

**ABIRIA SAVINGS AND CREDIT
CO-OPERATIVE SOCIETY LIMITED**

BY-LAWS

Abiria Sacco Society Ltd
P.O. Box 41001 - 00100
NAIROBI

Registered 2008

BY-LAWS OF ABIRIA SAVINGS AND CREDIT SOCIETY LIMITED

1. Name and Area of Operation

1.1. This Society shall be called **Abiria Savings and Credit Co-operative Society Limited**, herein after referred to in these By-Laws as “**the Society**” and its area of operation will be in Nairobi, Kenya.

2. Registered Office and Address

2.1. The registered office of the Society shall be situated at **View Park Towers, 10th Floor, Utalii Lane, Nairobi** and registered address shall be **P.O. Box 41001 - 00100, Nairobi**.

2.2. Any change of address of the Society shall be furnished to the Commissioner for Co-operative Development and to all members of the Society within **Thirty (30)** days of notice of change of address.

3. Definition and Interpretation

3.1. “**Applicable Law**”, unless the context otherwise required, words or phrases shall be defined / interpreted in accordance with the Co-operative Societies Act, Chapter 490 and the Co-operative Societies Rules made there under, herein after referred to as “**the Act**” and “**the Rules**” respectively.

3.2. “**Apex Society**”- means a society formed at the national level by the co-operative movement in Kenya and registered under the Co-operative Act to promote co-operative development and represent the interests of co-operative societies locally and internationally.

3.3. “**Commissioner**”- means the commissioner for Co-operative Development.

3.4. “**Common Bond**”- shall mean any unifying factors that bring the members together. In this context it shall mean individuals and organizations approved by a General Meeting.

3.5. “**Delegate**”- means members’ representative elected in accordance with these By-Laws.

3.6. “**Dividends**”- means the share of the Society’s surplus allocated to members or an amount of the profit the organization pays to its shareholders.

3.7. “**FOSA**” – shall mean Front Office Services Activity.

3.8. “**General Meeting**”- means Annual General Meeting or Special General Meeting of the Society.

3.9. “**Management Committee**”- means the persons elected in a duly convened General Meeting to govern the business of the Society as per these By-Laws.

- 3.10. **“Member”**- means a person admitted to membership in accordance with these By-Laws and the Society’s Membership Policy.
- 3.11. **“Member in Good Standing”**- means a member who is current in payment of his required contributions and has not in any way acted in a manner which is potentially damaging to the Society and has fully complied with the policies and rules set forth by the Society.
- 3.12. **“Sacco”** – means Savings and Credit Co-operative Society Limited.
- 3.13. **“Share”**- means the amount representing a member’s portion in the equity of the Society as a co-owner.
- 3.14. **“Special Resolution”**- means a resolution passed by two thirds of the members present and voting at a General Meeting of the Society.
- 3.15. **“Supervisory Committee”**- means an oversight committee elected at a General Meeting and in accordance with these By-Laws.
- 3.16. **“Tribunal”** – Means the Co - operative Tribunal established under Sec.77 of the Act to hear and determine arising under the Act and Rules.
- 3.17. **“Capital”** – means the permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants or donations.
- 3.18. **“Users”** – in the Society shall mean groups and other Co-operative who may from time to time carry out some business with the Society.
- 3.19. **“Employee”**- means persons employed by the Society.
- 3.20. **“Emergency Loan”** - Means a loan whose reason for request would require immediate attention and settlement.

4. Objectives

4.1 The objectives for which the Society is established are:

- 4.1.1 To encourage thrift among its members by affording them opportunity for accumulating their savings.
- 4.1.2 To create a source of funds at a fair and reasonable rate of interest.
- 4.1.3 To provide an opportunity for each of its members to improve their respective economic and social conditions.
- 4.1.4 To provide members with credit for provident and productive purposes.
- 4.1.5 To offer members complementary savings services and other financial products as may be required by the members from time to time.

4.1.6 To ensure safety and soundness of the members funds through a Risk management program or appropriate Insurance coverage.

4.1.7 To ensure the progress of its members by educating them continuously on the proper use of credit.

4.1.8 To perform the functions and exercise the powers designated for Savings and Credit Co-operative Societies under the applicable law for the benefit of its members.

4.2 For the attainment of the above objects, the Society may do all acts and things that are permissible under the Act, the Rules and these by-laws provided that members at a general meeting either specifically or generally approve such acts or things.

5. Co-operative Principles

5.1. In order to achieve the objects for which it is established, the Society shall practice the following principles:-

5.1.1. Voluntary and open membership.

5.1.2. Democratic member control.

5.1.3. Economic participation by members.

5.1.4. Autonomy and Independence.

5.1.5. Education, Training and Information.

5.1.6. Cooperation among co-operatives.

5.1.7. Concern for community in general.

6. Membership Eligibility and Qualification

6.1. A person of either sex shall be eligible for membership if she/he possesses the following qualification and or falls within a membership field consisting of the following common bonds:-

6.1.1. Employee of **Kenya Bus Service Management Ltd** (KBSM) or any other Subsidiary or affiliate firms approved by the General Meeting.

6.1.2. KBSM Franchisees (Bus Owners).

6.1.3. Franchisee's Company director and managers.

6.1.4. Franchisee's, Drivers, Conductors and Other Staff (motor vehicle mechanic, welder, motor vehicle electrician, painter, inspector, etc.) who is confirmed by Franchisee through a letter.

6.1.5. KBSM casual labourers.

- 6.1.6. An employee of the Society but shall not be a member of any committee.
- 6.1.7. Is not less than 18(eighteen) years of age.
- 6.1.8. Is not a member of similar Co-operative in the Kenya.
- 6.1.9. Is of good and proven conduct.
- 6.1.10. Is not directly or indirectly a moneylender, or carrying out such activities detrimental to the objectives of the Society.
- 6.1.11. Is of good character and sound mind.

7. **Membership Composition**

- 7.1. The membership of the Society shall consist of:
 - 7.1.1. Original members who signed the application for registration.
 - 7.1.2. New members subsequently admitted in accordance with these by-laws

8. **Membership Application Forms**

- 8.1. Every applicant for membership shall complete **an application for membership form** as prescribed in these by-laws.

9. **Admission into Membership**

- 9.1. An applicant shall be admitted to membership on being accepted by a simple majority vote of the Management Committee members, but shall not quality to the rights and privileges of membership until he has paid an entrance fee and minimum shares as may be prescribed in the Membership Policy.
- 9.2. There shall be three categories of membership.
 - 9.2.1. **Category A** – these shall be the original members and those falling within the composition of membership under By-Law 6.1.1.
 - 9.2.2. **Category B** - These are the members falling within the composition of membership under By-Law 6.1.2 and 6.1.3.
 - 9.2.3. **Category C** - These are members within the composition of membership under By-Law 6.1.4 and 6.1.5.

10. **Refusal of Membership**

- 10.1. The Management Committee may refuse membership to any applicant giving it/him/her reasons for the refusal in writing, provided the person whose membership has been refused if aggrieved by the decision shall have a right to appeal to the next

General Meeting through a delegate. The decision of the General Meeting on the matter shall be final.

11. Membership Rights

11.1 Subject to these By-Laws, policies, standards, values and procedures, all members shall have the right to use the Society's services and exercise the rights established by the Act, the Rules and the By-Laws. The members are entitled to but not limited to:

- 11.1.1. Receive periodically and regularly, or upon request and at least once quarterly, a statement of account containing a record of the member's credit and debit transactions.
- 11.1.2. Attending and participating in elections within their electoral zones. Each member shall have one vote irrespective of his/her total share holding.
- 11.1.3. Electing representatives to attend and participate at a General Meeting.
- 11.1.4. Elect or be elected as a committee member of the Society unless otherwise prohibited by any other law or these By-Laws.
- 11.1.5. Use the Society's service according to the policies and procedures approved by the Management Committee.
- 11.1.6. Submit projects or initiatives to the Management Committee for the improvement of the Society services.
- 11.1.7. Appointing a nominee.
- 11.1.8. Voting on all matters put before the electoral zone.
- 11.1.9. All other rights as prescribed by the Act and Rules.

12. Member's Obligations

12.1 Members of the Society are obliged to:

- 12.1.1. Attend meetings and take part in decision making.
- 12.1.2. Show good Co-operative Spirit and be faithful and honest in all dealings with the Society.
- 12.1.3. Bring out problems affecting the Society and look for solutions.
- 12.1.4. Participate in Society's projects.
- 12.1.5. Attend Educational Meetings and Seminars organized by the Society or any other organizations approved by the Management Committee.

- 12.1.6. Make use of services of the Society as stated in the objects of the Society.
- 12.1.7. Comply with the Act and its Rules, Society's Policies, By-Laws and General Meeting resolutions.

13. Member Personal Statements

- 13.1 On admission, every member shall have a Members Personal Account (M.P.A.) in which shall be recorded all shares, deposits and loans transactions with the society.
- 13.2 Every member shall receive a 'Member Statement' which shall contain details as to his/her/its and in which shall be recorded his/her/its shares, deposits and loan transactions with the society. The latest member's statement signed by an authorized officer shall constitute a Certificate of Savings, unless it is otherwise proved. The statement shall be sent to every member not less frequently than once every three months.

14 Nominees

- 14.1 Every member of the Society, as a person, may appoint his/her nominee or nominees whom upon his/her death his/her shares, deposits/savings and any other interest shall be transferred to.
- 14.2 The particulars of nominee(s) shall be recorded on Form VII set out in the schedule to the Rules. and shall be signed by the member in the presence of two competent witnesses.
- 14.3 Where more than one nominee is appointed by a member, the member shall specify the amount or proportion of shares to be transferred to each of these nominees. Provided, however, that where no amount is specified each of the nominees shall receive an equal share.
- 14.4 A member desirous of changing his/her nominee(s) may do so at any time provided that such change or alteration is in writing and signed by the member in the presence of at least two competent witnesses.
- 14.5 The nominee form shall be kept in a sealed envelope to be kept in the custody of the Manager or Secretary and whose reference shall be entered in the register of members.

15 Payment to the Nominees

- 15.1 The nominee shall be paid the value of the deceased member's interest less any sum due by the latter, to the Society within sixty days upon receiving official notice of the death of the member. The nominee may also receive payments from the management or from any approval insurance program run by the Society on behalf of the members.
- 15.2 Where any money is paid to a nominee who is a minor, a receipt given either by the minor or by guardian shall be sufficient discharge to the Society.
- 15.3 If for any reason, a member's a nominee does not exist the Society may pay money due of the deceased member to the personal representative or to recognized heirs of that deceased member.

16 Voluntary Withdrawal

- 16.1 Members with no liability or outstanding obligations on the other accounts and no outstanding collateral or guarantee for other member's loans may withdraw from membership at any time without losing vested rights. In spite of losing their status as members, individuals who have withdrawn from membership but still have outstanding loan balances or outstanding guarantees for other members' loans, shall continue being responsible for their respective obligations unless alternative arrangements acceptable to the Society are made.

17 Notice of Voluntary Withdrawal

- 17.1 A member may at any time withdraw from the Society by giving **sixty (60)** days written notice to the Society during which time the Society will settle the member's accounts and refund the members' deposits, provided that it is in compliance with the rules.

18 Cessation of Membership

- 18.1 Membership in the Society shall be terminated upon;
- 18.1.1 Voluntary resignation by the member from the Society,
- 18.1.2 The death of the member,

- 18.1.3 Expulsion from membership of the Society,
- 18.1.4 Becoming of unsound mind,
- 18.1.5 Acting contrary to the relevant provisions of the Act, Rules and these
By-Laws,
- 18.1.6 Losing any of the qualifications set out in these By-Laws.
- 18.1.7 Withdrawing all or part of his/her deposits.

19 Expulsion

- 19.1 The General Meeting may suspend or expel a member who:
 - 19.1.1 Willfully refuses to comply with the Society's By-Laws, policies and contracts and persists in such refusal or failure.
 - 19.1.2** Willfully defaults in the payment of loans or part payment due for a period exceeding **three (3)** months.
 - 19.1.3 Acts in anyway detrimental to the Society's interest or for other just cause.
 - 19.1.4 Is convicted in a court of law for criminal offence involving dishonesty or imprisoned for any other offence for three months or more.
 - 19.1.5 Any other reason approved by the general meeting.

20 Expulsion Procedures

- 20.1 Upon formal and written announcement and proof that a member has committed a violation punishable by expulsion, the Management Committee shall provide written notice to the member stating the reason(s) for the proposed expulsion, and grant the member **thirty (30)** days to prepare a defense. Such a member shall stand suspended from the Society.
- 20.2 Upon expiry of thirty (30) days and taking into consideration the member's defense the Management Committee shall, initiate an administrative inquiry and take a decision on its findings within fifteen (15) days.
- 20.3 A member so suspended by the Management Committee shall have the right to appeal at the next general meeting provided the notice and ground of such appeal have been filed with the Honorary Secretary not less than thirty (30) days before the date of the meeting. The decision of the General Meeting shall be final.
- 20.4 The Management Committee shall make an official announcement regarding any member who is expelled.

21 Payment resulting from withdrawal, termination or expulsion from membership

- 21.1 Withdrawal, expulsion, or termination of membership will not exonerate a member from any existing personal or cluster membership liability.
- 21.2 A member who withdraws or is expelled shall be repaid the following amounts after deduction of any debts owed by him/her to the Society as borrower, endorser, guarantor or otherwise:
 - 21.2.1 The nominal or book value of deposits whichever is less, provided that the Management Committee may require a maximum of sixty (60) days written notice of intention to withdraw deposits.
 - 21.2.2 Any dividends or interest due to him on the date the membership ceased.
 - 21.2.3 Any savings and deposits or other sums.
- 21.3 Members who voluntary withdraw may reapply for admission. Such members will be treated as new members.

22 Society's Funds

- 22.1 The funds of the Society shall consist of:
 - 22.1.1 Entrance fee as shall be provided for in the Membership Policy.
 - 22.1.2 An unlimited number of shares per member as provided in Membership Policy subject to By-Law 24.3.
 - 22.1.3 Deposits or loans from members or non-members.
 - 22.1.4 A reserve fund as required by the law and such other reserves as may be established with the approval of the Management Committee.
 - 22.1.5 Members' contributions to approved schemes, which may include sinking fund
 - 22.1.6 Any donations, grants or gifts from other bodies, organizations or individuals
 - 22.1.7 Any surplus resulting from operation of the Society and funds obtained from other lawful sources.

23 Application of funds

- 23.1 The funds of the Society shall be applied for the promotion of the legitimate objects and purposes of the Society as set forth in these-by-laws and as

determined or approved by the General Meeting in the annual budgetary estimates.

24 Shares/Deposits

- 24.1 With the approval of the Management Committee a member may at any time transfer his shares to another member. Such transfer must be in writing.
- 24.2 A member shall be required to give sixty (60) days written notice or his/her intention to withdraw his/her deposits. A member withdrawing part or all his/her deposits shall be deemed to have withdrawn from the Society.
- 24.3 The nominal value of each share shall be **Kshs.20** and every member shall hold at least the minimum number of shares as stipulated in the Membership Policy of the Society but no member shall hold more than 20% of total shares.
- 24.4 Shares are not refundable subject to the provisions of the Act, the Rules and these By-Laws.

25 Liability of Members

- 25.1 The liability of a member shall be limited to the normal value of the shares held by such a member.
- 25.2 In the event of liquidation, where funds are insufficient to pay the full nominal value of the shares held by the members, the funds shall be distributed pro-rata among the shareholders, according to the amount of shares held by each member.

26 Powers to Borrow

- 26.1 Loans may be obtained from members and non-members, subject to the maximum approved by a General Meeting. The Society may grant a charge over the assets of the Society for any loans taken, provided the same is registered with the Commissioner.
- 26.2 For the necessary security of any loans accepted by the Society under paragraph (a) above, the Society may grant a charge over all assets of the Society.
- 26.3 The rate of interest on deposits, or loans shall not exceed the current market rates, except with the approval of a General Meeting

27 Receipts for Money

- 27.1 Money paid in or out on account of shares, deposits, loans, interest, fee, benevolent contribution or fines shall be evidenced by an entry in the Member's Personal account or issuance of an official receipt, in the name of the Society.
- 27.2 Should the member's personal account or other receipt given to the member by the Society be lost or destroyed, immediate notice of such a fact shall be furnished by the member to the treasurer who may authorize for the issuance of a dedicated member personal account or duplicate receipt.
- 27.3 The treasurer may require the member to sign an indemnity to protect the Society against any loss due to the issuance of such duplicate. The treasurer may also require payment to the Society of a reasonable charge to cover the cost of issuing the duplicate member in the duplicate member personal account.

28 Statutory Reserve Fund

- 28.1 The Society shall maintain a statutory reserve fund in pursuance of the provisions of the applicable law.
- 28.2 The reserves shall be credited with a 20% of the net surplus of each financial year. Such a fund shall be invested or deposited in a manner as prescribed in section 45 of the Act.
- 28.3 No withdrawal shall be made from the reserve fund without the consent in writing from the Commissioner and such withdrawal shall be made good from net available surplus resulting from operations of the society during subsequent financial years.
- 28.4 The reserve fund shall be indivisible and no member shall claim a specific share of it.
- 28.5 The reserve fund shall be kept in a separate account to be known as reserve fund account.
- 28.6 The society shall cause an annual audit for the reserve fund.

29 Governing Structure

- 29.1 The governing structure of the Society shall comprise the General Meeting that has the overall control of the Society, the Management, Staff, Electoral Zones and delegates.

- 29.2 The members of the electoral zone shall elect their representatives (delegates) who shall constitute the General Meeting.

30 Electoral Zones

- 30.1 The Society shall have electoral zones as may be established by the Management Committee from time to time.
- 30.2 The members of each electoral zone shall be represented by such number of delegates as may be provided for in the Membership Policy and elected in accordance with these By-Laws.
- 30.3 Every member shall belong to one electoral zone provided that a member may be served at the head office or any branch that the Society may establish.

31 Establishment of Electoral Zones

- 31.1 The Management Committee shall establish the electoral zones and review them annually. The review shall among other things consider geographical location of the members, category of memberships and member's characteristics.
- 31.2 All electoral zones shall a minimum of one delegate and a maximum of 10.

32 Delegates Election

- 32.1 The delegates shall be elected for a term of one year and may be eligible for re-election provided that the sitting Management Committee members shall not be subjected to elections as delegates until their term of office lapses.
- 32.2 No member shall be eligible or qualified to be elected as a delegate if he/she:
- 32.2.1 Is not a member of the Society.
 - 32.2.2 Is an undischarged bankrupt.
 - 32.2.3 Is of unsound mind.
 - 32.2.4 Is an employee of the Society.
 - 32.2.5 Has not attained minimum shares and deposits of Kshs.50,000/= and above.
 - 32.2.6 Has not attained a minimum of 'O'-level of education or its recognized equivalent.
 - 32.2.7 Has been a defaulter for three months or more.
 - 32.2.8 Has been adversely named in an inquiry report of the Commissioner.

- 32.3 Provided that the Management Committee may grant a waiver on item (32.2.5) above where all members of particular electoral zone are new.

33 Duties and Responsibilities of Delegates.

- 33.1 It shall be the responsibility of every delegate to:
- 33.1.1 Attend General Meetings when convened, in order to exercise their democratic rights and those of the members they represent.
 - 33.1.2 Attend education forums organized by the Society for members or delegates.
 - 33.1.3 Educate members about the Society matters in general.
 - 33.1.4 Recommend and forward membership withdrawal cases to the Society for processing.
 - 33.1.5 Receive complains and recommendations from members and forward the to the Management Committee for action.
 - 33.1.6 Act as a liaison between the Society and its members.
 - 33.1.7 Elect committed and visionary leaders as officials of the Society.
 - 33.1.8 Market the Society's activities to enhance its corporate image.
 - 33.1.9 Provide information about the status of the member that may affect the Society.
 - 33.1.10 Perform such other duties and responsibilities as may be directed by the Management Committee from time to time.

34 General Meetings

- 34.1 The Supreme Authority of the Society shall be vested in a General Meeting of delegates elected in a manner prescribed in these By-Laws. The delegates shall have the right to attend, participate and vote on all matters during the meeting. Such meetings shall be held as follows:-
- 34.1.1 The Annual General Meeting shall be held every year within one hundred and twenty (120) days of the close of the financial year to undertake such business as is laid down in these By-Laws and the Act.
 - 34.1.2 Any business not completed in the Annual General Meeting may be taken up at a subsequent Special General Meeting, or the next Annual General Meeting subject to provisions of the Act.
 - 34.1.3 A Special General Meeting shall be held:-

34.1.3.1 When convened by the Management Committee or Commissioner in accordance with provisions of the Act and Rules.

34.1.3.2 Within fifteen (15) days of receipt of a written request from at least 1/3 of the delegates stating the objects and reasons for calling the meeting. The signed request shall be deposited in the registered office of the Society.

34.1.3.3 If the committee fails to convene a meeting within 15 days of receiving the notice under subsection 34.1.3.2 above, the delegates demanding the meeting may themselves convene the meeting by giving notice to other delegates of the society, stating the objects and reasons for the meeting and the fact that the committee has failed to convene the meeting.

35 Notice of Special or Annual General Meeting

35.1 A notice of at least fifteen (15) days' notice shall be given to all delegates. The Honorary Secretary shall take all possible and usual steps such as announcement at public meetings, posting a notice on the Society's Notice Board or, an advertisement in the local newspaper or newssheet, to inform all persons entitled to attend of the date, venue and main business of the meeting. All written notices shall include statement of the business to be dealt with.

35.2 The Society may use modern information and communication technology and send messages electronically in such forms as emails and short text messages. Such form of invitation shall not invalidate a meeting.

36 Quorum

36.1 Except when convened by the Commissioner, the presence of at least 30 delegates or a quarter of the total number of delegates, whichever is less, shall constitute a quorum for the conduct of the business at a General Meeting. When it is not attained, the Chairman shall adjourn the meeting and fix a date within one month of the adjourned meeting, which shall be advertised as prescribed in these By-Laws. If at such a meeting a quorum is not attained the Chairman shall declare the meeting open with those present thirty (30) minutes after the advertised time of the meeting.

36.2 Members who fail to attend meetings without being excused thereof, and those arriving late for meetings, shall be liable to fines as shall be provided for in the Membership Policy and general meeting resolutions.

37 Required Majority

37.1 The motion to revoke the specific decision taken by the Management Committee or to remove a committee member from office whose term of office has not expired, so long as the vote of no confidence is supported by at least half of the delegates of the Society.

37.2 Amendments of these By-Laws shall be approved by a vote of the majority delegates present and voting at a general meeting.

37.3 Any other motion put to delegates at a general meeting shall be approved by simple majority of votes provided that a special resolution shall require at least 2/3rd (two third) of the delegates present and voting in favor of the motion.

38 Enforcement of Decisions

38.1 A decision taken by the General Meeting shall be binding on all delegates and members present and absent and objecting.

39 Chairman at Meetings

39.1 The Chairman, or in his absence, the Vice-Chairman shall preside in every General Meeting and in their absence, any committee member elected by a majority of the committee members present shall preside, failing which any person elected by a majority of those present shall preside.

40 Identification of Members

40.1 Before they may attend or vote in a General Meeting, each member shall be required to produce evidence of membership or identify himself in some other satisfactory manner.

41 Power and Duties of Annual General Meeting

- 41.1 The Annual General Meeting shall have the powers and duties prescribed in the past rules and these By-Laws and shall:
- 41.1.1 Confirm the minutes of the previous meetings.
 - 41.1.2 Elect committee for the ensuing year.
 - 41.1.3 Consider and decide upon the maximum borrowing powers of the Society.
 - 41.1.4 Consider and approve estimates of income and expenditure for the ensuring financial year or part thereof.
 - 41.1.5 Appoint the Society's bankers, advocate and auditors .
 - 41.1.6 Receive reports and decide upon matters as may be necessary for the conduct of the Society business.
 - 41.1.7 Consider the statement of account, the Auditors report and the reports of the committee on the activities of the Society during the past financial year
 - 41.1.8 Confirm or otherwise consider actions taken by the committee and give direction to committee where necessary.
 - 41.1.9 Elect, suspend or remove members of the Management Committee and Supervisory Committee provided that proper notice and the purpose of the agenda have been given in advance.
 - 41.1.10 Consider appeals against the expulsion of members and refusal of membership by the Management Committee.
 - 41.1.11 Fix the maximum liability which the Society may incur in loans or deposits from non-members.
 - 41.1.12 Fix the honoraria, bonus and other allowances if any, for committee or employees.
 - 41.1.13 Receive, deliberate and make decision on commissioner's report, if any.
 - 41.1.14 Fix indemnity amount to be filled by committee members.
 - 41.1.15 Transact any other general business of the Society of which notice has been given to the members as prescribed in the By-laws.

42 Minutes

- 42.1 All business at the general 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 committee member who as present at the meeting to verify

that, in their opinion, the minutes are true and are a complete record of all important matters which were discussed or decided at the meeting.

- 42.2 At the next immediate similar meeting the Chairman shall be authorized to sign and date the final records below the above signatures and not as alterations to be original record.

43 Management Committee

- 43.1 The Management Committee shall be elected by and from the delegates and shall consist of nine members. The committee shall include the Chairman, Vice Chairman, Treasurer and Secretary all of whom shall be elected by and from the members of the committee by secret ballot or consensus.
- 43.2 A third of the committee shall be of either gender where applicable.

44 Tenure of Office

- 44.1 The Management Committee of the Society shall be elected for a term of three years subject to a 1/3rd (third) or a number next to a 1/3rd(third) of the Committee Members retiring each year on rotational basis except the Chairman and Vice chairman who will be retiring in the third year. All retiring members shall be, however, eligible for re-election.

45 Removal of Committee Member(s)

- 45.1 The majority members of a committee may for good cause suspend a committee member subject to ratification by a general meeting.
- 45.2 Elected member of a committee whose term has not expired shall be removed only by a two-thirds majority of delegates of the Society present and voting at a general meeting.
- 45.3 If a general meeting removes a member of a committee, it shall forthwith elect a new member who shall hold office for the remainder of the term of the member so removed and where the entire committee is removed from office, the general meeting may decide to elect or fix a day for election of an interim committee of not more than five members to hold office for a period not exceeding ninety days
- 45.4 If a member of the Board fails to attend three consecutive meetings without being excused there from or otherwise fails to perform his duties, his position may be declared vacant and the vacancy filled as provided in these By-laws.

46 Elections

- 46.1 Delegates' elections will be done every year at least 15 days before the general meeting.
- 46.2 Delegates will be elected by members at their respective electoral zones.
- 46.3 Election of Board of Directors members shall be conducted at general meetings; these elections will be conducted in accordance with the current provisions of the Cooperative Society Act, By-laws, Membership Policy and any subsidiary guidelines issued by the Commissioner for cooperative development from time to time.
- 46.4 The presiding officer shall call for nominations from the floor at the general meeting and members thus nominated shall be voted upon, except if a nominee declines.

47 Election Procedures

- 47.1 All elections shall be by show of member's hands unless the majority of delegates present specifically request for secret ballot.
- 47.2 No delegate shall be entitled to vote by proxy.
- 47.3 Irrespective of the number of Shares held by him, no delegate shall have more than one vote.
- 47.4 The presiding officer shall announce the election results immediately.
- 47.5 Within 7 days of these elections, the Secretary shall forward the names and addresses of all persons elected to office to the Commissioner.

48 Eligibility into the Committee

- 48.1 No member shall be eligible for election into the Management Committee unless he/she has been a member of the Society for the immediate six (6) months preceding the General Meeting.
- 48.2 No body shall be eligible to be into the Management Committee if he/she:
 - 48.2.1 Is delinquent in his loans for 30 days or more within the six months prior to the elections, or has any uncleared debt to the society at the end of the society's financial year.
 - 48.2.2 Is not a member in good standing.
 - 48.2.3 Is of unsound mind.

- 48.2.4 Is unable to provide indemnity of an amount approved by a General Meeting from time to time within fourteen (14) days after being elected
- 48.2.5 Is a member of an existing committee and becomes delinquent and does not make good the default within a period of thirty (30) days.
- 48.2.6 Does not conform to minimum qualification standards established by the Society and the Commissioner in the prescribed manner.
- 48.2.7 Is unable to read and write.

49 Functions and Responsibilities of the Management Committee

- 49.1 The Management Committee shall be the Governing authority and subject to any directions from the General Meeting, it shall direct the affairs of the Society. Its procedure, powers and duties shall be as prescribed in the Act and Rules, and in particular, it shall:
 - 49.1.1 Observe in all its activities the Act, Rules and these by-laws.
 - 49.1.2 Generally direct and monitor the affairs of the Society.
 - 49.1.3 Act upon all applications for membership unless a membership officer is appointed to do so.
 - 49.1.4 Ensure that true and accurate records and accounts are kept of the Society's money, and its properties, capital reserves, liabilities, income and expenses.
 - 49.1.5 Recommend to general meeting interest rates to be charged on loans to members and the maximum amounts that may be loaned with or without security to any member.
 - 49.1.6 Lay before the Annual General Meeting a balance sheet and final account and budget for the following year.
 - 49.1.7 Recommend to the Annual General Meeting the rate of dividend to be paid on shares, interest on members deposits, honorarium and bonus .
 - 49.1.8 Fill vacancies occurring in the managing committee, education committee, credit committee, finance committee, Savings committee and other sub-committees of the Society between the general meetings.
 - 49.1.9 Authorize investments of the Society's funds in the manner approved by a resolution at a general meeting of members.
 - 49.1.10 Authorize the sale of Society's property in the manner approved by a resolution at the general meeting of members.

- 49.1.11 Authorize borrowing and lending operation of the Society in accordance with the Act and Rules.
- 49.1.12 Designate a depository, or depositories, for the funds of the Society.
- 49.1.13 Appoint, suspend or dismiss any employ of the society and supervise their work subject to the provisions of the Act and the terms and conditions of service for such employees as approved by the Commissioner.
- 49.1.14 Impose fines.
- 49.1.15 Approve transfers of shares between members.
- 49.1.16 Determine the interest rates, which shall be paid on deposits.
- 49.1.17 Review monthly delinquency reports and supervise the collection of loans to members and authorize the write-offs of uncollectible accounts.
- 49.1.18 Affiliate and maintain liaison with any other apex Society.
- 49.1.19 Authorize capital expenditure in accordance with the approved budget.
- 49.1.20 Offer new services and pricing policies.
- 49.1.21 Set policies.
- 49.1.22 Report to the General Meetings on their activities and actions.
- 49.1.23 Perform such duties as necessary to preserve the sound management of the Society.
- 49.1.24 Perform or authorize any action consistent with the Act, Rules and these by-laws unless specifically reserved for the general meeting.

50 Legal Standard of Care

- 50.1 In the conduct of the affairs of the Society the members of the 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 which are contrary to the Act, rules and by-laws of the Society or the directions of any general meeting.

51 Delegation of Duties

- 51.1 The Management Committee may delegate in writing to an officer or employee of the Society such of its duties, as it deems necessary.
- 51.2 Nothing in (a) above shall absolve the committee meeting from it responsibility of running the affairs of the Society in proper and business like manner. The Management Committee must ensure full control.

52 Records of Committee Meetings

52.1 All business discussed or decided at Committee meetings, shall be recorded in a minute book which, within one week of the meeting, shall be signed by the Chairman and at least one other committee 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 meeting next meeting, after approving any alternation 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.

53 Sub – Committees

53.1 The Management Committee may appoint such a number of sub-committee as may be deemed necessary. Members in Sub-committees shall be drawn from the Management Committee and no executive officer shall be elected into the Credit Sub-committee.

54 Delegation to Sub-Committee

54.1 The Management may delegate to the sub-committee any of its powers and duties under the by-laws, as it deems fit and proper.

55 Vacation of Office by a Committee Member

55.1 A member of the Management Committee, shall cease to hold office if he ceases to be a member of the Society or if he/she resigns or is not re-elected back at the time of retiring or is suspended as member.

56 Executive Officers

56.1 The Chairman, Vice-Chairman, Hon. Treasurer and Hon. Secretary shall be termed “Executive Officers”. The Executive Officers shall be elected at a meeting of the Management Committee within 7 days after the Annual General Meeting.

57 Chairman and Vice Chairman

- 57.1 Power and duties of the Chairman shall be:
- 57.1.1 Convene all the meetings of the society.
 - 57.1.2 Prepare or cause to be prepared the agenda of the meetings.
 - 57.1.3 Chair the meetings and control the business to be transacted at such meetings.
 - 57.1.4 Direct the affairs of the society in conjunction with other elected officials.
 - 57.1.5 Enforce all rules made by the committee and the general meetings.
 - 57.1.6 He shall perform such other duties as the Management Committee may direct.
 - 57.1.7 In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman.
 - 57.1.8 In absence of both the Chairman and his vice, the meeting shall appoint one of the members to chair that day's meeting.

58 Honorary Treasurer

- 58.1 The duties of the Honorary Treasurer are:
- 58.1.1 Generally to manage or cause to be managed the financial affairs of the Society in a competent and efficient manner.
 - 58.1.2 To maintain full and complete records of all assets, liabilities and books of account.
 - 58.1.3 To ensure the safekeeping of the Society's money, securities and books of account.
 - 58.1.4 To ensure that all payments and expenditures are duly authorized.
 - 58.1.5 To ensure compliance with all directives of the Management Committee.
 - 58.1.6 Forward to the commissioner necessary returns as required by the Act and the Rules.
 - 58.1.7 To perform such other duties as may from time to time be assigned by the Management Committee.

59 Honorary Secretary

- 59.1 The duties of the honorary secretary are:

- 59.1.1 To ensure the proper record of minutes of the Management Committee meetings and General meetings.
- 59.1.2 To ensure that the Society's correspondence is promptly and correctly attended to.
- 59.1.3 To ensure the communication of notices of meetings to the members, committee, commissioner and the auditor
- 59.1.4 To perform such other duties as may from time to time be assigned by the Management Committee.

60 The Manager

- 60.1 Where the Society appoints a manager, he shall be the Chief Executive and the Society's Management Committee shall assign his powers and duties and in particular his duties shall be:
 - 60.1.1 To manage the affairs of the Society in a competent manner in consultations with the executive officers.
 - 60.1.2 To keep or cause to be kept proper books of records and registers.
 - 60.1.3 To attend Management Committee meetings and the General Meetings in an advisory capacity but to have no voting rights.
 - 60.1.4 To prepare and analyze on a quarterly basis the Society's business plan and budget, in comparison with actual performance.
 - 60.1.5 To provide information required by the Supervisory Committee in time.
 - 60.1.6 To represent the Society in business transactions and any other transactions as authorized by the Management Committee.
 - 60.1.7 To propose to the Management Committee of new positions arising at the Society and the revision of the salary schedule for all the Society's staff.
 - 60.1.8 To implement recommendations set in the report and those issued by the Supervisory Committee.
 - 60.1.9 To ensure on monthly basis the accounting records are in agreement with the bank and the individual accounts, subsidiaries are up-to-date and ensure statement, balance sheet and delinquency list are complete and correct. Ensure that the account records are maintained in accordance with internationally accepted accounting principles and standards.

- 60.1.10 To ensure that adequate insurance is in place for all employees, officials and property of the Society.
- 60.1.11 To direct and supervise the administration and processing of loans applications.
- 60.1.12 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 the Society.
- 60.1.13 To Countersign Society documents.
- 60.1.14 For the above purposes, the Manager shall consider:
 - 60.1.14.1 Costs, particularly those related to member savings dividends, the allowances for loan loss, and operating expenses.
 - 60.1.14.2 The need for a strong capital position, which is essential for Saco long-term viability and future growth.
 - 60.1.14.3 The competition's pricing structure, given the competitive nature of the financial market.
- 60.1.15 To assist the Management Committee with determining acceptable types of collateral that can be used to secure the SACCO's loans.
- 60.1.16 To ensure there is adequate liquidity to meet demands, savings withdraw and operating expenses.
- 60.1.17 To ensure drawing up and updating of job descriptions of all committees of the Society and safe guard the property of the Society.
- 60.1.18 To perform such other duties as may from time to time be assigned by the Management Committee.

61 Finance Sub-Committee

- 61.1 There may be a Finance Sub-Committee, which shall consist of three members of the management including the treasurer of the Society who shall chair the Committee.

62 Duties of Finance Sub-Committee

- 62.1 The Finance Sub-Committee shall be in charge of the money received and disbursed by the Society and its duties shall include:-
 - 62.1.1 Advising the Management Committee on the financial position of the Society.

62.1.1.1 Supervising the loan recovery process.

62.1.1.2 Deliberation on the monthly cash flow and budget.

62.1.2 Overall responsibility for budgetary control and preparation of financial results.

63 Credit Sub-Committee

The Credit Sub-Committee shall consist of three members of the Management Committee but none of them shall be executive officers. The Credit Sub-Committee shall be chosen at a meeting of the Management Committee within 7 days after each General meeting for a term of one year. The Management Committee shall see the minimum qualifications for the credit committee membership.

64 Meeting of Credit Sub-committee

64.1 The Credit Sub-Committee shall hold such meetings as the business of the Society may reasonably require, but not less frequently than once a month.

65 Duties of Credit Sub-Committee

65.1 The Credit Sub-Committee shall design, monitor and review the Loan (Lending) Policy of the Society.

65.2 The Credit Sub-Committee shall inquire fully and diligently into the character and financial conditions of each applicant for a loan and his guarantors, if any, to ascertain his/her ability to repay fully and promptly the obligations incurred by him/her, and to determine whether the loans are for a worthy purpose and will be of probable benefit to the borrower.

65.3 The Credit Sub-Committee must keep records of its actions.

65.4 The Credit Sub-Committee may report to the Management Committee as the management may require.

66 Education Sub-committee

66.1 The education committee shall consist of three members of the Management Committee including the vice-Chairman of the Society who shall be the Chairman.

67 Duties of Education Sub-Committee

- 67.1 The function of the Education committee shall be to:-
- 67.1.1 Organize, facilitate and promote members committee members education.
 - 67.1.2 Organize, promote and oversee staff training and Society members.
 - 67.1.3 Ensure production and acquisition of literature including periodicals magazines, brochures.
 - 67.1.4 Promote distribution and interpretation of these by-laws to members.
 - 67.1.5 Arrange for education tours in liaison with other members of the Management Committee.
 - 67.1.6 Advise the Management Committee and update members on all matters of education and information.
 - 67.1.7 Ensure allocation of funds for education purposes and apply the funds for the benefit of the Society.
 - 67.1.8 Prepare periodic reports on education and information and publicize the same for the benefit of members.
 - 67.1.9 Identify, collect, disseminate and publish co-operative news for the benefit of members.
 - 67.1.10 Any other duties assigned by the Management Committee.

68 Supervisory Committee

- 68.1 There shall be a Supervisory Committee consisting of three members who must not be employees of the SACCO or serving on the Management Committee or any other Committee of the Society.
- 68.2 The General Meeting, to which authority it shall report, shall directly elect the Supervisory Committee.

69 Election of the Supervisory Committee

- 69.1 The members at the Annual General meeting shall elect the Supervisory Committee.
- 69.2 Eligibility of this committee shall be the same as those of the members of the Management Committee. In addition, the supervisory committee members shall be expected to have at least basic accounting knowledge.

- 69.3 Team of office of the committee will be three (3) years subject to one of the members retiring annually but shall be eligible for re-election.;
- 69.4 At least one of the members in the Supervisory Committee shall represent members from Category A.

70 Powers and duties of Supervisory Committee

- 70.1 The Supervisory Committee shall exercise the following powers and duties:
- 70.1.1 Evaluate programmes of the Society.
 - 70.1.2 Check minutes of the Management Committee meetings for policy matter following the stated objectives.
 - 70.1.3 Ensure the proper interpretation of all policies, By-laws, Co-operative Societies Act and Rules, Annual General Meeting resolution, decisions of the Management Committee and their implementation.
 - 70.1.4 Confirm cash regularly and reconcile with the records.
 - 70.1.5 Check bank accounts statements and their reconciliation.
 - 70.1.6 Check balance sheets and income and expenses statement to ensure they are correct.
 - 70.1.7 Make passbook audits.
 - 70.1.8 Check loan applications and note exceptions if any.
 - 70.1.9 Verify investment in Banks, KUSCCO, Building Societies, Insurance firms, Stock and Shares, amongst others.
 - 70.1.10 Check delinquent loans among the Management Committee and Society members and ensure that those concerned are informed.
 - 70.1.11 Analyze expenses of the Society.
 - 70.1.12 Check dividends, interest on deposits and loan payment.
 - 70.1.13 Ensure that the Standardized Accounting System is implemented in the Society.
 - 70.1.14 Make regular review of the Budget.
 - 70.1.15 Prepare and present reports to the Management Committee and Commissioner quarterly and to General Meeting annually.
 - 70.1.16 Co-operate and seek assistance from the Society Manager and Internal Auditor where necessary.
 - 70.1.17 Monitor if SACCO Management Committee members and Staff serve the interest of the SACCO and the members in general.

70.1.18 Receive the reports of the external auditor and take action on the same or recommend for action by the General Meeting.

70.2 The Supervisory Committee members shall prepare, maintain, and keep custody of all the records of all actions taken, including written evidence of any audit performed by the committee.

70.3 In case the Supervisory Committee requires the service of an expert to assist them in a specific job, the fee of the expert shall be determined by the Management Committee based on the Budget of the SACCO approved by the General Meeting.

71 Authority of Supervisory Committee

71.1 Without intervening in the administrative functions outside its control and supervision, the Supervisory Committee is responsible for Society's compliance with the internal control system installed in the Society.

71.2 It is also responsible for the truth and accuracy of the Society's financial condition and for making sure that the Society's administrative practices and procedures are adequate and can safeguard the members' rights and interests.

71.3 Their normal meeting shall be quarterly.

71.4 The Supervisory Committee shall be a compulsory body in the internal supervision of the Society.

72 Liability of Supervisory Committee

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

73 Books and Records

73.1 The Society shall keep up-to-date and in a proper business-like manner accounts and such books as the Act and Rules may require from the time to time. The following books shall be kept by the Society.

73.2 A register of members showing in respect of each Society member:

73.2.1 The name, age, date, of application for membership address and occupation.

- 73.2.2 The date on which he ceased to be a member.
- 73.2.3 Particulars of his nominee if any in a sealed envelope.
- 73.3 Minute book giving details of proceedings of the Management Committee, Supervisory Committee, sub-committees and the General Meetings.
- 73.4 A cash book giving details of all monies received and all monies expended or paid out by the Society.
- 73.5 Ledgers containing such accounts as are necessary to properly record the transactions of the business of the Society.
- 73.6 A personal ledger for each member showing his transactions with the Society.
- 73.7 An assets (property) register.
- 73.8 A stock control ledger.
- 73.9 A register of charges showing details of every charges created by the Society, the amount of the charge and the person entitled thereto.
- 73.10 A register of loans to members showing in respects of each loan the name of the borrower, the amount borrowed the purpose of the loan, the due date of repaying and the date the repayment is made.
- 73.11 A ledger showing deposit and withdrawals made by the members.
- 73.12 A guarantor's controls register the amount of loan, interest rates and other collateral.
- 73.13 A copy of the Co-operative Societies Act, Rules and By-Laws.
- 73.14 A certificate of registration of the Society visibly displayed in the office.
- 73.15 Copies of monthly financial accounts and statements.
- 73.16 Copies of the loan policy.
- 73.17 Such other books and records as the committee may decide or commissioner may prescribe.

74 Financial Year

- 74.1.1 The financial year of the Society shall be the Calendar Year (from 1st January to 31st December).

75 Regulations

- 75.1 The Management Committee may make such regulations not inconsistent with these By-Laws, as they deem 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 Management Committee, subject to prior approval by a General Meeting.

76 Conflict of Interest

- 76.1 Every committee member and employee of the Society shall be required, before taking part in any business transaction which the Society, may be about to discuss or initial to disclose any personal interest in the matter.
- 76.2 The committee member or employee shall not take part in any discussion or vote upon that item of business.
- 76.3 The committee member or employee shall physically absent himself/herself from the discussion unless it is determined that the individual has relevant information to provide.
- 76.4 Failure to divulge this information shall result in removal from office or termination of employment.

77 Authorization to sign Documents

- 77.1 The Chairman, Vice-Chairman, Hon. Secretary and Hon. Treasurer and only one designated Society employee shall be signatories for the Society official documents and cheques.
- 77.2 Unless otherwise provided, the documents of the Society shall be deemed official provided they carry the Official Stamp and any three designated signatures referred to above.
- 77.3 The books of accounts and all the Society's records shall be permanently at the disposal of the Management Committee, Supervisory Committee and the Commissioner.
- 77.4 Information from the records shall be kept confidential.

78 Disposal of Surplus

- 78.1 Subject to the Act and Rules and approval by the General Meeting, the net surplus resulting from the operations of the Society during any financial year shall be disposed off as follows:-
 - 78.1.1 Not less than 20% shall be credited to the Statutory Reserve Fund
 - 78.1.2 Provisions for doubtful loans shall be from the surplus each year until 100% of the required amount has been reached.

78.1.3 If capital is less than 10% of the total to assets, then the statutory Reserve contribution shall be equal to 30% of the surplus.

78.1.4 The balance may be disposed off as the Management Committee may recommend including:

78.1.4.1 Paying dividends/rebates on shares/deposits.

78.1.4.2 Paying it into the institutional capital which no member has a claim.

78.1.4.3 Being carried forward to an Education fund or other funds of the Society, including the appropriation accounts.

78.1.5 An amount not exceeding 10% of the remaining net balance may be paid to any charitable purpose.

78.1.6 Paying a gratuity or honoraria, bonuses, allowances and other allowances determined by the General Meeting.

78.1.7 In any other way approved by the General Meeting.

79 Loans to Members

79.1 All loans shall be recommended by the Credit Committee and shall be restricted to members. Such loans shall be adequately secured and guaranteed by at least three members of good standing.

79.2 The General Meeting as recommended by the Management Committee shall fix the rate of interest on loans. The rate fixed shall not at any time exceed the average prevailing market rates.

79.3 All loans shall be applied for on forms provided by the Society for the purpose. The loan application form shall be signed by the member and in each case shall set forth the amount applied for, the purpose for which the loan is desired, the terms of payment, the collateral if any, and such other information that the management may require.

79.4 The Management Committee may require a member to sign a chattels instrument in a prescribed form if the loan applied for requires further security other than the member's deposits, guarantors and shares. Such decision shall be made in full

Management Committee meeting on recommendation of the Credit Committee and Manager.

- 79.5 All applications for loans and the reports of the Credit Committee thereon, shall be filed as permanent record of the Society.
- 79.6 The Committee shall consider loan applications in order in which each application is made unless the loan is an “Emergency Loan”.
- 79.7 The Committee may require an applicant to appear before it personally to be interviewed in respect of his application for a loan.
- 79.8 All loans made by the Society and all the terms of such loans shall be approved by a majority of the Management Committee. Any applicant whose loan is not recommended by the Credit Committee may appeal in writing to the Management Committee; the Management Committee may affirm, reverse or modify the denial within thirty (30) days after the written appeal is filed.
- 79.9 No loan shall be made to any member in excess of the Society’s maximum limit or for a period exceeding the one contained in the Loan Policy.
- 79.10 Loans may be granted to Executive Officers and the Committee members of the Society provided that:
- 79.10.1 The loan complies with the By-Laws and the Loan Policy and is not in terms more favorable than those extended to other borrowers.
- 79.10.2 The loan is recommended by the Credit Committee and thereafter approved by the Management Committee.
- 79.10.3 The applicant takes no part in the consideration of his application and does not attend the Credit or Management Committee meeting at which his application is being considered.
- 79.11 The Society shall prepare a Loan Policy to act as a guide in loan issuing. The policy shall be regularly updated and approved by the General Meeting.

80 Security for Loans

- 80.1 The Credit Committee shall ask for such security for loans as it may deem necessary. The shares, salary, guarantors and deposits of a member may be accepted as security.
- 80.2 In the event that a borrower is delinquent for a month the Committee will give him a warning letter with a copy to the guarantors.

- 80.3 Where he is delinquent for two months, he will get a second letter with copies to guarantors warning him that if he has not corrected the situation at the end of the third month, it would be recovered from his guarantors, his deposits or shares or all of them.
- 80.4 Where there is after 90 days, continued delinquency, the committee may off-set the loan balance from the shares and deposits of the loanee and from any other funds that may be due to him/her from the employer. The committee will also call upon the guarantors to make good any deficit on the loanee's account.
- 80.5 The committee may refuse to accept as guarantor a person who himself is in receipt of a loan, or whose financial commitments are precarious and may be deemed as an unreliable guarantor.
- 80.6 A borrower or a guarantor may apply to the credit committee for a change of guarantor provided the Credit Committee may on its own accord for good reason demand a change or increase of guarantors.
- 80.7 All Committee members will not act as guarantors to any loans.

81 Repayment of Loan

- 81.1 A borrower may, on any day, which the Society is open for business, repay his loan in whole or in part prior to maturity, provided that a member's monthly contribution of deposits shall not be less than the minimum approved by a general meeting.
- 81.2 At every regular meeting of the Management Committee, the item **loans** shall appear on the agenda. At the meeting, the Hon. Treasurer shall present an upto date listing of delinquent borrowers showing:
- 81.2.1 Name of borrower
 - 81.2.2 Account Number
 - 81.2.3 Date of loan granting
 - 81.2.4 Date of last payment
 - 81.2.5 Unpaid balance of loan and interest accrued thereto.
 - 81.2.6 Number of months delinquent.
 - 81.2.7 Borrower's share and deposits balance
 - 81.2.8 Security, guarantors, if any or if applicable
- 81.3 The Management Committee shall thereupon take action to collect the overdue accounts.

82 Common Seal

- 82.1 The Society may adopt a Common Seal bearing the words “**ABIRIA SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD**”.
- 82.2 The Seal shall be kept securely under lock and key by the Management Committee or a 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.

83 Disputes

- 83.1 Any dispute arising out of these By-Laws concerning the business of the Society that cannot be settled amicably by the Committee or the general Meeting shall be referred to an arbitrator appointed by the Management Committee and if the dispute cannot be sorted amicably by an arbitrator, it shall be referred to the Tribunal.
- 83.2 For the purpose of this By-Law, a debt owed by a member to the society or vice versa, shall be regarded as a dispute.

84 Fines

- 84.1 For any breach of these By-Laws, lawful order, or instructions issued by the Management Committee in pursuance of General Meeting resolutions, the defaulting member may be fined an amount not exceeding **Kshs 20,000** for the offence.

85 Payments

- 85.1 The Society may, upon approval of the General Meeting pay any of its officers or members such Honorarium, Salary, Commission or other payment, subject to the provisions of the approved Budget for the financial year, provided that no expenditure shall be authorized by the Management Committee for payment unless it is provided for in the estimates formally approved by a General Meeting.

86 Confidentiality

- 86.1 The executive officer, members of the committee and employees of the Society shall hold in strict confidence all transactions of the Society with its members, and all information respecting their personal affairs, except to the extent declared necessary by the Management Committee in connection with the loans and the collection thereof.

87 Conflict of interest

- 87.1 No executive officer, committee members or employees of the Society shall in any manner participate in the deliberations upon or determination of any issues affecting his own financial or personal interest. In the event of disqualification of any such executive officer, committee member present at the meeting if constituting a quorum with the disqualified person may exercise with respect to the matter, all the powers of the committee.
- 87.2 Failure to declare interest shall result in removal from office or termination of employment.

88 Amendment of By-Laws

- 81.1 These By-Laws may be amended in accordance with the procedure set in the Act and the Rules, provided that no amendment shall become effective until it is approved and registered by the Commissioner.
- 81.2 A copy of Society's By-Laws shall be furnished to every member upon payment of a fee not exceeding its actual cost to the society.

89 Inspection of Documents

- 89.1 All books of accounts and other records shall at all times be available to the members and the Committees of the Society. The Act, Registration Certificate, these By-Laws and a list of the Society's members excluding details of nominees and shares holding or loans shall be available for inspection by any member free of charge at all reasonable time during business hours.

90 Dissolution

- 90.1 The Society may be dissolved in accordance with the procedures set forth in the Co-operative Societies Act and Rules made there under.
- 90.2 In the event of liquidation, the assets of the Society shall be realized, all liabilities shall be paid, all savings shall be refunded to the members and any surplus thereafter shall be apportioned to each member in proportion to the value of each member's savings at the date of liquidation.

91 Acceptance

WE, THE UNDERSIGNED EXECUTIVE COMMITTEE OFFICIALS OF ABIRIA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED, DO HEREBY ACCEPT AND ADOPT THESE BY-LAWS FOR AND ON BEHALF OF THE SOCIETY TOGETHER WITH ANY CHANGES OR ALTERATIONS THAT HAVE BEEN INITIATED, AMENDED OR SIGNED BY US.

	SIGNATURES	DATE
Name:

CHAIRMAN

Name:
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VICE/CHAIRMAN

Name:
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HON. SECRETARY

Name:
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TREASURER

CERTIFIED THAT THE FOREGOING BY-LAWS OF ABIRIA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED REGISTERED IN 2008 HAVE BEEN APPROVED AS AMENDED BY ME AND DULY REGISTERED.

GIVEN UNDER MY HAND AT NAIROBI

THIS DAY OF 20.....

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT