

# **KNCCI NATIONAL SACCO SOCIETY LIMITED**

**By-laws**

**February 2020**

A handwritten signature in cursive script, possibly reading "P. K. K. K.", is written over a horizontal line.

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## **1.0 NAME AND AREA OF OPERATION**

The society shall be called **KNCCI National Sacco Society Ltd**, herein after referred to in these by laws as "The Sacco society" and its area of operation shall be the Dagoretti Sub County

## **2.0 REGISTERED OFFICE/ POSTAL ADDRESS**

The registered office of the society shall be situated in **Kiambani Ward, Dagoretti Sub-County, Nairobi County, Herleen House, Ground Floor, Woodlands Rd, off Argwings Kodhek Rd, Opp. DOD Hqs, Hurlingham.**

Its postal address shall be **P.O. Box 47024, Nairobi. Tel. No. +254 20 3927000.**

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

## **3.0 DEFINITIONS/INTERPRETATIONS**

3.1 In these by-laws, unless the context otherwise suggests words or phrases shall be defined/interpreted in accordance with the Co-operative Societies Act, Cap 490 Laws of Kenya and the Rules made there under herein after referred to as the "Act" and "Rules" respectively.

In these by-laws save as otherwise expressly stated:

- a) "Act" means the Co-operative Societies Act
- b) "Applicable Law" shall mean the Co-operative Societies Act, Sacco Societies Act, Cooperative Rules, Sacco Regulations, these by-laws and any other law that is intended for cooperative societies.
- c) "Board of directors" shall mean the persons elected in a duly convened general meeting to govern the business of the society as per these by-laws.
- d) "Branch" shall mean a KNCCI branch or such other geographical area as recommended by the board and approved by the general meeting.
- e) "Branch general meeting" shall be a meeting convened for branch delegates and members within a particular branch and shall not be construed to be a general meeting of the Sacco.
- f) "Commissioner" shall mean "The Commissioner for Co-operative Development as provided for in the Act."
- g) "Co-operative Society" shall mean a society registered under the Act.
- h) "Delegate" shall mean a member elected at a branch general meeting as a representative of the branch in the society's general meeting and any other forum/event as may be organized by the board



- i) "Deposits" shall mean a sum of money paid on terms under which it shall be repaid, with or without 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.
- j) "General meeting" shall be a meeting (either "annual" or "special") for all delegates duly convened by the society to conduct its business.
- k) "Loan" shall mean money given out to a member with a view to pay back the principal together with interest in accordance with the Sacco's lending policy as reviewed from time to time.
- l) "Member" includes any person of co-operative society or any incorporated or unincorporated body joining in the application for the registration of a society, and any person or cooperative society or any incorporated or unincorporated body admitted to membership after registration in accordance with the by-laws all of whom shall have equal rights.
- m) "Minute Book" shall mean the hard cover minute book, files and/or soft copies of recordings of the society minutes.
- n) "Nominee" means a person appointed by a member to inherit his/her shares, deposits and other benefits in the society upon the death of that member.
- o) "Profit Share" shall mean members share of the surplus of the society which is divided amongst its members.
- p) "Regional delegates Forum" is a meeting of delegates in each region which shall be conducted as provided in these by-laws.
- q) "Returning officer" is a person appointed to oversee or conduct elections of a co-operative society at a general meeting or branch meeting.
- r) "SACCO" shall mean Savings and Credit Co-operative Society.
- s) "Shares" shall mean the amount represented by a member's portion in the equity of the society as a co-owner.
- t) "Sharia compliant products" shall be used in place of the word "loan" and shall have the same meaning as is understood in the sharia financial terms.
- u) "Society" shall mean KNCCI National SACCO Society Ltd.
- v) "Supervisory Committee" means an oversight committee elected at a general meeting in accordance with the Co-operative Societies Act and these by-laws.
- w) "Tribunal" shall mean the Co-operative Tribunal established under the Act to hear and determine disputes.

3.2 Any questions concerning interpretation of these by-laws or any matters not provided for therein, errors and omissions shall be referred to the Commissioner.



#### **4.0 OBJECTS**

**4.1.** The objects for which the society is established are to organize and promote the welfare and economic benefits of its members.

**4.2. In particular, the society shall undertake:**

- a) To promote thrift among its members by affording them an opportunity for accumulating their savings and deposits and create thereby a source of funds from which loans/sharia compliant credit products can be made to them exclusively for provident and productive purposes, at fair and reasonable terms.
- b) To ensure personal growth through the introduction of new products and services that will promote the economic well-being of the members.
- c) To ensure progress of members and the society through continuous education programs on proper use of credit, reduction of poverty, human dignity and co-operation.
- d) To apply the co-operative principle of co-operation among co-operatives in order to promote members' interests. In furtherance to its objects the society may affiliate to the relevant National Co-operative Union and the Apex society.
- e) Any other activity that would enhance the achievement of the primary object but which must be approved by the general meeting.

**4.3** For the attainment of the above objects, the society may do all acts and things that are permissible under the Act, rules and these By-laws including but not limited to acquire property and chattels and doing all such other things as are incidental or consequential to the economic enhancement of its members interests provided, such act is approved by the members in a general meeting.

#### **5.0 CO-OPERATIVE PRINCIPLES AND VALUES**

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

##### **5.1 Principles**

###### **(a) Voluntary and open membership**

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

###### **(b) Democratic member control**

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



**(c) Economic participation by member**

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

**(d) Autonomy and independence**

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

**(e) Education, training and information**

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

**(f) Co-operation among co-operatives**

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

**(g) Concern for community in General**

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

**5.2 Co-operative Values**

The values of this cooperative society shall be, self-help, mutual responsibility, equality and equity, it shall practice honesty, openness and social responsibility in all its activities.

**6.0 COMMON BOND**

The common bond of the Society shall be registered members of the Kenya National Chamber of Commerce and Industry (KNCCI), the Kenya National Chamber of Commerce and Industry, employees of KNCCI and employees of the SACCO.

**7.0 MEMBERSHIP**

Membership shall consist of:

- (a) Members who signed the application for registration but who must be registered members of KNCCI.
- (b) New members subsequently admitted in accordance with these by-laws.

**8.0 QUALIFICATION FOR MEMBERSHIP**

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

- a) Is within the field of membership consisting of the common bond
- 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; provided that no member shall belong to more than two Sacco societies having similar objects
- e) Is an entrepreneur within the society's area of operation and is registered by the KNCCI branch in which he seeks membership.

#### **9.0 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 purposes of registration of a member.

#### **10.0 ADMISSION INTO MEMBERSHIP**

- 10.1** A natural person shall be admitted to membership on application and upon payment of an entrance fee of Ksh. 500 and such other minimum shares as shall be fixed by the general meeting from time to time.
- 10.2** A corporate body shall be admitted to membership on application and upon payment of an entrance fee of Ksh. 5,000 and such other minimum shares as shall be fixed by the general meeting from time to time.
- 10.3** Upon admission to membership, the member's name shall be entered in the members register and membership number issued.
- 10.4** The member shall sign in the register of members in the presence of two other members of the Sacco Society to indicate his/her acceptance of the by-laws of the Society.
- 10.5** Members shall be admitted by the board of directors subject to confirmation by the next general meeting.
- 10.6** The member shall pay for a copy of the society's by-laws at its actual cost to the society.

#### **11.0 REFUSAL OF ADMISSION**

The board of directors may refuse admission to a person upon giving reasons for their decision. Such a person, if otherwise eligible for membership, shall have the right to appeal to the next general meeting.



## 12.0 RIGHTS OF MEMBERS

A member of the society shall have the right to:

- a) Attend and participate in decision making at all branch meetings of the society in person
- b) Members shall participate and vote in all general meetings through delegate representation as provided in the by-laws;
- c) Be elected to organs of the society, subject to these by-laws;
- d) Enjoy the use of all the facilities and services of the society subject to these by-laws;
- e) All legitimate information at the society's registered office relating to the society including; internal regulations, registers, minutes of general meetings; supervisory committee reports, and annual audited accounts, inventories and investigation reports.

## 13.0 OBLIGATIONS OF MEMBERS

A member of the society shall have the obligation to:

- a) Observe and comply with all the society's by-laws and decisions taken by the relevant organs of the society;
- b) Pay for entrance fees, shares, monthly deposits or make any other regular payments as provided for in these by-laws and other policy documents;
- c) Meet the debts of the society in case of insolvency in accordance with the provisions of the Act and these by-laws.

## 14.0 MEMBER'S PERSONAL STATEMENT

The society may use check off system, standing orders or cash deposits for payment of members' shares, deposits and loan/credit repayments. However, when direct payments have 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 bank slip.

Every member shall receive regular statements at least once every three months, which shall contain particulars of membership, shares, deposits and credit transactions with the society.

## 15.0 CESSATION OF MEMBERSHIP

Membership in the society shall cease with effect from the date of:

- a) Death
- b) Withdrawal
- c) Expulsion
- d) Being certified insane.
- e) Transferring shares to another member.



- f) Failure to remit share contributions and/or credit repayments for a continuous period of six months without valid reasons or leave of the society.
- g) Ceasing to hold qualification for membership as specified in these by-laws provided that members who have lost the common bond may retain their membership.

#### **16.0 SUSPENSION**

The board of directors may suspend a member subject to the decision of the general meeting to expel or reinstate a member who:-

- a) Fails to fulfill his/her obligations to the society whether stated in these by-laws, general internal regulations, a resolution of the general 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 or
- 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.

#### **17.0 PROCEDURE OF SUSPENSION**

**17.1** Upon formal and written proof that a member has committed a violation punishable by expulsion:

- (a) 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/her to file a defense.
- (b) Upon the expiry of the 30 days and taking into consideration the member's defense if any, the board shall initiate an administrative inquiry and make a decision on its finding within fifteen (15) days.

**17.2** Any member suspended by the board shall appeal to the next general meeting which shall have power to either lift the suspension or appeal to the tribunal.

**17.3** A member who is expelled from the society shall have the right to appeal to the tribunal.

**17.4** Any dispute arising between the board and members shall be arbitrated by the Secco Standing Committee as an alternative dispute resolution mechanism.

#### **18.0 WITHDRAWAL FROM SOCIETY**

A member may at any time withdraw from the society by giving at least sixty (60) days written notice to the board of directors.



## **19.0 PAYMENT ON CESSATION OF MEMBERSHIP**

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

- a) Any share of profit or benefits due prior to the cessation date.
- b) Any deposits or any other funds held by the society on his/her behalf.

19.2. Partial withdrawal of non-withdrawable deposits from the society shall not be allowed under any circumstance.

## **20.0 NOMINEE**

Every member shall nominate in writing one or more persons as nominee(s) in accordance with the by-laws. The nomination shall be attested to by two witnesses who are members of the society. The names of such nominee(s) shall be entered in the nominee register; provided that a member shall have the right to change his/her nominee(s) in writing in the presence of two attesting witnesses who are members of the society.

## **21.0 PAYMENT OF DECEASED MEMBER'S DUES TO A NOMINEE**

The society after obtaining such documentary proof of the death of a member such as burial permit, original and copy of death certificate and copy of national identification, where applicable, shall pay to the nominee within 60 days the value of the deceased member's deposits, interest, profit share and other benefits after deducting monies owed to the society, if any. The nominee may also receive payments from the sinking fund, risk management or any approved insurance scheme.

## **22.0 ADMISSION OF NOMINEE**

A nominee(s) may be admitted to membership of the society if qualified. The deposits, profit shares, interest and other benefits due to the deceased member shall be transferred to the account of that nominee.

## **23.0 FUNDS OF THE SOCIETY**

23.1 The funds of the Society shall consist of:

- a) Entrance fee;
- b) Share capital as contributed by members;
- c) Deposits from members;
- d) Loans obtained from financial institutions and development partners;
- e) Interest received from loans granted to members;
- f) Donations and grants from other bodies, organizations and individuals as shall be approved by the general meeting;
- g) Statutory reserve fund and other reserves as may be maintained by the society;



- i) Penalties levied against members in breach of the by-laws;
- l) Funds obtained from lawful miscellaneous sources.
- j) Any surplus resulting from operations of the society;

23.2 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, trust funds and securities as are authorized by members;
- b) The shares of any other co-operative society;
- c) Any bank licensed under the Banking Act;
- d) Quoted securities in case the society has excess funds;
- e) Loans or sharia compliant credit products granted to members.

#### 24.0 SHARES

- a) Every natural person who is admitted into the membership shall hold at least 100 shares of Ksh. 100 each and every corporate member which is admitted into membership shall hold at least 500 shares of Ksh. 100 each or as shall be fixed by the General Meeting.
- b) However, no member shall hold more than one-fifth of the total share capital of the Sacco.
- c) Shares are transferable but not refundable.
- d) All shares of the Sacco are equal with equal nominal value and will rank pari-passu to each other irrespective of the subscribers.

#### 25.0 TRANSFER OF SHARES

- a) With the approval of the board of directors, a member may at any time transfer shares to another member but not to any other person.
- b) Such transfers must be in writing and at nominal value.
- c) All transfers of shares shall be registered with the Sacco and no transfer shall be valid unless so registered.
- d) A transfer fee to be determined by the General Meeting from time to time shall be payable by the transferee for each such transfer.

#### 26.0 LIABILITY

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



### **27.0 POWER TO BORROW**

- a) Credits may be obtained from non-members subject to the maximum amount and terms approved by the general meeting.
- b) For the securing of any credits accepted by the society under paragraph (a) above, the society may grant a charge over its assets.
- c) The authority to grant a charge shall be reserved to the general meeting subject to approval by the commissioner.

### **28.0 RECEIPTING OF MONEY**

- a) Money received on account of shares, deposits, loans, fees or fines shall be evidenced by a printed receipt in a form to be approved by the board of directors.
- b) Every member paying any money to the society shall be identified on the receipt.
- c) Should the receipt issued by the society be lost or destroyed, immediate notice of such fact shall be given to the Treasurer who may be authorized by the Board of directors to issue a duplicate receipt at a reasonable fee.
- d) The board may require the member to sign an indemnity to protect the society against any loss due to the issuance of such duplicate.

### **29.0 PAYMENT/DISBURSEMENT**

Payments made by the society shall be evidenced in writing in a form approved by the board of directors.

### **30.0 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 the Act.
- c) The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it.
- e) No withdrawal shall be made from the reserve fund of the society without a resolution from the General meeting and a written approval from the Commissioner.

### **31.0 REQUIREMENT FOR ELECTION AS A BRANCH DELEGATE**

To qualify for election as a delegate, the following minimum requirements shall apply:

- a) Must be a registered member of the KNCCI branch for which he/she is seeking election for at least one (1) year.
- b) Must have contributed a minimum share capital/deposits as recommended by the board and approved by the general meeting.



- c) Must have been a person of good character
- d) Must be loyal to the Society through patronizing available products and services
- e) Shall not be an employee of the society
- f) Shall not be an employee of KNOCI
- g) Shall not holding a political position
- h) Shall not have been nominated to vie for a political position before offering him/herself for the election in the society

### **32.0 BRANCH OFFICIALS**

- (a) Every branch shall have at least two branch delegates one of whom shall be elected as a chairman and the other shall be secretary
- (b) Depending on the number of members in each branch and as approved by the general meeting, other delegates may also be elected
- (c) The number of delegates shall be proportionate to the total branch membership subject a minimum of two (2) and maximum of ten (10) delegates
- (d) The chairman, secretary and all other elected delegates shall constitute the branch committee for purposes of dealing with members issues
- (e) Branch delegates shall be elected for a term of three (3) years subject to one third (1/3) retiring every year but eligible for re-election

### **33.0 BRANCH MEETINGS**

- a) Branch meetings shall take place annually and shall consist of members of the particular branch only;
- b) At least twenty one (21) days before the annual general meeting, branch meetings shall be held in all branches to carry out elections in accordance with the rotational cycle and propose resolutions for consideration by the general meeting if any;
- c) The quorum for such a meeting shall be 50% of the registered members;
- d) Branch meetings shall be presided over by the branch chairman or in his/her absence any elected delegate;
- e) The branch secretary shall take minutes but in his absence, where there are two delegates or more, one of them shall take minutes or in their absence any member nominated by the members present;
- f) Branch officials shall meet not more than twelve (12) times in a year but not less than once in three (3) months.

### **34.0 DUTIES AND RESPONSIBILITIES OF BRANCH OFFICIALS**

- a) Branch officials shall be the sole representatives of a branch to the annual or special general meetings and each delegate shall have one vote on all matters before annual or special general meeting



- b) Any branch official who fails without any apology to attend three consecutive branch meetings shall be disqualified and the branch members shall elect another member to replace the disqualified official
- c) The duties and responsibilities of branch officials shall include:
  - i. Representing members of a branch at the delegates meeting
  - ii. Mobilizing and recruiting new society members
  - iii. Organizing, disseminating and educating members on society policies, rules and procedures
  - iv. Organizing society functions at branch level
  - v. Promoting positive image of the society at the branch level
  - vi. Ensuring strict compliance with the Act, Rules, By-laws and all policies of the society
  - vii. Marketing and promoting the society's products and services
  - viii. Liaison between Society headquarters and the branch on members issues
  - ix. Recommendation of loan applications before forwarding to the headquarters
  - x. General administration of the branch including addressing members grievances before reporting to the headquarters
  - xi. Other duties and responsibilities as may be assigned by the board from time to time

### **35.0 REGIONAL DELEGATES FORUM AND FUNCTIONS:**

- a) After branch elections, delegates in each region or a combination of regions as resolved by the general meeting shall meet at the regional delegates forum to deliberate on the agenda for the general meeting and nominate a director to the board if a vacancy has arisen;
- b) The director who has been nominated shall be confirmed at the annual delegates meeting;
- c) The regional delegates forum shall be presided over by the serving member of the board or if he/she has retired, the meeting shall be presided by any other delegate appointed by the meeting for that purpose only.

### **36.0 GENERAL MEETING**

**36.1.** The supreme authority of the society shall be vested in the general meeting comprising of delegates elected from the branches and shall be held as follows;

- a) An Annual General meeting shall be convened within four months after the end of the society's financial year.
- b) A special general meeting 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 fifty (50) delegates or (25%) one fourth of the delegates, whichever is less; provided that when the general meeting is convened at the request of the delegates, the request must be deposited by registered mail at the society's address or delivered to the chief executive officer at the society's offices within normal working hours.
- (iv) If the Board fails to convene a meeting within fifteen days of receiving a notice under the Act.

36.2 The requisitioning delegates in (b) (iii) above, shall give notice to the other delegates of the society, stating the object and reasons for the meeting and the fact that the Board has failed to convene the meeting.

36.3 Any business not completed at the annual general meeting, may be taken up at a subsequent Special General meeting of the society.

### **37.0 IDENTIFICATION OF DELEGATES**

Before they may attend or vote at a delegates meeting, each delegate shall be required to produce a membership card or evidence of current membership for satisfactory identification.

### **38.0 DUTIES AND RESPONSIBILITIES OF GENERAL MEETINGS**

38.1 The General meeting shall have the powers and duties prescribed in the Act, Rules and these by-laws. The powers and duties shall include:

- a) Consider and confirm the minutes of the previous general meeting.
- b) Consider reports of the Board, the Commissioner or his/her 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 the Act and rules.
- 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 Board members and management staff.
- f) Consider recommendations from the Board of directors, appeal against suspension of members and refusal of membership by the Board.
- g) Fix the maximum liability which the society may incur in credits and deposits from both members and non-members.
- h) Approve the estimates of income and expenditure for the financial year following the general meeting.



- i) Fix the honoraria, if any, for the board, supervisory committee or employees as set out in the society's approved Policy on Honoraria and in accordance with the surplus realized.
- 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) Authorize the affiliation of the society to a National Federation of SACCOs and the Apex Organization.
- m) Transact any other business of the society for which notice has been given to delegates in the manner prescribed in these by-laws.

**38.2** All delegates have a right to attend the general meeting and participate in its deliberations; however they shall be required to identify themselves accordingly.

#### **39.0 NOTICE OF MEETINGS**

- (a) The general meeting shall be convened by giving at least 15 days written notice to the delegates.
- (b) The Secretary of the board shall take all usual steps to publish the notice of the meeting on the society's notice board(s) and at least one (1) local newspaper or any other mode decided by the delegates.
- (c) All notices shall include the agenda of the business to be transacted during the meeting, venue and time.

#### **40.0 QUORUM**

Except when convened by the Commissioner, the presence of at least 50 delegates or 25% of the total number of delegates drawn from at least 24 branches, with a minimum of one (1) from every region, whichever is less, shall constitute a quorum for the conduct of business at the general meeting. When a quorum is not attained the chairman shall adjourn the meeting and fix a date for another meeting within one month, which shall be advertised as prescribed in these by-laws. If a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

#### **41.0 ELECTIONS AT THE GENERAL MEETING**

- a) Every notice of the general meeting convened in accordance with these by-laws, where elections will be held, the board shall notify the delegates of the vacancies arising in both the board and the supervisory committee;
- b) During elections, the vetting and nomination committee shall present the names of qualified candidates for various positions;



- c) The two (2) nominees from corporate member shall be confirmed in the general meeting along with those from the regions;
- d) At the general meeting, delegates will vote by secret ballot to fill vacancies in the board and supervisory committee;
- e) No delegate shall be entitled to vote by proxy and
- f) Irrespective of the number of shares held by him/her, no delegate shall have more than one vote.
- g) Within fourteen (14) days of the elections, the Honorary Secretary shall forward to the Commissioner the names, addresses and telephone contacts of all persons elected
- h) A new Board elected at the general meeting shall not assume office unless they have satisfied the requirements of the Act, Rules and these By-laws as to the indemnity and ethical conduct as prescribed in Public Officers Ethics Act.

#### 42.0 BOARD OF DIRECTORS

- a) The Board of directors shall be the governing body of the society elected from the delegates and shall consist of nine (9) members subject to one third (1/3) rotation cycle and shall include the Chairman, Vice chairman, Treasurer and Secretary all of whom shall be elected by the Board from amongst the members of the Board.
- b) corporate member shall nominate two (2) members to the Sacco board of directors who shall be confirmed in the general meeting.
- c) In the first elections of the board, the chairman and vice chairman and one other board member shall retire in the third year.
- d) In order to determine the 1/3 who retires in the 1<sup>st</sup> year, 2<sup>nd</sup> year and one member to retire in the 3<sup>rd</sup> year along with the chairman and vice chairman, seven (7) board members shall pick lots;
- e) As much as possible, no more than one third (1/3) of the board members shall be of one gender
- f) Members of the Board shall hold office for a period of three years provided that one-third of the Board members shall retire every year but will be eligible for re-election.
- g) Where the membership of the Board falls below nine the Board may co-opt qualified delegate(s) into the Board until the next General meeting.

#### 43.0 ELIGIBILITY FOR MEMBERSHIP TO BOARD OF DIRECTORS

No person shall be eligible for membership in the board of directors of the society if he/she:

- a) Is not a member of the society;
- b) Is under eighteen years of age;
- c) Is unable to read and write;



- d) Is not a person of good character
- e) Is not loyal to the Society by failure to patronize available products and services
- f) Is an employee of the society
- g) Has not been an active and paid-up member of the KNCCI branch for the last one (1) year
- h) Has less than the prescribed value of shares and deposits as recommended by the board and approved by the general meeting
- i) Has not been an elected delegate of the Sacco branch
- j) Receives any remuneration, salary or other payments from the society save as in accordance with this Act;
- k) Is a board member in another Sacco society;
- l) Lends money on his own account;
- m) Is of unsound mind;
- n) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- o) Has been convicted of any offence under the Co-operative Societies Act or rules;
- p) Is holding a political position
- q) Has not resigned six (6) months before offering him/herself for the election in the society
- r) Has any un-cleared debt owing to the society at the end of its financial year other than in respect of a credit granted under the provision of any regulation or policy made under the Act.

#### **24.0 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. At least half of the total number of Board members shall form a quorum for the disposal of business.
- (b) If a member of the Board fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his/her duties, the position may be declared vacant and filled as provided for in these by-laws.

#### **25.0 RECORD OF BUSINESS OF THE BOARD OF DIRECTORS**

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

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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 records, the meeting shall, by resolution, authorize its Chairman to sign and date the final record.

**46.0 DUTIES AND POWERS OF THE BOARD OF DIRECTORS**

The board of directors of the society shall, subject to any directions from the General meeting generally direct the affairs of the society. Its procedures, powers and duties shall be as prescribed by the Act, Rules and these by-laws. In particular, it shall:

- a) Observe in all its transactions, the Act, the Rules, these by-laws and prudent business practices.
- b) Act upon all applications for membership.
- c) Make provision for sufficient funds for credits to members.
- d) Ensure that true and accurate records and accounts of the society's money, properties, capital reserves, liabilities, income and expenditure are kept and maintained;
- e) Prepare and develop long term management plans and budgets for presentation at the General meeting;
- f) Propose to the General meeting the amount and kind of surety bond, or other security, which shall be given by the member of the Board or employee having custody of or handling funds or property of the society;
- g) Determine and recommend to the General meeting the rate on the maximum maturities and terms of payment or amortization of credits from time to time and the maximum amounts that may be credited with or without security to any member;
- h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting;
- i) Lay before the General meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- j) Recommend to the General meeting the rate of return on shares and deposits;
- k) Fill through co-option, vacancies occurring in the board of directors between general meetings;
- l) Recommend investments of the society;
- m) Authorize the conveyance of properties;
- n) Authorize borrowing and lending operations of the society, in accordance to the Act, Rules and Islamic financial principles;
- o) Designate a depository or depositories for the funds of the society;
- p) In collaboration with the Sacco Standing Committee, to interview and recommend qualified employees in accordance with the terms and condition of service;



- q) Impose fines as provided for under these by-laws;
- r) Approve transfer of shares;
- s) Supervise the recovery and collection of loans from members and recommend to the general meeting the write off of bad debts;
- t) Establish a call centre where queries from members will receive immediate attention;
- u) Perform or authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the general meeting;
- v) To provide adequate budget for education and training of members, the board and staff; and
- w) Perform such other duties as the general meeting may from time to time direct.

#### **47.0 SUSPENSION FROM THE BOARD OF DIRECTORS**

- a) The Commissioner may suspend from duty any Board member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.
- b) The majority of the board members may for a good cause suspend a Board member subject to ratification by the general meeting.

#### **48.0 REMOVAL FROM THE BOARD OF DIRECTORS**

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

- a) He/she ceases to hold qualifications of a Board of directors member as specified in the Act, Rules and these By-laws;
- b) He/she is removed by the Commissioner under the provisions of the Act;
- c) He/she is voted out by two-thirds majority of the society members present and voting at the General meeting.

#### **49.0 DELEGATION TO BOARD SUB-COMMITTEES**

The Board may delegate to the Board Sub-committees such of its powers and duties under these by-laws, as it deems fit and proper; provided that the board remains responsible.

#### **50.0 BOARD SUB-COMMITTEES**

- a) There shall be four (4) board committees namely; finance and administration, audit and risk, Education and governance, and loans/credit.
- b) The duties and responsibilities of Board Committees shall be as prescribed in the Board Charter.
- c) The Board Sub-committees shall consist of not more than three (3) persons drawn from the Board.

*[Handwritten Signature]*

- d) The Quorum of the Board Sub-committee meetings shall be two thirds of the members of the Committee.
- e) The Board Sub-committees;
  - i. Shall keep minutes of their work at all times
  - ii. May delegate to the management staff any of their duties but shall ultimately bear responsibility.
- f) The CEO shall sit in all board committee meetings together with other management staff as may be appointed to facilitate effective deliberations.

## 51.0 FINANCE AND ADMINISTRATION COMMITTEE

51.1 There shall be the Finance and Administration committee consisting of the Chairman, Vice-Chairman, Treasurer and Honorary Secretary all of whom shall be elected by and from the Board. Its duties shall be to:-

- a) Review and make recommendations to the Board on the financial plans of the society ensuring its adequacy and soundness in making provisions of the Society operations and long term stability.
- b) Review, discuss and make recommendations to the Board concerning significant financial management and report issues of the society.
- c) Review periodic financial statement of the society before submission to the Board.
- d) Consider and advise the Board on investments, external borrowings and partnerships with financial institutions.
- e) Make recommendations to the board on capital expenditure projects.
- f) Ensure all expenditure of the society is within the approved budgets.
- g) Monitor the management's adherence to the procurement plans approved by the Board.
- h) Review and make recommendations on finance related policies including investments, capital adequacy and financial performance monitoring.
- i) Ensure that the society has liquidity management policies as prescribed in the Regulations.
- j) Ensure that the Society has a sound savings mobilization policy and receive quarterly reports on its implementation.
- k) Review loan interest rates and other fees proposed by the management and make recommendations to the Board for approval.
- l) Review and make recommendations on appropriate Human resource policies.
- m) Review the organizational structure of the society and ensure it is manned by staff with relevant skills and experience.
- n) Ensure that periodic reviews of staff performance are conducted.
- o) Examine and recommend Human Resource expenditure for approval by the Board.
- p) Ensure establishment of management succession plan in the society





- t) Ensure the Management adheres to the approved human resource and related policies;
- u) Review, monitor and make recommendations regarding the induction and development of new board members;
- v) The CEO and in his absence the Deputy, shall be ex-officio members of the committee without voting rights.

## **52.0 EDUCATION AND GOVERNANCE COMMITTEE**

52.1 The Education Committee shall consist of three members appointed from the board. Its duties among others shall be to:

- a) Review and recommend education activities for members, board members, staff and the general public for approval by the board
- b) Monitor implementations of educational programs formulated to ensure that the members, the board and staff are well trained and prepared for the tasks they are entrusted with.
- c) Ensure that the Sacco is governed in accordance with its code of corporate governance and all other relevant guidelines.
- d) To investigate all allegations of violations of the Sacco's Code of Conduct by directors and to recommend appropriate sanctions to the board.
- e) To review annually, for board approval, a board manual outlining the policies and procedures by which the board shall operate, and the terms of reference for the board and board committees.
- f) To supervise and monitor matters reported using the Sacco's whistle blowing or other confidential mechanisms for employees and third parties to report ethical and compliance concerns or potential breaches or violations;
- g) To determine the performance measures to be deployed in assessing the performance of the business, the CEO, individual directors and the board as a collective entity.
- h) At the request of the board, undertake such other corporate governance initiatives as may be necessary or desirable.

## **53.0 AUDIT AND RISK MANAGEMENT COMMITTEE**

- a) There shall be the audit and risk management committee consisting of not more than three members appointed from the board of directors;
- b) The chairman of the board of directors shall not be a member of the Audit and risk management committee.
- c) The primary responsibilities of the Audit and risk management committee shall include;





- i. Reviewing the general financial condition of the Sacco.
- ii. Ensuring the establishment and review of the internal control system
- iii. Review performance and findings of the internal auditor and recommend remedial actions regularly and at least once in every three months.
- iv. Ensuring that policies and control procedures are sufficient to safeguard against errors, conflict of interest, self-dealing and fraud.
- v. Monitoring the ethical conduct of the Society and consider the development of ethical standards and requirements.
- vi. Reviewing the Sacco Society's internal audit plan, with specific reference to the procedures for identifying risks and controlling the impacts on the Sacco Society
- vii. Recommending three names of external auditors and the remuneration to the board;
- viii. Reviewing coordination between internal and external audit functions as well as monitor external auditors independence and objectivity;
- ix. Report to the board on their findings and recommendations;
- x. Reviewing and assessing the integrity of the risk control systems and ensure that the risk policies and strategies are effectively managed.
- xi. Setting out the nature, role, responsibility and authority of the risk management function with the Sacco and outline the scope of risk management work.
- xii. Monitoring external developments connected to accountability of the Sacco and reporting of associated risks.

#### **54.0 LOANS/CREDIT COMMITTEE**

The Loans/Credit Committee shall consist of three (3) members of the board. The committee is charged with the responsibility of reviewing and overseeing the overall lending policy of the Sacco which includes to:

- a) Ensure the establishment and review of appropriate credit policy consistent with relevant provisions of the regulations and these by-laws;
- b) Review lending by the Management Credit Risk Committee including a periodic sampling of processed loan applications to satisfy itself that management is adhering to the lending policies of the Sacco;
- c) Ensure that non-performing and under-performing loan accounts are adequately identified and classified as prescribed in the regulations and ensure recovery measures are instituted;
- d) Ensure that there are effective procedures and resources to identify and manage irregular credits, minimize credit loss, maximize recoveries and that adequate provisions for potential loss is maintained;



- e) Ensure prompt approval of loans as per the credit policy subject to availability of funds;
- f) Regularly review and ensure risk lending limits are reviewed at least on an annual basis and as and when the environment so dictates and advise the sanctioning arms of the institution;
- g) Ensure that all loans granted are adequately secured and no member is allowed to over guarantee;
- h) Regularly review the quality of the Sacco's loan portfolio and ensure adequate provisions for bad and doubtful debts in compliance with requirements of the prudential guidelines;
- i) Review periodic credit and loan portfolio reports of the Sacco before submission to the board.

#### **55.0 CHAIRMAN AND VICE CHAIRMAN**

- a) The Chairman shall preside at general meetings, Board of directors meetings and joint meetings with the supervisory committee.
- b) He/she shall perform such other duties as he may be directed to perform by the Board of directors, not inconsistent with provisions of the Act, the Rules and these by-laws
- c) The vice chairman shall perform the duties of the Chairman during his/her absence
- d) Perform such other duties as may be directed by the Board of directors.

#### **56.0 HONORARY SECRETARY**

The duties of the Honorary Secretary are:

- a) To cause minutes of the General meetings, Board of Director Meetings, and joint meetings with the supervisory committee to be recorded.
- b) To ensure that notices of the meetings are prepared and sent out.
- c) To ensure that the society's correspondence is promptly and correctly attended to.
- d) To perform such other duties as may be directed by the Board of directors.

#### **57.0 TREASURER**

The duties of the Treasurer shall be:

- a) To generally manage or cause to be managed the financial affairs of the society in a competent manner;
- b) To 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;
- c) To ensure the safekeeping of the society money, securities and books of accounts;
- d) To ensure that all payments and expenditures are duly authorized;

- e) To 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; and
- f) To ensure compliance with all directions of the Board of directors, the Act, the Rules and these by-laws on all financial matters.
- g) To cause to be presented a statement of the ensuing month's cash flow.
- h) To ensure sufficient funds are available for credits to members.
- i) To perform such other duties as may be directed by the Board of directors.

### **58.0 SUPERVISORY COMMITTEE**

- (a) The society shall have a supervisory committee consisting of three members each elected at the general meeting for a period of three years and one member of the supervisory committee shall retire annually.
- (b) The supervisory committee shall not perform the duties or exercise any of the powers of the board of directors
- (c) The supervisory committee meetings shall be held quarterly save for exceptional joint meetings between its members and Board of directors.
- (d) All supervisory committee members should have eligibility qualifications similar to those of the board of directors as provided in by-law No. 42.
- (e) Members of the Supervisory committee may be required to have at least one person with knowledge of accounts.
- (f) Members of the Supervisory committee may be removed by a resolution of the general meeting.

### **59.0 DUTIES OF THE SUPERVISORY COMMITTEE**

**59.1** The duties of a supervisory committee are to countercheck the effectiveness of the society's internal control systems through:

- a) Carrying out investigations as may be necessary for the wellbeing of society and members in general and verifying the accuracy of the transactions of the society.
- b) Checking if cash and bank accounts are reconciled in good time.
- c) To establish whether the management of the society use managerial tools i.e. budgets, trial balances, economic reports, long term plans and others, thereafter making necessary recommendations to the Board of directors.
- d) Submission of its reports to the Commissioner.
- e) To prepare periodic reports of its findings and present them to the board of directors during joint Board meetings and prepare reports for presentation to the general meetings respectively.



**59.2** The supervisory committee shall be held liable for any loss incurred due to their negligence in performing their duties.

#### **60.0 VETTING AND NOMINATION COMMITTEE**

- a) There shall be a vetting and nomination committee whose role shall be to receive applications, vet and nominate candidates interested in being elected into the board of directors and supervisory committee of the society
- b) The vetting and nomination committee shall be appointed by the Board as guided by the society election policy
- c) The operations of the vetting and nomination committee shall be guided by rules developed by the Sacco Board and approved by the AGM

#### **61.0 DELEGATION TO EMPLOYEES**

- a) The Board may delegate to any employee of the society such duties as it deems fit.
- b) Nothing in (a) above shall absolve the board from its responsibility of running the affairs of the society in a proper and businesslike manner.


#### **62.0 CHIEF EXECUTIVE OFFICER (CEO)**

The CEO shall conduct the business of the society subject to overall control of the Board. He/she shall be an ex-official member of all general and board meetings.

#### **63.0 DUTIES OF THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer shall:

- (a) Advise the Board of directors and other Boards in formulating, preparing and implementing long term policies and programs of the Society.
- (b) Supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner.
- (c) 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, board committees, and supervisory committee as well as to the Commissioner.
- (d) Be responsible for the security of the funds and assets of the Society.
- (e) Ensure that all statutory deductions such as National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF), Pay As You Earn (PAYE) etc. are correctly calculated and that all the amounts due and the necessary returns are submitted by the due date.
- (f) Ensure that rent, rates, levies and debts due from and to the Society are paid by the due date.



- (g) Recommend to the Board of directors the filling of any vacant position or dismissal of any staff member who is not performing his/her duties properly.
- (h) Countersign the society's' cheques, contracts and other documents.
- (i) Perform such other duties as may be assigned to him by the Board of directors.

#### **64.0 LEGAL STANDARD OF CARE**

In the conduct of the affairs of the society, the members of Board shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, the Rules, the Bylaws or the directions of the General meeting.

#### **65.0 AUTHORIZATION FOR EXPENDITURE**

No expenditure shall be authorized by the Board of directors unless it is provided for in the estimates formally approved by the General meeting.

#### **66.0 INDEMNITY**

- a) All Board Members and management staff shall each provide an indemnity of an amount approved by the General meeting.
- b) A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner within 14 days upon election to the Board.

#### **67.0 DECLARATION OF WEALTH**

Every Board member shall within 30 days of being elected, declare his/her wealth to the Commissioner in the prescribed manner.

#### **68.0 BOOKS AND RECORDS**

The society shall keep up to date and in a proper business-like manner such accounts and books as stipulated in the Act, the Rules, and in particular, shall keep the following books of accounts:

- a) A register of members showing in respect of each member's:
  - i. Name, age, date of application for membership, address and occupation;
  - ii. Date on which he/she ceased to be a member,
  - iii. Date was admitted to membership;
  - iv. Name and particulars of his/her nominee, and
  - v. Any other information as may be required by the society from time to time.
- b) Minute books giving details of proceedings of Board of directors, joint Management and Supervisory committee, Supervisory committee meetings and all other Board meetings held in accordance with these by-laws.



- c) Minute book giving details of proceedings at the General meetings.
- d) A cashbook showing the details of all monies received or paid out by the Society.
- e) A general ledger containing such accounts as is necessary to reflect the business of the Society.
- f) A personal ledger for each member showing his/her transactions with the society.
- g) An assets (property) register.
- h) A register of credits to members showing in respect of each credit; the credit number, name of the borrower, the amount borrowed, the purpose of the credit, the due date of repayments and the date repayments were completed.
- i) Such other books and records as the Board of directors may decide or that the Commissioner may prescribe.

**69.0 AUTHORIZATION TO SIGN DOCUMENTS**

69.1 All documents, contracts and cheques shall be signed on behalf of the society by any three of the following:

- a) Chairman;
- b) Vice Chairman;
- c) Secretary; and
- d) Treasurer.

69.2. The manager shall countersign all the documents.

69.3. Any other officer authorized by the Board.

**70.0 FINANCIAL YEAR**

The financial year of the society shall be from 1<sup>st</sup> January to 31<sup>st</sup> December.

**71.0 DISPOSAL OF SURPLUS FUNDS**

Subject to the Act, and approval by the General meeting, the net surplus resulting from operations of the society during any financial year shall be disposed as follows:

- i) 20% shall be credited to the Reserve Fund.
- ii) The balance may be disposed of as decided by the General meeting for:
  - (i) Paying dividends on member shares and non-withdrawable deposits.
  - (ii) Being forwarded to an education fund or any other fund or funds of the society including the appropriations.
  - (iii) Paying a gratuity or honorarium to officials or bonuses to employees.
  - (iv) Any other way approved by the General meeting.



## **72.0 REGULATIONS AND POLICIES**

### **72.1 Regulations and Policies to operationalize Sacco business**

The board of directors may make such regulations and policies, not inconsistent with these by-laws, as they deem necessary for the conduct of the society's business.

**72.2** Any such regulations/policies shall be recorded in the minute book and communicated to members and shall come into force when and as determined by the Board.

### **72.3 Application of donor funds, grants or Loans from public institutions**

All funds, grants or loans received from donors and public institutions for lending to individual members or on-lending to corporate members shall be applied for the intended purposes and recovered/repaid in accordance with the terms of the funding. Reports on the funds received shall form an agenda of every board meeting.

## **73.0 POLICIES ON INTEREST BEARING LOANS/SHARIA COMPLIANT PRODUCTS**

- (a) In view of the diversity of membership, the society shall have both a policy for interest bearing loans and a policy for Sharia compliant products both of which shall be approved by the general meeting
- (b) All interest bearing loans and Sharia compliant credit products shall be approved by the board with recommendation from the relevant committee of the board.
- (c) The interest bearing loans and Sharia compliant credit products shall only be given for worthy purposes that benefit the borrower.
- (d) The interest on loans shall be determined by the general meeting on recommendation by the board of directors.

## **74. REPORTS ON INTEREST BEARING LOANS/SHARIA COMPLIANT PRODUCTS**

- a) At every regular meeting of the board of directors the item "Interest bearing loans" and "Sharia compliant products" shall appear on the agenda.
- b) At the board meeting, the relevant sub-committee shall present lists of "interest bearing loans" and "sharia compliant products" recommended for approval/ratification.
- c) Every month, the Treasurer will present an up-to-date listing of delinquent borrowers/credit holders showing:
  - (i) Name of loan or credit holder,
  - (ii) Account number,
  - (iii) Date of loan or credit,



- (iv) Unpaid loan or credit balance,
- (v) Share/deposit balance of the loan or credit holder,
- (vi) Number of months delinquent,
- (vii) Security or guarantors if any
- d) The board of directors shall thereupon take action to collect the overdue loans or credit as provided in the relevant policy
- e) The board of directors shall make a report to the general meeting

#### **75.0 CASH RESERVE**

- a) Except as otherwise authorized by the General meeting and approved by the Commissioner, a cash reserve shall be maintained of not less than 10% of total deposits for the specific purpose of meeting requests for deposits, withdrawals and other emergency pay-outs.
- b) The cash reserve may consist of cash in hand, the balance in the current and savings accounts, and fixed deposits.

#### **76.0 COMMON SEAL**

- (a) The society shall adopt and use a common seal. The seal shall have an imprint bearing the words "KICC National Sacco Society Limited" which shall be different from the ordinary name stamp of the society.
- (b) The seal shall be kept securely under lock and key by the Chief Executive Officer and be used only in the presence of the officers authorized to sign documents on behalf of the Society.

#### **77.0 FINES**

For any breach of these by-laws or lawful instructions issued by the Board of directors and General meeting, or failure of a member to pay his/her obligations on time, the member may be fined an amount not exceeding Kshs. 20,000.

#### **78.0 DISPUTES**

If any dispute concerning the business of the society arises

- a) Among members, past members and persons claiming through members, past members and deceased members; or
- b) Between members, past members or deceased members, and the society, its Board or any officer of the society, or
- c) Between the society and any other co-operative society, which cannot be determined by the Board of directors or General meeting, shall be referred to the Tribunal





- f) Any dispute arising between candidates offering themselves for elections and the vetting and nomination committee or the board and general meeting shall be arbitrated by the SACCO Standing Committee.

#### **79.0 MISCELLANEOUS**

- a) No member of the board of directors or supervisory committee member shall receive from the society any payment apart from sitting allowance, travelling and subsistence allowance, while working on the Society's business, except an honorarium from the net surplus as provided in these by-laws subject to the policy on honoraria as approved by the general meeting.
- b) The board of directors and supervisory committee members, and employees of the society shall hold in the strictest confidence all transactions of the society with its members.
- c) When any member of the board is disqualified or unable to perform his/her duties, the board may co-opt a member or members of the society to serve on the Board until the next general meeting.
- d) The society shall pay an audit and supervision fee of such sums as may be required by the Act and rules.
- e) No member of the board of directors or supervisory committee, or employee of the society shall in any manner participate in the deliberations and determination of any question affecting his/her own financial interest.
- f) In the event of any disqualification, the remaining qualified Board members present at the meeting, if constituting a quorum without the disqualified person may exercise with respect to the matter, all powers of the Board.
- g) A copy of these by-laws shall be furnished to every member who joins the society or on request upon payment of a fee not exceeding its actual cost to the society.

#### **80.0 INSPECTION OF DOCUMENTS**

- a) All books of accounts and other records shall at all times be available to all members of the management and supervisory committee of the society; and to the Commissioner. A copy of the Act, the Rules, the by-laws and the society's Registration certificate shall be kept by the society.



a) A list of members including details of nominees and shareholdings or credits shall be available for inspection by any member and any other stakeholder upon payment of the prescribed fees.

**81.0 DISSOLUTION**

The society may be dissolved in accordance with the procedures set forth in the Act and Rules made there-under.

**82.0 AMENDMENT OF BY-LAWS**

These by-laws may be amended in accordance with the Act and the Rules but no amendment shall become effective until it is approved and registered by the Commissioner.

**83.0 ACCEPTANCE**

We the undersigned interim office bearers of KNCCI National SACCO Society Limited named herein do hereby accept and receive these by laws for and on behalf of the society.

TITLE	NAME	ID No.	SIGNATURE
Chairman	Mathew M. Mwangi	8833315	<i>[Signature]</i>
Vice-Chairman	Abdulla Abd. Haji	1263241	<i>[Signature]</i>
Secretary	ALICE MUNGAT	7817332	<i>[Signature]</i>
Treasurer	John Mugo Mate	0186377	<i>[Signature]</i>

**84.0 OFFICIAL CERTIFICATION**

I CERTIFY that the foregoing by-laws of the KNCCI NATIONAL SACCO Society Limited have been approved and duly registered.

Given under my hand at Nairobi this 7<sup>th</sup> Day of SEPTEMBER 2020.

Ag **GEOFFREY W. NJANGOMBE**  
 COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

