	45
19.0 COMMON SEAL	45
20.0 DISPUTES	46
21.0 INSPECTION OF RECORDS	46
22.0 MISCELLANEOUS	47
22.1 Authority to Sign Documents	
22.2 Fines	47
22.3 Dissolution	47
22.4 Amendment of By-laws	47
22.5 Acceptance	48

1.0 NAME AND AREA OF OPERATION

The Society shall be called UAMINIFU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED, [Regulated Non Withdrawable Deposit Taking SACCO] herein after referred to in these by laws as “The Society” and its area of operation shall be KENYA. Upon approval during a delegates meeting, the Society may change its name or area of operation

1.1 Registered Office

The registered office of the Society shall be located and situated at **KWFT CENTRE [KENYA WOMEN MICRO FINANCE BANK HEAD OFFICE]** within Upper Hill, Kiambere Road in Nairobi County, Langata Sub County.

1.2 Postal and Electronic Address

The Postal Address of the Society shall be care of Post Office Box Number 4179-00506 and the official email address of the Society shall be uaminifu@kwftbank.com and the official website of the Society shall be uaminifuSACCO.com and the Official telephone numbers of the Society shall be: 0705 000919 and 070014868

1.3 Changes and Relocation of Head Office

The Society shall not change or relocate its registered head-office or any other place of business or any addresses, except with a prior written approval of the Authority as provided in the SACCO Societies Act and the Regulations, 2020.

1.4. Notice of change of Office

A notice of any changes in the postal and/or physical address and/or any other official address of the Society, including official electronic addresses (email, website and telephone) shall be furnished to the Commissioner; the Authority, and to all members of the Society through their last known address as per records held at the Society, within thirty (30) days of such changes

2.0 DEFINITIONS/INTERPRETATIONS

2.1 General Interpretations

- a) In these By-laws, unless the context otherwise suggests words or phrases shall be interpreted in accordance with the –
- i. SACCO Societies Act, No. 14 of 2008 hereinafter referred to as the SACCO Societies Act;
 - ii. SACCO Societies (Non-Deposit Taking Business) Regulations, 2020 (hereinafter referred to as the Regulations, 2020);
 - iii. Co-operative Societies Act (Cap 490) hereinafter referred to as the Cooperative Societies Act;
 - iv. Co-operative Societies Rules, 2004 hereinafter referred to as the Cooperative Societies Rules.

2.2 Gender Neutrality

In these By-laws where the masculine gender is referred to, it will be construed to include the feminine gender.

2.3 Specific Interpretations

- a) In these By-laws save as otherwise expressly stated:
- i. “Delegates Meeting” shall be a meeting (either “annual” or “special”) for all members duly convened by the Society to conduct its business.
 - ii. “Board of Directors” shall mean the persons elected in a duly convened Delegates Meeting to govern the Business of the Society as per these By-laws.
 - iii. “Board Member” means a person who has been elected or co-opted to serve as a member of the Board of Directors of the Society.
 - iv. “Board” means the Board of Directors of the Society constituted in accordance with these By-laws
 - v. “Core Capital” means the 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 Society.
 - vi. “deposit-taking business” has the meaning assigned to it in the SACCO Societies Act;
 - vii. “Dispute” has the meaning assigned to it under the Co-operative Societies Act

- viii. "Ethics Commission for Co-operatives" means the Ethics Commission for Co-operatives established pursuant to the provisions of the Public Officer Ethics Act, 2003;
- ix. "Non-withdrawable deposits" means all the members' deposits that are not available for withdrawal for the duration of the membership of a member in the Society, and which deposits may be used as collateral against borrowings and domestic money transfer services only.
- x. "Commissioner" shall mean "the Commissioner for Cooperative Development as provided for in the Act."
- xi. "Non-Deposit Taking Business" means SACCO business, other than deposit taking business.
- xii. "Tribunal" shall mean the Co-operative Tribunal established under the Act to hear and determine disputes.
- xiii. "SACCO" shall mean Savings and Credit Co-operative.
- xiv. "Shares" shall mean the amount represented by a member's portion in the equity of the Society
- xv. "Returning officer" is a person appointed to oversee or conduct the elections of a co-operative Society.
- xvi. "Applicable Law" shall mean the Co-operative Societies Act, Rules and these By-laws.
- xvii. "Co-operative Society" shall mean a Society registered under the Act.
- xviii. "Dividend" shall mean members share of the surplus of the Society which is divided amongst its members.
- xix. "Member" includes a person, an institution and a Co-operative Society joining in the application for the registration of a Society, and a person, an institution or co-operative Society admitted to membership after registration in accordance with the By-laws.
- xx. "Deposits" means a sum of money 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 Society to receive it at the risk of the Society receiving it.
- xxi. "A nominee" mean a person appointed by the members to inherit the shares, deposits and other interests in the Society upon the death of that member.

- xxii. "Authority" shall mean the SACCO Societies Regulatory Authority established under the SACCO Societies Act Applicable Laws: Include SACCO Societies Act
- xxiii. Electoral Zone: To mean a cluster of members in a certain location eligible for representation by a delegate in accordance with the By-laws.
- xxiv. "Non-withdrawable deposit-taking SACCO"[NDTS] means a Society whose SACCO business, is strictly limited to the receipt of non-withdraw able deposits from members and which deposits are not available for withdrawal for the duration of the membership of a member in a Society, and which deposits may be used as collateral against borrowings and domestic money transfer services only, in accordance with Regulations, 2020.
- xxv. Regulations: To mean regulations formulated by the Cabinet Minister in charge of Co-operatives and includes SACCO Societies(Non-Deposit Taking Business) Regulations 2020
- xxvi. Zones: To mean the broadly defined clusters from which delegates shall be drawn and includes: Headquarter, Nairobi, Central, Eastern, Coast, Rift Valley and Western and any other as may be designated.
- xxvii. Virtual Meeting: To mean where participants who are not present in the same physical location participate in online scheduled and structured discussions through use of video conference, audio conference, web conference or a combination of these or such other electronic method to make decisions as would ordinarily be required in a physical meeting.
- xxviii. Hybrid Meeting: To mean a meeting allowing for simultaneous physical attendance and virtual participation; and where a section of the participants are together in the same physical location while the rest of the participants join the meeting by video conference, audio conference, web conference, or such other electronic method
- xxix. Authorization" means the act of the Authority to grant permission to the Society to undertake Non-Deposit Taking Business within the meaning of the SACCO Societies Act and the Regulations 2020

Any questions concerning interpretation of or clarifications on these By-laws or any matters not provided for herein, errors and omissions shall be referred to the Authority or Commissioner as is applicable.

3.0 OBJECTS AND CO-OPERATIVE PRINCIPLES AND VALUES

3.1 Objects

- a) The objects for which the Society is established are to organize and promote the welfare and economic interests of its members.

In particular, the Society shall undertake:

- i. 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 to them exclusively for provident and productive purposes, at fair and reasonable rates of interest; thereby enabling them to use and control their money for their mutual benefit.
- ii. To ensure personal growth through the introduction of new products and services that will promote the economic base of the members.
- iii. To ensure progress of members and Society through continuous education programs on proper use of credit, reduction of poverty, human dignity and co-operation.
- iv. To apply the co-operative principle of co-operation among cooperatives in order to promote members' interests. In furtherance to the objects of the Society shall affiliate to the relevant National Cooperative Union and the Apex Society.
- v. For the attainment of all or any of its objects, do any other activity that are permissible under the SACCO Societies Act and the Regulations, 2020; the Co-operative Societies Act and the Co-operative Societies Rules; and these By-laws; and all such other activities as are incidental or consequential to the economic enhancement of its members interests provided such activities are approved by the Delegates Meeting.

3.2 Prohibited Business

Notwithstanding the general and specific objects herein above, the Society shall not engage in -

- a) Foreign trade operations;
- b) Dealing in crypto currencies;
- c) Trust operations;
- d) Custodial services;
- e) Investing in venture capital;
- f) Underwriting or placement of securities;
- g) Purchase or otherwise acquisition of any land except as may be reasonably necessary for the purpose of expanding the SACCO business beyond the prescribed limits;
- h) Transacting business with non-members;

- i) The establishment of a corporate body or any other legal entity as its subsidiary, except with a written approval from the Authority and in accordance with the SACCO Societies Act and the Regulations, 2020; or
- j) Any other activity or business as the Authority may generally or specifically direct.

3.3 CO-OPERATIVE PRINCIPLES

In order to achieve its objects the Society shall act in accordance with the following Co-operative principles;

i. Voluntary and open membership

The Society shall be guided by the principal of open and voluntary membership in its membership recruitment drive without political, gender or religious discrimination

ii. Democratic member control

The Society will be fully controlled by the members who will have equal voting rights 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 stake holders who will ensure its autonomy and independence.

v. Education, training and information

The Society shall organize education programmes for members, staff and Board members so that they can teach and learn from each other or from the appropriate resource persons in understanding and carry out their respective roles.

vi. Co-operation among co-operatives

In order to better serve the interest of the members and the community, the Society shall actively co-operate with other Co-operatives locally, regionally and internationally.

vii. Concern for community in General

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

3.4 The Co-operative Values and Ethical Beliefs

- a) The Society shall in all its activities and operations uphold the Cooperative Values of:
 - i. self-help
 - ii. mutual responsibility
 - iii. equality and equity
- b) The Society shall practice the Co-operative Ethical beliefs of:
 - i. honesty
 - ii. openness
 - iii. Social responsibility.

4.0 MEMBERSHIP

4.1 Composition of Membership

Uaminifu SACCO Membership shall consist of Original members who signed the application for registration. and new members subsequently admitted in accordance with these by - laws.

There shall be two classes of membership in the SACCO, Class A and Class B who shall exercise different rights as stipulated in section 4.8 of these By-laws:

a) Class A Membership

A person who possesses the following qualification shall be eligible for membership under Class A:-

Is within the field of membership consisting of the following common bond:

- i. Is an employee of Kenya Women Microfinance bank and its subsidiaries
- ii. Is an Employee of KWFT Bancassurance Intermediary Ltd
- iii. Is an Employee of ECHO Network Africa Ltd and its associates
- iv. Is an employee of UAMINIFU SACCO and its subsidiaries

b) Class B Membership

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

- i Is a member who has left the common bond as per Class A Membership and is willing to rejoin or continue with membership.
- ii Is employed by an organization registered in Kenya that is willing and capable of remitting monthly contributions to the SACCO and fulfill the regulations as may be set by UAMINIFU SACCO from time to time provided that the above shall be subject to terms and conditions and membership policy as shall be determined from time to time by the Board of Directors.
- iii Is a member who left common bond as per Class A Membership and is engaged in business and willing to rejoin or continue with membership.

4.2. Qualification for Membership for Natural Persons

A person may become a member if he fulfils the following qualifications:-

- a) Is within the field of membership as prescribed by these By-laws under 4.1 above
- b) Has attained the age of 18 years.
- c) Is of good character and sound mind.
- d) Pays the entrance fee and share capital as prescribed in these By-laws.
- e) Is not directly or indirectly a` money lender, cash dealer or carrying out such activities detrimental to the objectives of the SACCO.
- f) Has regular income from employment, business or trade.
- g) Has accepted the objectives of the Society, the obligations of members and other conditions as stated in these By-laws

- h) Provided that no member shall belong to more than one Society having similar objects.

4.3 Qualification of Membership by Institutions

Subject to compliance with the provisions of the Co-operative Societies Act and these By-laws, an institution, whether corporate or unincorporated, may be eligible for membership of the Society, if the institution -

- a) is duly registered or incorporated under any applicable law relating to its registration or incorporation;
- b) has resolution of its governing organ to join the Society including names of members, office bearers and individuals authorized to transact on behalf of the institution;
- c) has a written constitution, By-laws, Memorandum and Articles of Association or any other constitutive instrument, as may be applicable to the institution; and
- d) pays the entrance fee and subscribes to the minimum share capital as may be prescribed for institutional members in these By-laws or the Delegates Meeting

4.4 Partnership and Collaboration

The Society may:--

- a) Become a member of any national or international organization that may best serve its interests;
- b) Enter into partnerships with organizations, institutions and such other service providers approved by the Board of Directors;
- c) Form or participate in such subsidiaries as may be of benefit to its members;
- d) Participate in the credit information sharing mechanism as permitted by law;
- e) Recognize the fact that such membership and partnerships are vital for the safety of its transactions and in the interest of its members.

4.5 Application for Membership

Every applicant for membership shall complete an "application for membership" form. This form shall be drawn to show all the information required for the purpose of registration of members.

4.6 Admission in to Membership

There shall be two classes of membership, Category A shall be the Original members and those falling within the composition of membership under By-law 4.1

- a) An applicant shall be admitted to membership on application upon payment of an entrance fee.
- b) Upon admission the member shall be expected to subscribe and pay in full for the minimum shareholding as prescribed under By-law 6.0
- c) Upon admission the member's name shall be entered in the membership register and a membership Number assigned.
- d) Upon admission into the membership of the Society, a member shall be entitled to receive a copy of these By-laws in an appropriate electronic format through the member's disclosed electronic address; provided that upon request in writing a member shall be supplied with a physical or hard copy of the By-laws upon payment of a fee not exceeding its actual cost.

4.7. Board of Directors to admit members

- a) Members shall be admitted to the Society by the Board of Directors subject to confirmation/ratification by the Delegates Meeting held immediately following such admission.
- b) The Board of Directors may refuse admission to a person after assigning reasons for their decision.

4.8. Rights of Members

Subject to these By-laws, policies, standards, values and procedures, a member shall have the right to use the Society's services and exercise the rights established under the Co-operative Societies Act and these By-laws

These shall include the right to:

- a) Attend and participate in decision making within the electoral zone of the Society and vote;
- b) Be elected to organs of the Society, subject to these by-laws;
- c) Enjoy the use of all the facilities and services of the Society subject to the Society's by-laws;
- d) Access to all legitimate information relating to the Society, including, internal regulations, registers, Minutes of Delegates Meetings and Supervisory committees reports, annual accounts, inventories and investigation reports, at the Society's registered office.
- e) An advance written notice of at least thirty (30) days before the effective date of a change in the features of the SACCO Society's products and services in accordance with the Regulations, 2020;
- f) A full and accurate disclosure of the terms and conditions for subscription to the SACCO Societies' shares or the terms and conditions for the mobilization of non-withdrawable deposits or the opening and operation of a non- withdrawable deposit account including

the savings frequency, tariffs, penalties, commissions, charges and fees among others in accordance with the Regulations, 2020;

- g) A full and accurate disclosure of the method employed to calculate any dividends payable on shares and interest payable on non-withdrawable deposits; and the frequency of the dividend or interest calculation and the time the dividends or interest are paid or credited to an account;
- h) patronize the Society's services according to the policies and procedures;
- i) Submit projects or initiatives to the Board for the improvement of the Society's services;
- j) Access all legitimate information relating to the Society, including internal regulations, minutes of the Delegates Meetings, annual accounts reports, at the registered office of the Society, subject to the Society's policies and regulations in force at the time;
- k) To be furnished with a free statement for each account that provides adequate details of each transaction made during the period on a quarterly basis or upon request by a member, through an electronic media to the members' disclosed electronic address.
- l) Enjoy such other rights as prescribed by the Co-operative Societies Act and the Rules.

The Society may limit a member's right –

- a) To be elected to a position of leadership in the Society in case of the member's failure to remit any regular savings and loan repayments for any period without valid reasons or leave of the Society; or
- b) Of access to any or all of the financial services or products offered by the Society, if directed to do so by the Authority or pursuant to any written law.
- c) All members in Class B Shall not be entitled to the following Rights:
 - i. Participate in decision making during the Annual Delegates Meeting.
 - ii. Elect or be elected as a delegate or Board Members of the SACCO as per these By-laws.
 - iii. Voting on any matters related to the SACCO.

4.9. Obligation of members

In accordance with the Co-operative Societies Act, a member of the Society shall be obligated to:

- a) Observe and comply with all the Society's by-laws and decisions taken by the relevant organs of the Society;
- b) Be faithful and honest in all their dealings with the Society.
- c) Market the Society and protect the image of the Society and avoid acts that can injure the reputation of the Society;
- d) Pay his debt obligations to the Society without fail and save regularly with the Society;

- e) Attend meetings and education forums, seek cooperative education to improve their awareness and enlightenment on cooperative matters;
- f) Make use of the services of the Society as stated in its objects
- g) Buy and pay up for shares or make any other regular payments provided for in these By-laws;
- h) Meet the debts of the Society in case of insolvency in accordance with the provisions of the Act and these by-laws.
- i) Undertake such other activities for the growth of the SACCO.

4.10. Contribution, remittance and member's personal account

- a) The Society shall use check off system as the main remittance mode, other remittance options will include: standing orders, direct cash deposits and mobile money transfers for payments of members' shares, deposits and loan repayments.
- b) However, when direct payments are to be made, they shall be paid directly into the Society's bank account and a receipt issued by the Society on submission of the original bank slip.

Every member shall receive regular statements at least twice per year, which shall contain particulars of membership, shares, deposits and loan transactions with the Society.

4.11. Cessation of Membership

Membership in the Society shall cease upon:

- a) Expulsion
- b) Being certified insane.
- c) Death
- d) Acting contrary to the relevant provisions of the Act, Rules and these By-laws.

4.12. Suspension

The Board of Directors may suspend/expel a member who:

- a) Fails to fulfill his obligations to the Society whether stated in these By-laws, general internal regulations, a resolution of the Delegates Meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed,
- b) Is convicted in a court of law for a criminal offence involving dishonesty or fraud or is, imprisoned for a period of three months or more,
- c) Is a member of another Society having similar objects,
- d) Acts in any manner prejudicial to the interests of the Society.

Provided that, no member shall remain in suspension for a period of more than 12 months.

4.13. Procedure of expulsion

- a) Upon formal and written proof that a member has committed a violation punishable by expulsion, the Board of Directors shall serve a thirty (30) days written notice to the member stating the reason(s) for the proposed expulsion and requiring him to file a defense
- b) Upon the expiry of the 30 days and taking into consideration the member's defense if any, the Board of Directors shall initiate an administrative inquiry and make a decision on its finding within fifteen (15) days. Which may include:-
 - i. suspension of the member, pending consideration of a recommendation for expulsion by the Delegates Meeting; or
 - ii. imposition of any other punishment as may be prescribed in these By-Law or as may be directed by the Delegates Meeting from time to time
- c) The Suspended member may appeal to the Delegates Meeting, if not satisfied with the Board of Directors decision within thirty (30) days of receipt of the decision of the Board of Directors.
- d) A member who is expelled from the Society shall have the right to appeal to the tribunal.

4.14. Withdrawal from the Society

A member with no liability or outstanding obligations on their accounts and no guarantee liability for other member's loans, upon leaving the common Bond may withdraw from membership.

The withdrawing member shall give written notice of at least sixty days, [60] in accordance with regulation 21(6) of the Regulations 2020. Upon lapse of the notice the Society shall refund the Member's deposit after deducting withdrawal fee, bank transfer charges and settling any outstanding liability the member may have with the Society.

Partial withdrawal of the non-deposit savings shall not be allowed under any circumstances.

4.15. Payment on cessation of Membership

On cessation of membership, a person shall be refunded the following amounts:

- a) Deposits.
- b) Any dividends or interests due prior to the cessation date.
- c) Any deposits or any other funds other than shares held by the Society on his behalf.

4.16. Nominee/Next of Kin

- a) Every member shall nominate in writing one or two more persons as next of kin/nominee(s.) The nomination shall be attested to by at least two witnesses who are members of the Society. The names of such nominee(s) shall be entered in the nominee register.
- b) A member shall have the right to change his next of kin/nominee(s) in writing in the presence of at least two attesting witnesses who are members of the Society.

4.17. Payment of Nominee

The Society after obtaining such documentary proof of the death of a member as it may consider necessary, shall pay to the next of kin/ nominee the value of the deceased member's deposits, shares, interest and dividend after deducting monies owed to the Society, if any within one hundred and eighty (180) days.

The estate of a deceased member shall be liable for the debts owed to the Society as they existed at the time of his death, unless otherwise covered under any other existing scheme in the Society.

4.18. Admission of Nominee

A next of kin/nominee may be admitted to membership of the Society if qualified.

The deposits, interest and dividends due to the deceased member shall be transferred to the account of that nominee and the account of the deceased member shall be closed down forthwith.

5.0. FUNDS OF THE SOCIETY

5.1 Sources of Funds

The funds of the Society shall consist of:

- a) An unlimited number of shares
- b) Statutory reserve fund and any other reserve fund as may be kept by the Society.
- c) Any surplus resulting from operations of the Society.
- d) Funds obtained from lawful sources.

5.2 Core Capital

- a) Paid up members shares
- b) Retained earnings
- c) Disclosed reserves
- d) Grants and Donations

The SACCO shall maintain a Core Capital:

- a) Of not less than Kshs.5 million
- b) Of not less than 8% of total Assets
- c) Core Capital of not less than 5% of the total non withdrawable deposits held by the SACCO on behalf of the members

Provided that at least 50% of the core capital shall be composed of retained earnings and disclosed reserves.

The SACCO shall however, retain a higher capital adequacy threshold if required or directed to do so by the Authority in accordance with the SACCO Societies Act and regulations 11(2) of the regulations 2020.

5.3 Income

The income of the Society will be derived from:

- a) Interest, fees, Entrance fee and commissions
- b) Administration fees, charges and penalties.
- c) Any donations, gifts from other bodies, organizations and individuals.

5.4 Liquidity

The Society shall at all times maintain a liquidity ratio of not less than ten (10%) percent of its non-withdrawable deposits and short-term liabilities in liquid assets or such other higher liquidity ratio in accordance with a Liquidity Policy prepared in accordance with regulation 14 of the Regulations, 2020.

5.5 Application Societies funds

The funds of the Society shall only be applied to the promotion of the stated objects of the Society as set forth in these by laws, and shall be invested in:

- a) Such investments and securities as are authorized for the investment of members funds,
- b) The shares of any other co-operative Society,
- c) Any bank licensed under the Banking Act and or Micro finance Act,
- d) The stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya or in any other manner approved by a resolution at a Delegates Meeting of the Society.
- e) Loans to members.
- f) Property and Equipment for purpose of SACCO business.

5.6 Restriction of Investments

The Society shall not make financial investments in non-government securities, including investments in equities, collective investment schemes, bonds, commercial papers and notes, or derivatives, or equities of a subsidiary or a related entity, in excess of forty (40%) per-cent of its core capital; provided that the –

- a) investments in equities of any legal entity or a derivate issued by any legal entity shall not exceed twenty (20) percent of the prescribed limit at any given time;
- b) investments in collective investment schemes, bonds, commercial papers and notes, shall not exceed thirty (30%) per-cent of the prescribed limit at any given time; and
- c) Investments in equities of a subsidiary or related entity shall not exceed fifty (50%) per-cent of the limit prescribed at any given time.

5.7. Financial Year and Financial records denomination

- a) The financial year of the Society shall be the calendar year i.e. from 1ST JANUARY to 31ST DECEMBER
- b) The accounts and the financial records of the Society shall be denominated in Kenya shillings and shall comply with International Financial Reporting Standards (IFRS) and any reporting requirements as prescribed in the SACCO Societies Act, the Regulations 2020, or as the Authority may direct generally or specifically,

5.8. Distribution of surplus funds

Subject to the SACCO Societies Act, the Regulations, 2020, any directives of the Authority, and approval by the Delegates Meeting, the net surplus resulting from operations of the Society during any financial year may be disposed-off as follows:

- a) 20% shall be credited to the Statutory reserve Fund.

- b) The balance may be disposed of as decided by the Delegates Meeting for:
 - i. Paying dividends and interest on shares and deposits respectively.
 - ii. Being forwarded to Education Fund or any other fund or funds of the Society including the appropriations.
 - iii. Paying honorarium to Committee Members and staff.
 - iv. In any other way approved by the Delegates Meeting.

5.9. Restriction of payment of Dividend, Honorarium, etc.

The Society shall not declare or propose for payment or pay any dividends on shares or honorarium or bonus to any officer, or make any other gratuitous payments to any officer, where the Society –

- a) has not met or maintained the prescribed core capital and capital adequacy requirements;
- b) has not met or maintained the prescribed liquidity ratios;
- c) has not complied with any specific or general directives issued by the Authority in respect of the financial condition of the Society;
- d) has been prohibited by the Authority from making such payments pursuant to the SACCO Societies Act and the Regulations, 2020

5.10. Statutory reserve fund

- a) The Society shall pay into the Reserve Fund maintained in pursuance of the provisions of Section 47 of the Act and the Rules one fifth (1/5) of any net surplus resulting from the operations of the Society during a financial year.
- b) The Reserve Fund of the Society shall be invested in the manner provided for in these By-laws.
- c) The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it.
- d) No withdrawal shall be made from the reserve fund of the Society without a resolution from the Delegates Meeting and a written approval from the Commissioner.

6.0. SHARES OF THE SOCIETY

6.1 Prescribed minimum shareholding

- a) The SACCO shall maintain capital adequacy as stipulated by the regulations
- b) Notwithstanding the provision of Sub-section (a) above, the nominal value of each share shall be Kshs.100/= and every member shall hold at least 300 shares subject to the minimum shares and no member shall hold more than a fifth of the total shares of the Society.
- c) A members may be allowed to subscribe the minimum shareholding through monthly deductions to a maximum of period of two years.
- d) The Delegates through an Annual delegates meeting may review and fix the minimum shareholding that may be paid by a member and the par value of the Shares. Such reviews will be subject to approval by the Authority.

6.2. Transfer of shares

- a) With the approval of the Board of Directors, a member upon withdrawing from the SACCO may at any time transfer shares to another member or any other person whose membership of the Society has been approved by the Board of Directors. Such transfers must be in writing and at nominal value.
- b) All transfers of shares shall be registered with the Society and no transfer shall be valid unless so registered. A fee of Kshs 500.00 or such an amount as may be determined by the Board of Directors shall be payable by the transferee for each such transfer.
- c) No transfer of shares shall be valid and effective if made by a member indebted to the SACCO whether such debt is due for payment or not.
- d) When for any reason other than death, a member ceases to be a member of the SACCO, he may transfer the Shares to another member or to a proposed member approved by the Board of Directors, but he shall not be entitled to repayment from the SACCO of any money paid by him in respect of such shares.

6.3. Shares to attract Dividend

The Society may –

- a) pay dividends on the shares held by its members based on financial performance for the year; subject to compliance with the regulatory requirements prescribed in the SACCO Societies Act and the Regulations 2020 and approval of the Delegates Meeting; and
- b) the shares of the Society held by any member shall attract dividends whenever declared in favour of the member –
 - (i) so long as such member's share capital remains in the Society; and
 - (ii) Notwithstanding that such member may have withdrawn from membership of the Society and the member's non-withdrawable deposits refunded.

6.4. Liability limited to shareholding held

- a) The liability of a member shall be limited to the nominal value of the shares held by him.
- 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.

7.0. POWER TO BORROW

- a) Subject to compliance with the provisions of the SACCO Societies Act; the Regulations, 2020; Co-operative Societies Act; the Co-operative Societies Rules; and any other applicable law; the Society may:
- i. Borrow from other SACCO Societies, Government, securities market and other financial or development institutions subject to the maximum borrowing powers approved by the Delegates Meeting.
 - ii. Obtain loans from persons or institutions which are nonmembers, subject to compliance with the maximum borrowing powers fixed by the Delegates Meeting, the prescribed limits of the total external borrowing for SACCO Societies, and to approval by the Commissioner
- b) For the securing of any loans accepted by the Society under paragraph (a) above, the Society may grant a charge over its assets. The authority to grant a charge shall be reserved to the Delegates Meeting.
- c) The rate of interest on loans shall not exceed the current market rates.

8.0. ELECTIONS

8.1 Electoral zones

- a) The Board shall establish electoral zones and circulate or cause to be circulated, a list of such electoral zones to all members for their information.
- b) The Society shall have electoral zones based on Zones and regions as may be established by the Board of Directors from time to time in accordance to these by- laws.
- c) In establishing these zones, the Board shall be guided by such considerations but not limited to:
 - i. Number of members
 - ii. Geographical location and any other factors as directed by the Delegates Meeting
 - iii. Every member shall belong to an electoral zone as defined by these By-laws.
 - iv. The system of representation shall be determined by the Delegates Meeting from time to time as provided for in these By-laws

8.2. Representative elections

- a) Each Electoral Zone shall be represented by a delegate[s] who is a member as per by law 4.1
- b) A delegate shall be elected for a period of one (1) year and shall be eligible for re-election.
- c) The Delegates so elected shall constitute the eligible candidates for election to the Board of Directors and the Supervisory committee at the Annual Delegates Meeting subject to proximity to the SACCO head office.
- d) A member can be voted as a Delegate in absentia.

8.3. Nomination Committee

- i) The Board shall on an annual basis appoint a Nomination committee that shall vet all candidates seeking to be considered for election and clear the prospective candidates.

8.4. Duties and responsibilities of Delegates

It shall be the responsibility of every delegate to:

- i. Attend Delegates Meeting when convened in order to exercise their democratic rights and those of the members they represent.
- ii. Attend education seminars organized by the SACCO.
- iii. Participate in members' education days organized by the SACCO.
- iv. Notify the SACCO Headquarters on issues related to members.

- v. Educate the members within their electoral areas about the Society in general and about credit administration in particular.
- vi. Recommend and forward new membership or withdrawal cases to the SACCO for processing.
- vii. Advise members on proper loan utilization and the importance of loan repayments.
- viii. Act as liaison person between the SACCO officials and the members.
- ix. Ensure election of committed leaders as Board of Directors.
- x. Market the SACCO activities and enhance the corporate image.
- xi. Perform such other duties and responsibilities as may be directed by the Board of Directors from time to time.

9.0 ANNUAL DELEGATES MEETING

9.1 Delegates Meetings and Authority to Convene

Subject to the provisions of the Co-operative Societies Act, the SACCO Societies Act and any other written law or directions of the Authority, the supreme authority of the Society shall be vested in the Delegates Meeting of the Society.

- a) An Annual Delegates Meeting shall be convened within four months after the end of the Society's financial year.
- b) A special Delegates Meeting of the Society may be held when convened by:-
 - i. The Board of Directors.
 - ii. The Commissioner.
 - iii. The Board of Directors within 15 days of receipt of a written request by at least 1/3 of the members.
- c) Provided that when the Delegates Meeting is convened at the request of the Members, the request must be deposited by registered mail at the Society's address or delivered to the Chief Executive Officer at the Society offices within normal working hours.
- d) The members in (b) iii) above, if the Board fails to convene a meeting within fifteen days of receiving notice under the Act. The members shall give notice to the other members of the Society, stating the object and reasons for the meeting and the fact that the Committee has failed to convene the meeting organ of the Society.

9.2 Notice of Meetings

- a) The Delegates Meeting shall be convened by giving at least 15 days written notice to the members.
- b) The Honorary Secretary shall take all usual steps to publish the notice of the meeting in public places, on the Society's notice board), in local newspapers or news-sheets, including the electronic media or any other mode decided by the members.
- c) All notices shall include a statement of the business to be dealt with.

9.3. Quorum

Except when convened by the Commissioner, the presence of at least 1/3rd of the total delegates, shall constitute a quorum for the conduct of business at the Delegates Meeting.

When a quorum is not attained:

- a) The Chairperson shall adjourn the meeting and fix a date for another meeting within one month, which shall be advertised as prescribed in these By-laws.
- b) If a quorum is again not attained, the Chairperson shall declare the meeting open with those present one hour after the advertised time of the meeting.

9.4: Elections during Delegates meetings

- a) With every notice of the Delegates Meeting convened in accordance with these By-laws, where elections will be held, the Board of Directors shall notify the delegates of the vacancies arising in both the Board of Directors and the Supervisory Committee.
 - i. During elections, the Returning officer shall call for nominations from the floor. Each candidate must have a proposer and a seconder
 - ii. At the elections, Delegates shall decide, by majority vote, the method of voting. The method may be secret ballot or queuing or by show of hands.
 - iii. No member shall be entitled to vote by proxy.
 - iv. Irrespective of the number of shares held by him, no member shall have more than one vote.
- b) The Chief Executive Officer shall, within fourteen (14) days of the elections, submit to the Authority and the Commissioner the names and addresses of all persons elected to the Board of Directors and Supervisory Committee, including their respective Fit and Proper Test Forms in accordance with the Regulations, 2020.
- c) The new Board of Directors and Supervisory Committee elected at the Delegates Meeting shall not assume office unless they have been cleared by the Authority, and satisfied the requirements of the SACCO Societies Act, the Regulations, 2020, the Co-operative Societies Act, the Co-operative Societies Rules, these By-laws, and any other applicable law, as to the indemnity, ethics, codes of conduct or any other matter.

9.5. Virtual Delegates meetings

The Society may hold its Delegates meeting virtually or hybrid [virtually and physically], in exceptional circumstances as may be determined by the Board of Directors taking into account any prevailing socio-economic, political, health or environmental circumstances limiting physical interactions.

9.6. Virtual Delegates meeting to comply with guidelines

Where the Board of Directors opts to hold a virtual or a hybrid Delegates Meeting, then the Board of Directors of the Society shall –

- a) Take measures to ensure that the Delegates Meeting is constituted, held and conducted strictly in compliance with any circulars or guidelines or directives which may be issued by the Commissioner and/or the Authority from time to time, or any written law; and
- b) The Board of Directors, the Chief Executive officer, and the Commissioner or representative shall be present within the Society's registered offices for purposes of the Delegates Meeting.

9.7. Duties of Delegates meetings

The Delegates Meeting shall have the powers and duties prescribed in the Act, Rules and these By-laws. It shall:

- a) Consider and confirm the minutes of the previous Delegates Meeting.
- b) Consider reports of committees, the Commissioner or his representative and the audited accounts on the Society's activities during the past financial year.
- c) Consider and resolve on the manner in which any available surplus shall be distributed or invested, subject to SACCO Societies Act; the Regulations 2020; the Co-operative Societies Act; the Co-operative Societies Rules; these By-laws, and any other applicable law
- d) Elect or remove members of the Board of Directors and the Supervisory Committee, subject to the Act, Rules and these By-laws.
- e) Fix the indemnity for the elected committee members and management staff.
- f) Consider recommendations from the Board of Directors, appeal against suspensions of members and refusals of membership by the Board of Directors.
- g) Fix the maximum liability which the Society may incur in loans and deposits from both members and non-members.
- h) Approve the estimates of income and expenditure for the financial year following the Delegates Meeting.
- i) Fix the honoraria, if any, for officers or employees of the Society.
- j) Decide the management structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
- k) Appoint bankers, auditors and advocates of the Society for the ensuing year.
- l) Approve affiliation to any National Co-operative Organizations for SACCO Societies and the Apex Society
- m) Transact any other business of the Society for which notice has been given to members in the manner prescribed in these By-laws.

9.8. Record of Business

- a) All business discussed or decided at the Delegates Meeting shall be recorded without erasures and corrections in a Minute Book, which within one week of the meeting, shall be signed by the Chairperson of the meeting and at least one other committee member who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.
- b) At the next meeting after approving any alterations or variations which shall be immediately written below the above signatures and not as alterations to the original record, the meeting shall by resolution authorize the Chairperson to sign and date the final record.

10.0. BOARD OF DIRECTORS

10.1. Board of Directors as the governing authority

- a) The Board of Directors shall be the governing body of the Society elected from the delegates and shall consist of minimum five (5) and a maximum of nine (9) members. It shall include the Chairperson, Vice Chairperson, Treasurer and Secretary all of whom shall be elected by the Committee from amongst the members of the Committee.
- b) Members of the Board of Directors shall hold office for a period of three years provided that, one-third of the committee members shall retire every year but will be eligible for re-election.
- c) Where the membership of the Board of Directors falls below nine the committee may co-opt qualified member(s) into the committee until the next Delegates Meeting
- d) There may be a position of a Patron that shall be held by the Managing Director of Kenya Women Microfinance bank. The holder shall be at liberty to attend Board of Directors meetings on advisory capacity and presentation of the Interest of the Kenya women microfinance bank and its subsidiaries.

10.2. Eligibility for membership to the Board of Directors

No person shall be eligible for membership in the Board of Directors of the Society if he/she:-

- a) Has not been a member of the SACCO for at least one year prior to the Annual Delegates meeting and Membership is not within class A as per section 4.1 of these by laws.
- b) Does not meet leadership qualifications as per chapter 6 article 73 of the Constitution of Kenya
- c) Is under eighteen years of age;
- d) Has not attained a minimum of "O" level certificate of Education or equivalent except as otherwise expressly exempted by the Commissioner
- e) Receives any remuneration, salary or other payments from the Society save as in accordance with this Act;
- f) Is a member of the Board of Directors of another existing Society authorized or licensed under the SACCO Societies Act;
- g) Lends money on own account;
- h) Is an un-discharged bankrupt;
- i) Is of unsound mind;
- j) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- k) Has been convicted of any offence under the Act or rules.
- l) Has any uncleared debt owing to the Society at the end of its financial year other than in respect of a loan granted under the provision of any regulations made under this Act;

- m) is delinquent on loans with the Society for any period within two (2) years prior to elections
- n) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Co-operative Society Act.
- o) Has been adversely mentioned by the Commissioner or his representative in an inquiry endorsed by the Annual delegates /members meeting for mismanagement or corruption practices whilst still a member of Board of Directors of a Co-operative Society in the last ten years. Or named in any other national inquiries where he/he has been shown to be engaging in dishonest activities.
- p) Is an official or holds a political office.
- q) Has not attained a minimum shareholding of nominal value of Kshs. 100,000.00
- r) Has not executed and submitted or caused to be submitted to the Authority, the Fit and Proper Test Form as provided in the Regulations, 2020;
- s) has been barred or prohibited from holding office as a director or officer of a Society by the Authority

10.3. The composition of Board of Directors

The Board of Directors shall include the Chairperson, Vice Chairperson, Treasurer and Honorary Secretary all of whom shall be elected by the Board of Directors from amongst the members of the Board

a). The Chairperson

The Chairperson of the Board of Directors of the Society shall be elected from amongst the members of the Board of Directors, and shall be responsible to the Board for:

- i. Presiding at Delegates Meetings, Board of Directors meetings and joint meetings with the Supervisory Committee.
- ii. Perform such other duties as may be directed by the Board of Directors, not inconsistent with provisions of the SACCO Societies Act; the Regulations 2020; the Co-operative Societies Act; the Co-operative Societies Rules; the By-laws and any other applicable law.

a) The Vice Chairperson

The Vice-Chairperson of the Board shall be elected from amongst the members of the Board of Directors, and shall be responsible to the Board for:

- i. Deputizing the Chairperson of the Board
- ii. Performing the duties of the Chairperson of the Board, during the absence of the Chairperson of the Board; and
- iii. Perform the duties of the Chairperson his absence
- iv. Performing any such other duties as the board may as may be directed by the Board of Directors, not inconsistent with provisions of the SACCO Societies Act; the Regulations

2020; the Co-operative Societies Act; the Co-operative Societies Rules; the By-laws and any other applicable law

b) Honorary Secretary

The Honorary Secretary shall be elected from amongst the members of the Board of Directors, and shall be responsible to the Board for:

- i. Causing all minutes of the Delegates Meetings, Board of Directors meetings, and joint meetings with the Supervisory Committee to be recorded.
- ii. Ensure that notices of the meetings are prepared and sent out.
- iii. Ensure that the Society's correspondence is promptly and correctly attended to.
- iv. Perform such other duties as may be directed by the Board of Directors, not inconsistent with provisions of the SACCO Societies Act; the Regulations 2020; the Co-operative Societies Act; the Co-operative Societies Rules; the By-laws and any other applicable law.

c) Treasurer

The Treasurer of the Society shall be elected from amongst the members of the Board of Directors, with knowledge and experience of accounting or financial matters, and shall be responsible to the Board and the General Meetings for -

- i. Generally manage or cause to be managed the financial affairs of the Society in a competent manner;
- ii. Ensure that a proper record is kept of all monies received and paid out by the Society, its assets, liabilities, capital reserve and its income and expenses;
- iii. Ensure the safekeeping of the Society money, securities and books of accounts;
- iv. Ensure that all payments and expenditures are duly authorized;
- v. Ensure that within ten days after the closure of each month, a financial statement showing the condition of the Society's finances at the end of the preceding month is prepared and submitted to the Board of Directors for discussion.
- vi. Ensure compliance with all directions of the Board of Directors, the Act, the Rules and these By-laws on all financial matters.
- vii. Cause to be presented a statement of the ensuing month's cash flow.
- viii. Ensure sufficient funds are available for loans to members.
- ix. Signing or counter-signing documents, contracts and cheques in accordance with these By-laws and the financial policies and procedure manuals of the SACCO.
- x. Presentation to the Board of Directors, an up to date listing of all overdue borrowers, including relevant actions taken or being taken to recover the loans
- xi. Perform such other duties as may be directed by the Board of Directors.

10.4. Duties and Powers of Board of Directors

The Board of Directors shall develop and implement a Board Charter to govern its internal operations and procedures; and shall subject to any directions from the Delegates Meeting generally –

- a) direct the affairs of the Society; and
- b) Provide visionary leadership by providing strategic directions on the SACCO business without engaging in operational activities of the Society.

The Board of Directors shall in particular:

- i. observe in all its transactions and activities provisions of the SACCO Societies Act, the Regulations, 2020, the Co-operative Societies Act, the Co-operative Societies Rules, these By-laws, any other applicable law, and prudent business practices;
- ii. Develop and approve the terms of reference of the various Board Committees, consistent with these By-laws.
- iii. Ensure that the Society's functions effectively and that an adequate and effective internal controls and risk management systems are in place consisting of appropriate policies including human resource management, savings, liquidity, investment, dividend, risk management, membership administration, cash handling and information management and preservation among others.
- iv. Make provision for sufficient funds for loans to members.
- v. Ensure that the management maintains proper and accurate records that reflect the true and fair position of the Society's financial condition;
- vi. Prepare and develop long term management plans and budgets for presentation at the Delegates Meeting;
- vii. Propose to the Delegates Meeting the amount and kind of surety bond, or other security, which shall be given by the member of the committee or employee having custody of or handling funds or property of the Society;
- viii. Determine and approve interest rates payable by members on respective loan products , 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;
- ix. submit the audited financial statements to the Authority for approval within three (3) months after the close of the financial year
- x. 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;
- xi. Subject to approval of the audited financial statements, lay before the Delegates Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- xii. Recommend to the Delegates Meeting the dividend rate to be paid on shares, if any, and interest to be paid on deposits;

- xiii. Fill through co-option, vacancies occurring in the Board of Directors between Delegates Meetings;
- xiv. Recommend investments of the Society;
- xv. Authorize the conveyance of properties;
- xvi. Authorize borrowing and lending operations of the Society in accordance to the Act and the Rules;
- xvii. Designate a depository or depositories for the funds of the Society;
- xviii. Employ and fix the remuneration of the employees in accordance with the approved Human Resource Policy and Manual;
- xix. Impose fines as provided for under these By-laws;
- xx. Approve transfer of shares;
- xxi. Approve or ratify all loans to directors and employees of the Society
- xxii. Supervise the recovery and collection of loans from members and approve write off of bad debts.
- xxiii. To provide adequate budget for education and training of members, the committee and staff;
- xxiv. Implementing and/or incorporating any general or specific directives issued by the Authority with regard to the form of, or contents or proposals or other disclosures in the audited financial statements
- xxv. Prepare and submit or cause to be submitted for approval, the Code of Conduct in the form set out in the Third Schedule of the Regulations, 2020
- xxvi. Notify the Authority in writing of any intention to remove the Chief Executive Officer in accordance with the Regulations, 2020; and notify the Authority in writing within fifteen (15) days of appointment, resignation or removal of the Chief Executive Officer and in the case of resignation or removal, the reasons for such resignation or removal.
- xxvii. Perform any other duty or functions, and exercise any other power as provided in the SACCO Societies Act, the Regulations, 2020, the Cooperative Societies Act, the Co-operative Societies Rules, these By-laws and any other applicable law

10.5. Board Subcommittees

- a) The Board of Directors may delegate to any of its Committees, such powers, duties and responsibilities pursuant to these By-laws or other internal policies as it deems fit and proper; provided that one of the Board Committees shall be the Credit and Risk Management Committee
- b) The number of Board Committees of the Society shall not in any event exceed three (3) Committees, consisting of members drawn from the Board of Directors; and
 - i. Members of the Board shall not sit in more than two committees; and
 - ii. The Chairperson shall not sit in any of the Board Committees, but may attend any Committee meetings upon invitation in writing by the Committee
 - iii. These sub-committees shall convene as directed by the Board of Directors.

a) Finance and Investment Committee

The Finance and Investment Committee shall consist of four members elected from the Board.

The duties of this subcommittee shall be to:

- i. Review and make recommendations to the Board on the financial plans of the Society ensuring its adequacy and soundness in providing for the 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 Society.
- iii. Review periodic financial statements of the Society before submission to the Board.
- iv. Consider and advise the Board on investments and borrowings.
- v. Make recommendations to the Board on capital expenditure projects.
- vi. Ensure all expenditure of the 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 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 Society and recommend to the Board to ensure it's manned by staff with relevant skills and experience.
- xiii. Ensure that periodic reviews of staff performance are conducted.
- xiv. Examine and recommend Human Resource expenditure for approval by the Board.
- xv. Ensure establishment of management succession plan in the Society.
- xvi. Ensure the management adheres to the approved human resource policies.

b) Education Committee

The Education Committee shall consist of three members including the Vice-Chairperson who shall serve as its Chairperson. Its duties shall be to:

- a) Organize education programs for members, committee members, staff and the general public.

- b) Ensure that both the Committee members and the staff are well trained and prepared for the tasks they are entrusted with at the Society.
- c) Create co-operative awareness to the general public.

c) Credit and Risk Management Committee

The Credit and Risk committee shall consist of three members of the Board of Directors, none of whom shall be an Executive officer. Its duties shall be to:

- a) Ensure the establishment and review of appropriate credit and risk management policies consistent with the relevant provisions of the SACCO Societies Act, the Regulations, 2020 and these By-laws.
- b) Hold regular meetings as the business of the Society may require, but at least once a month and maintain records of their deliberations on loans to members.
- c) Ensure that the problem loan accounts are adequately identified and classified as prescribed in the Regulations.
- d) Review periodic credit and loan portfolio reports of the Society before submission to the Board
- e) Regularly assessing the loan quality of the Society to ensure that the portfolio at risk is within tolerable level
- f) Ensure adequate provisions for potential loss is maintained

10.6. Board of Directors Meetings

- a) Meetings of the Board of Directors shall be held at least once a month subject to a maximum of 15 meetings in a year.
- b) At least 2/3 of the total number of Board members shall form a quorum for the disposal of business.
- c) If a member of the Board fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his duties, the position may be declared vacant and filled as provided for in these By-laws.
- d) The Board shall furnish the Authority with a certified copy of the minutes of its meeting on a semi-annual basis to be received not later than the 15th July and 15th January of each calendar year.

10.6 Record of Business of Board of Directors

- a) All business discussed or decided at the Board of Directors Meeting shall be recorded without erasures and corrections in a Minute Book, which within one week of the meeting, shall be signed by the Chairperson of the meeting and at least one other member of Board of Directors who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.

- b) 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 Chairperson to sign and date the final record.

10.7. Suspension from the Board of Directors

- 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 of Directors Members may by a resolution suspend a Board Member for a period not exceeding twelve (12) months, and recommend to the next Delegates Meeting of the Society, the removal of such Board Member, on the ground and/or for reasons of :
 - i. Failure to disclose vested interests.
 - ii. Any other good cause, Subject to ratification by the Delegates Meeting.

10.8. Removal from the Board of Directors

A member of the Board of Directors shall cease to hold office if he:

Ceases to hold qualifications of a Board of Member as specified in the SACCO Societies Act, the Regulations, 2020, Rules and these By-laws;

- a) Is removed by the Commissioner under provisions of Co-operative Societies Act and the Co-operative Rules;
- b) Is voted out by two-thirds majority of the Society members present and voting at the Delegates Meeting.
- c) Is removed or suspended by the Authority under the provisions of the SACCO Societies, the Regulations, 2020 or any other applicable law;
- d) Continuously fails to remit savings/deposits or repay his loans for a period of six months.

10.10 Board Compensation.

- a) The Board shall develop and implement a Board Compensation Policy clearly detailing the rates of compensation or allowances payable to the members of the Board of Directors, taking into consideration the economic and financial condition of the Society, which Policy or any amendments thereto shall be approved by Delegates Meeting of the Society
- b) The Board of Directors shall disclose in the audited financial statements, any compensation, fees, travel or meeting expense or reimbursement paid to each director of a Society and each member of the Supervisory Committee, and shall be presented at the Annual Delegates Meeting
- c) The Authority may at any time in the exercise of its mandate under the SACCO Societies Act and the Regulations, 2020 veto the implementation of a Board Compensation Policy or any sections thereof, and may suspend the implementation of any such Policy or direct the review thereof as it may deem fit, taking into account its Supervisory and regulatory mandate.

10.11 Delegation to the Chief Executive Officer

- a) The Board of Directors may delegate to the Chief Executive Officer of the Society such duties as it deems fit;
- b) Nothing in (a) above shall absolve the Board of Directors from its responsibility of running the affairs of the Society in a proper and business-like manner.

11.00. THE SUPERVISORY COMMITTEE

The Society shall have a Supervisory Committee consisting of three members each elected at the Delegates Meeting for a period of three years and one member of the Supervisory Committee shall retire annually.

- a) A member shall be qualified and eligible for elections to the Supervisory Committee of the Society, if the members –
 - i. have qualifications similar to those of Board Members; and
 - ii. have at least one (1) of person bearing some knowledge or qualifications in accounting or finance;
- b) The members of the Supervisory Committee –
 - i. May be suspended or removed from office by the Authority or by a resolution of the Delegates Meeting in the same manner and for the same reasons or grounds, as the suspension or removal of members of the Board of Directors or any other officer of the Society; and
 - ii. Shall cease to hold office in the same manner, and for the same reasons or grounds as the cessation to hold office by Board Members.
- c) In addition to the joint meetings held with members of the Board or any other routine meetings held with the management for purpose of exercising their duties, the Supervisory Committee shall hold at least one meeting in every quarter
- d) The Supervisory Committee shall prepare and submit quarterly reports to be presented to a joint meeting with the Board of Directors within thirty (30) days after the end of each quarter
- e) The Supervisory Committee shall submit or cause to be submitted to the Authority all quarterly reports of the Supervisory Committee, together with comments and actions made by the Board of Directors, within thirty (30) days, after presentation to the Board of Directors.

11.1. Duties and Responsibility of the Supervisory Committee

The Supervisory Committee, shall in addition to the duties assigned to it under the Co-operative Societies Rules, perform the following functions in accordance with the Regulations 2020 -

- a) Review internal controls including the scope of the internal audit program, the internal audit findings, and recommend action to be taken by management;

- b) Review internal audit reports and their overall effectiveness, the scope and depth of audit coverage, reports on internal control and any recommendations and confirm that appropriate action has been taken;
- c) Ensure that accounting records and financial reports are promptly prepared to accurately reflect operations and results;
- d) Review management reports, and reports from the internal and external auditors concerning deviations and weaknesses in accounting and operational controls;
- e) Propose to the Board, the names of three (3) qualified persons, to be recommended to the Delegates Meeting, for appointment as external auditors of the Society;
- f) Monitor the ethical conduct of the Society and consider the development of ethical standards and requirements, including –
 - i. Effectiveness of procedures for handling and reporting complaints;
 - ii. Reviewing any related party transactions that may arise within the Society;
 - iii. Verifying that relevant plans, policies, and control procedures are established and properly administered;
 - iv. Investigating members' complaints and making recommendations for redress;
 - v. Considering any matter of significance raised by members during the Delegates Meetings of the Society or the Authority or the Commissioner

The Supervisory committee shall not perform the duties or exercise any of the powers of the Board of Directors save for the duties that could traditionally be performed by the Board Audit and Risk Committee. The Supervisory committee shall be held liable for any loss incurred due to their negligence in performing their duties.

11.3. Internal Audit function

The internal audit function of the Society shall be responsible to the Supervisory Committee and provide technical and secretarial support and services to the Supervisory Committee in accordance with the Regulations, 2020; and the Chief Executive Officer and management staff provide appropriate facilitation to the Supervisory Committee in the performance of its duties.

12.0. INDEMNITY

All Board Members shall each provide an indemnity of an amount approved by the 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 committee.

13.0. DECLARATION OF WEALTH

Every member of the Board of Directors shall within thirty (30) days of being elected declare and file with the Commissioner the statutory wealth declaration in the prescribed form as provided in the Public Officers Ethics Act, 2003 and the Code of Conduct issued pursuant thereto.

14.0. LEGAL STANDARD OF CARE

In the conduct of the affairs of the Society, the members of Committee 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, or failure to act, which are contrary to the SACCO Societies Act, the Regulations, 2020, any guidelines and directives issued by the Authority, the Co-operative Societies Act, and Cooperative Societies Rules, these By-laws, or the direction of any Delegates meeting of the Society or any other applicable law.

15.0 THE CHIEF EXECUTIVE OFFICER

15.1 Appointment of the Chief Executive Officer by the Board

- a) The Society shall have a Chief Executive Officer who shall be appointed by the Board of Directors on such terms and conditions as the Board of Directors shall deem fit; provided that prior to appointing a person to serve as the Chief Executive Officer of the Society, the Board of Directors shall submit or cause to be submitted to the Authority, the names and other particulars of the person proposed for such appointment, for approval.:
- b) No formal appointment of a person to serve as the Chief Executive Officer of the Society shall take effect unless the Authority's written approval has been granted to the Society; and the Board of Directors shall notify or cause the Authority to be notified, within fifteen (15) days of formal appointment of the Chief Executive Officer.

15.2. Duties and responsibilities of Chief Executive Officer

The Chief Executive Officer shall be responsible to the Board of Directors for the day to day running of the affairs of the Society, including but not limited to -

- a) Ensure Implementation and adherence to the policies, procedures and standards
- b) Ensure strategies are developed and employed to facilitate achievement of the targets and objectives
- c) Ensure systems that have been established to facilitate efficient operations and communication are followed.
- d) Advise the Board of Directors and other Committees in formulating, preparing and implementing long term policies and programmes of the Society.
- e) Supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner. In addition to ensuring human resource development and training is attended to.
- f) Ensure that proper books of accounts, records and returns are kept and that regular financial, statistical and operational information is prepared and submitted to the Board of Directors and other Committees and also to the Commissioner.
- g) Be responsible for the security of the funds and assets of the Society.
- h) Ensure that rent, rates, levies and debts due from and to the Society are paid by the due date.
- i) Recommend to the Board of Directors the filling of any vacant position or dismissal of any staff member who is not performing his duties properly.
- j) Ensure that the Society and its staff are at all time in compliance with the established Code of Conduct; the SACCO Societies Act, the Regulations, 2020, any guidelines and/or directives issued by the Authority; the Co-operative Societies Act; the Co-operative Societies Rules; these By- Laws; and any other applicable laws
- k) Ensure the Board of Directors is frequently appraised on the operations of the SACCO which shall cover but not limited to the following:
 - i. Financial statements [Monthly, Quarterly, Annually]
 - ii. Show current compared with past period actual performance, the budget compared with the actual and with explanations for variances

- iii. Statement of comprehensive income [Monthly, Quarterly, Annual]
- iv. Delinquent loan list and in particular growth in loan losses, recoveries and provisions
- v. Investment Portfolio
- vi. All insider lending and non-performing insider loans if any
- vii. Any violation or suspected violation of the SACCO Societies Act, the Regulations, 2020, the Co-operative Societies Act, the Co-operative Societies Rules, or any other applicable law; and remedial actions taken or proposed to be taken, to comply and remedy the violation;
- viii. Large risk exposures including but not limited to the exposures limits or risks prescribed in the SACCO Societies Act, the Regulations, 2020, the Cooperative Societies Act, the Co-operative Societies Rules, or any other applicable law
- ix. any regulatory reports, and internal reports;
- x. any other relevant areas to the Society's operations; and
- xi. any other matter as may be directed by the Authority from time to time

The Chief Executive Officer or any position appointed by the Board of Directors to discharge the duties and responsibilities of a Chief Executive Officer of the Society in accordance with these By-laws, shall –

- a) Attend all meetings of the Board of Directors and all Delegates Meetings of the Society, as an ex-officio member;
- b) Be a signatory and the custodian to Society cheques, contracts, records and other documents as may be necessary; and
- c) Perform any such other duties and responsibilities as may be assigned by the Authority or the Board of Directors.

15.3. Removal of Chief Executive Officer

- a) The Society shall not remove the Chief Executive Officer except with prior written notification to the Authority in accordance with regulation 64 of the Regulations 2020; which notification shall clearly state the grounds or reasons for the intended removal
- b) The Board of Directors shall notify the Authority, within fifteen (15) days of the resignation or removal of the Chief Executive Officer and in the case of resignation or removal, the Board of Directors shall indicate the reasons for such resignation or removal.
- c) Notwithstanding anything in these By-laws or any internal policies of the Society, the Chief Executive Officer and any other officer of the Society may be removed from office by the Authority or upon the direction of the Authority in accordance with the provisions of the SACCO Societies Act and Regulations, 2020

16.0. RECORDS AND BOOKS OF ACCOUNTS

16.1 Members' Register

The Members' Register shall be maintained in accordance with regulation 21 of the Regulations, 2020 and shall at the minimum contain the following information and details for each member –

- a) The name of the member in full;
- b) The unique number assigned to the member;
- c) The national identity card number or passport number of the member or any other national identification number assigned to the member pursuant to any applicable law;
- d) The personal identification number (PIN) of the member issued by the Kenya Revenue Authority;
- e) The number of shares subscribed to by the member;
- f) The total value of the shares subscribed to by the member;
- g) The gender of the member;
- h) The date of birth of the member;
- i) The addresses of the member including postal, physical, email address or other electronic addresses;
- j) The names and addresses of the next of kin of the member; and
- k) Any other information or details as the Authority may prescribe or direct.

16.2 Electronic Member Register

The Society shall at all times maintain a members' register in an electronic format using a Management Information System (MIS) that conforms to the requirements of regulation 5(4)(b) of the Regulations 2020

16.3. Minutes Book

- a) Minute books giving details of proceedings of Board of Directors, joint Management and Supervisory Committee, Supervisory Committee meetings and all other committee meetings held in accordance with these By-laws.
- b) Minutes book giving details of proceedings at the Delegates Meetings.

16.4. Accounting Records

- a) A cashbook showing the details of all monies received or paid out by the Society.
- b) A general ledger containing such accounts as is necessary to reflect the business of the Society.
- c) A personal ledger for each member showing his transactions with the Society.
- d) A register of assets and property.

- e) A loan listing 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, the due date of repayments and the date repayments were completed.
- f) A register of all policies and procedure manuals approved by the Board, including any amendments to the policies and procedure manuals
- g) Such other books and records as the Board of Directors may decide or that the Commissioner may prescribe.

17.0. POLICIES AND PROCEDURES

- a) The Board of Directors may make such policies and procedures, as they shall deem necessary for the conduct of the business of the Society, including but not limited to the policies prescribed in the SACCO Societies Act; the Regulations, 2020; these By-laws and any applicable law, or as may be directed by the Authority from time to time.
- b) The Society shall maintain an updated register of all policies and/or procedure manuals made and approved by the Board of Directors, an original copy of the policy duly; containing the name and/or other particular details of the policy, the date of approval of the policy; where any amendments have been made to the policies, the date of approval of the amendment.
- c) The Society shall, when required to do so by the Authority, promptly avail copies of its policies and the register for inspection, in accordance with the requirements of the SACCO Societies Act and the Regulations, 2020.

18.0. CODE OF CONDUCT

18.1. Application of Public Officers Ethics Act

- a) All officers of the Society, including the Directors, members of the Supervisory Committee, Chief Executive Officer and other members of staff, shall comply with the requirements of the Public Officer Ethics Act, 2003 and the Code of Conduct made thereunder, including any Governance Guidelines as may be issued by the Ethics Commission for Co-operatives.
- b) The Society shall prepare or review the Code of Conduct to substantially conform to the form set out in the **Third Schedule to the Regulations, 2020** for the approval of the Authority; and upon approval, the Society shall ensure that each and every officer thereof executes and abides by the Code of Conduct at all times.
- c) The Society and every officer of the Society shall at all times ensure and/or secure the compliance with the Codes of Conducts herein; including taking appropriate measures to implement any directives issued by the Authority or any other public body towards enforcing compliance with the Codes of Conduct.

18.2. Confidentiality

The members of the Board of Directors and Supervisory Committee, and all other officers of the Society shall –

- a hold in the strictest confidence all transactions of between the Society and its members; and
- b Comply with and/or cause the Society to comply with the provisions of the Data Protections Act, 2019 with regard to members' data and information.

18.3. Conflict of interest

Every Committee member and staff shall be expected before taking part in any business which the SACCO may be about to discuss or initiate, to disclose any personal interest in the matter and shall not take part in discussion or vote on that item of Business. The Committee member or staff shall physically absent self in the discussion unless determined that the individual has relevant information to provide.

19.0. Common Seal

- a) The Society shall adopt and use a common seal. The seal shall have an imprint bearing the words “seal of UAMINIFU SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED” which shall be different from the ordinary name-stamp of the Society.
- b) The seal shall be kept securely under key and lock by the Chief Executive Officer and be used only in the presence of the officers authorized to sign documents on behalf of the Society.

Where the common seal is used in any document it shall be authenticated by a signature of the Chairperson and the Chief Executive Officer or any other officer authorized by the Board of the Society.

20.0. Dispute

If any dispute arises, which cannot be determined by the Board of Directors or the Delegates Meeting or through Alternative Dispute Resolution mechanisms, concerning the business of the Society:

- a) Among members, past members and persons claiming through members, past members and deceased members; or
- a) Between members, past members or deceased members, and the Society, its committee or any officer of the Society; or
- b) Between the Society and any other co-operative Society;

Then such disputes shall be referred to the Co-operative Tribunal established under the Co-operative Societies Act.

All appeals emanating from the Co-operative Tribunal shall be filed in the High Court in accordance with the provisions of the Co-operative Societies Act.

21.0. Inspection of Documents

- a) All the books of accounts, financial statements and other records, whether held physically or electronically, shall at all times be available for inspection by the Authority, the Commissioner and/or the Supervisory Committee
- b) The Society's By-laws; the original Registration Certificate issued under the Co-operative Societies Act; and the original Authorization Certificate issued under the SACCO Societies Act; shall at all times be available and prominently displayed in a conspicuous place within the Society's registered head office, for inspection by the Authority, the Commissioner, members, any other government agency, or pursuant to any applicable law.
- c) The register of members (excluding details of nominees and shareholdings, deposits and loans), maintained in accordance with the SACCO Societies Act, the Regulations 2020, and these By-laws, shall be available for inspection by the any member and any other stakeholder upon payment of a prescribed fee.

22.0. MISCELLANEOUS

22.1. Authorization of Documents

All documents and contracts under seal shall be signed on behalf of the Society by any three of the following:

- i. Chairperson;
- ii. Vice Chairperson;
- iii. Secretary
- iv. Treasurer and the
- v. Chief Executive Officer who shall be a mandatory signatory.

The Board of Directors may authorize any other officer /Board Member to sign the Society's documents.

22.2. Fines

Any member of the Society, who without lawful cause breaches or violates these By-laws or lawful instructions issued by the Board of Directors and/or the Delegates Meeting, or who fails to honor his obligations on time, may be fined a sum of money not exceeding twenty thousand shillings (Kshs. 20,000.00).

22.3. Dissolution

The Society shall be dissolved and/or liquidated in accordance with the procedures set forth in the SACCO Societies Act, the Regulations 2020, the Cooperative Societies Act and the Co-operative Societies Rules.

22.4. Amendment of bylaws

These By-laws may be amended only in accordance with the Co-operative Societies Act and the Co-operative Societies Rules, and the SACCO Societies Act and the Regulations, 2020 made thereunder, provided that –

- a) the Society shall obtain a prior written approval of the Authority before proposing to members any amendments to these By-laws; and
- b) No amendment shall become effective until it is approved and duly registered by the Commissioner.

22.5. ACCEPTANCE

We, the undersigned Board Members of **Uaminifu Savings and Credit Co-operative Society Limited (Regulated Non-WDT-SACCO)** named herein do hereby accept these by laws for and on behalf of the SACCO Society.

NAME AND DESIGNATION	IDENTITY CARD NUMBER	SIGNATURE	DATE
Caroline Wanjiku Mwangi-Mungai Chairperson	9137454		
Charity Wacuka Kabiru Vice Chairperson	11320016		
Teresia Nyambura Wakahia Secretary	21827847		
Vanessa Akinyi Otonda Treasurer	24354062		

OFFICIAL CERTIFICATION

I CERTIFY that the foregoing By-laws of the UAMINIFU Savings and Credit Co-operative Society Limited [**Regulated Non-Withdraw able Deposit Taking SACCO / Regulated Non-WDT-SACCO**] have been approved and duly registered.

Given under my hand at Nairobi this Day of
20.....

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT