

BY-LAWS OF WINAS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED.



BY-LAWS OF WINAS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

PART ONE-NAME AND ADDRESS

1. NAME AND AREA OF OPERATION

This Society shall be called **Winas Savings and Credit Co-operative Society Limited**, hereinafter referred to, as “the Society” *and its area of operation shall be in the Republic of Kenya.*

2. REGISTERED OFFICE AND POSTAL ADDRESS

The Registered Office of the Society shall be situated at WINAS SACCO LTD House, and its Postal Address shall be: P.O. BOX 696-60100, Embu Telephone: 068-31091 Fax: 068-31305

Mobile: 0727436211

Email: info@winassacco.com

Website: www.winassacco.com

2.1 Any change of Address of the Society shall be furnished to the Commissioner for Co-operative Development and Marketing, the Authority and to the members of the Society within 30 days of such change.

3.0 OPENING AND RELOCATION OF SACCO SOCIETYS BRANCH

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

4. DEFINITIONS AND INTERPRETATION

4.1 In these by-law , unless the context otherwise suggests words or phrases shall be interpreted in accordance with the SACCO Societies Act, 2008 and Regulations herein after referred to as the ACT and Regulations respectively , the co-operative Act 490 Laws of Kenya and the Rules made there under herein after referred to as the Co-operative Act and Rules respectively.

4.2 In these by –law where the masculine gender is referred to it will be construed to include the feminine gender.

4.3 In these by-laws save as otherwise expressly stated:

- a) Audit Committee – committee of the board established as per the regulation
- b) Authority shall mean the SACCO Societies Regulatory Authority.
- c) “A nominee means a person appointed by the member to inherit the shares, deposits and other interest in the society upon the death of that member.
- d) “Applicable law shall mean any other relevant law other than the SACCO Societies Act, 2008 and the Regulations, co-operative societies Act 490, Rules and these by –law.
- e) Board of Directors shall refer to the persons elected in a duly convened General Meeting to govern the Business of the SACCO society as per these by –law hereinafter to as the board.
- f) Commissioner shall mean the commissioner for co-operative development as provided in the co-operative Act.
- g) Core Capital shall mean fully paid up members shares, capital issued, disclosed reserves, retained earnings, grant and donations all of which are not meant to be expended unless on liquidation of the SACCO Society.
- h) Dividends shall mean members share of the surplus of the SACCO Society which is divided amongst its members based on shareholding.
- i) Deposit means a sum of money received or paid on terms under which it shall be repaid with or without interest or premium and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it.
- j) General Meeting shall be a meeting (either annual or special) for all members duly convened by the SACCO Society to conduct its business.
- k) Member includes a person or a co-operative society joining in the application for the registration of a SACCO society , and a person or co-operative society admitted to membership after registration in accordance with the by –laws.
- l) Returning officer is a person appointed to oversee or conduct the elections of a co-operative society at a general meeting.
- m) SACCO Society means a saving and credit co-operative society registered under the co-operative Act and licensed under the SACCO Societies Act 2008.
- n) Share capital shall mean member’s equity in the form of issued and fully paid up shares of common stock.
- o) Tribunal shall mean the co-operative tribunal established under the co-operative Act and determine disputes.

4.4 Any questions or dispute concerning the interpretation of these By-laws on any matters not provided for therein, errors and omissions shall be referred to the Tribunal.

PART TWO-OBJECTS OF THE SOCIETY

5. OBJECTS

5.1 The objects for which the SACCO society is established are to organize and promote the quality of life of the members by providing quality financial products and services.

5.2 The objects for which the society is established are to: -

- a) Promote thrift among its members by affording them an opportunity for accumulating their Savings.
- b) Create a source of funds at a fair and reasonable rate of interest.
- c) Provide an opportunity for each of its members to improve the members' respective economic and social conditions.
- d) Provide members with credit for purposes of providence or production or both.
- e) Offer to the members complementary Savings and Credit services and other financial Products and services as may be required by the members from time to time
- f) Ensure safety and soundness of the members' funds through a Risk Management Programme or appropriate Insurance Coverage.
- g) Ensure the progress of its members by educating them continuously on the proper use of financial services.
- h) Advice members on strategic investment procedures.
- i) Solicit for grants to lend to members.
- j) Advice member to invest their shares in the company's listed at Nairobi Stock Exchange.
- k) Promote quasi-micro-credit services.
- l) Solicit for funds and donations to lend to its members.
- m) Perform the function and exercise the power designated for Savings and Credit Co-operative Societies under the applicable law for the benefit of the members.

5.3 For the attainment of the above objects, the Society may do all acts and things that are permissible under the Co-operative Societies Act, the Rules, the SACCO Act and Regulations and these By-laws.

The objects of the Society shall generally be in accordance with the Co-operative values and principles.

6. CO-OPERATIVE PRINCIPLES

a) In order to achieve the objects for which it is established, the society shall practice the following Co-operative Principles:

i) Voluntary and open membership

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

ii) Democratic member control

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

iii) Economic participation by members

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

iv) Autonomy and independence

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

v) Education, training and information

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

vi) Co-operation among co-operatives

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

vii) Concern for community in general

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

6.2 VALUES

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

7. MEMBERSHIPS AND CO-OPERATION

- a) The Society may become a member of any national or international organization that may best serve the interest of the Society.
- b) The Society may enter into co-operation with organizations, institutions and such other service providers approved by the Board of Directors.
- c) The Society shall recognize the fact that such membership and co-operation are vital for the safety of its transactions and in the interest of its members.
- d) In accordance with the principles of co-operation among Co-operatives the society shall build a strong SACCO System nationally and internationally.

PART THREE- MEMBERSHIP

8. MEMBERSHIP ELIGIBILITY

The following persons, institutions or groups who apply for registration of the Society and have fulfilled the membership conditions in accordance with these By-laws shall be eligible for membership:-

- a) Original members who signed the application for registration provided that they comply with these By-laws
- b) All persons, institutions and groups who thereafter apply for membership, and fulfill conditions of these By-laws. The rights of members of the society shall be determined and exercised in accordance with the applicable law, the By-laws of the society and valid resolutions of the Board of Directors.
- c) Past and present employees of:
 - i. Teachers Service Commission (TSC), Kenya National Union of Teachers (KNUT) and all its projects, Ministry of Education, Public Service Commission and other Private educational institutions such as schools and colleges, disciplined forces.
 - ii. WINAS SACCO LTD SACCO Society or Investments ventures of the Society
- d) Is a spouse or member of the immediate family of an employee of TSC, KNUT, Ministry of Education, Public Service Commission, Private educational institutions who were previously members of the society or WINAS SACCO LTD SACCO Society limited

admitted into membership subject to the terms and conditions set by the Board of Directors

- e) Is in employment, occupation or profession which falls within the category or description of those for which the co-operative is established,
- f) Approved Business entrepreneurs, farmers ,groups and non educational institutions; and
- g) Any employee of the society and any member of the immediate family of any other eligible person may become a member of the society in the manner provided in these By-laws.

9. MEMBERSHIP QUALIFICATIONS

A person of either sex shall be eligible for membership if he/she possesses either or **all** of the following qualifications: -

- a) Is within the field of membership, if a teacher
- b) Is employed by the Teachers Service Commission, or is a KNUT employee or official, or is an employee or official of a sister organization or employee of Private educational institutions
- c) Is not less than eighteen years of age,
- d) Is of good character
- e) Is of sound mind
- f) Is an employee of the society or a subsidiary of the society
- g) Is in employment, occupation or profession which falls within the category or description of those in the education and allied sectors,
- h) Is a nominee and approved into membership by the Board
- i) Is not a member of another salary based SACCO in the country
- j) Is not directly, a money lender or carrying out such activities detrimental to the objectives of the Society
- k) Has not been convicted of a criminal offence involving fraud and or dishonesty
- l) Has regular income from employment, business or trade
- m) Is resident within or occupies land within the society area of operation
- n) Is a member of the immediate family of a member admitted into membership subject to the terms and conditions set by the Board of Directors
- o) Pays the prescribed entrance fee and the minimum prescribed shares.
- p) Accepts the objectives of the society, the obligations of members and other conditions as stated in these By-laws.

Provided an employee of the Society may become a member of the Society but shall not be a member of the Board except as specifically provided in these by-laws.

10. MEMBERSHIP APPLICATION FORM

- a) Every applicant for membership shall complete an “application for membership” form
- b) The completed form when filed in serial order, or saved as computer data shall constitute the Register of members required under the Rules.

11. MEMBERSHIP ADMISSION

- a) An applicant shall be admitted to membership on approval of the Board of Directors, but shall not qualify for the rights and privileges of membership until he has paid an entrance fee as may be prescribed in the Membership Policy and paid in full at least one share .

- b) There shall be two classes of membership. The Category A membership shall be the original members and those falling within the composition of membership under the bylaw 8(c) and employees in private education institutions while the category B membership shall be approved professional, business entrepreneurs groups and institutions.

12. REFUSAL OF MEMBERSHIP

- a) The Board of Directors may refuse membership to any applicant by giving him/her reason for the refusal in writing, provided the person whose membership has been refused, if aggrieved by the decision, shall have the right to appeal to the next general meeting through an existing member.
- b) Any such appeal must be supported by at least 10(ten) members and upon payment of a fee as may be prescribed in the Membership Policy. The decision of the General Meeting on the matter shall be final.

13. MEMBERSHIP RIGHTS

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 By-laws, the members are entitled but not limited to: -

Receive, periodically and regularly, or upon request, and at least once a Year, a Statement of Accounts containing the individualized record of his/her credit and debit transactions.

- a) Attend and participate in elections (subject to these by laws) within his/her electoral zone. Each member shall have one vote irrespective of the member's total share holding.
- b) Elect or be elected as Officer of the Society unless otherwise prohibited by any other Law or these By-laws.
- c) Use the Society Services according to the Policies and Procedures approved by the Board of Directors.
- d) Submit projects or initiative to the Board of Directors, for the improvement of the Society Services.
- e) Appoint a nominee
- f) Share in surpluses
- g) Access all legitimate information relating to the society, including Internal Regulations, registers, minutes of the General Meetings, Supervisory Committee, Reports, Annual Accounts and Inventories, Investigation Reports, at the registered office of the society subject to the Society policy and regulations for the time being in force
- h) Vote on all matters put before General meeting.
- i) All other rights as prescribed by the Act and Rules

14. MEMBERS OBLIGATIONS

In accordance with the Act, members of the Society are obliged to: -

- a) Be faithful and honest in all their dealings with the society.
- b) Observe the law, the rules and these by-laws whenever transacting any business with the society.
- c) Observe the code of conduct and ethics for cooperative societies and in particular desist from any corrupt practices in all dealings with the society.
- d) Refrain from engaging in the business of money lending in competition with the society.

- e) Protect the image of the society and avoid unnecessary publicity, incitement or careless talk that can injure the reputation of the society.
- f) Inform the Chief Executive Officer in writing of change of their electoral zone whenever they so change.
- g) Pay their debt obligations to the society without fail and save regularly with the society to mobilize funds for lending to the members.
- h) Seek cooperative education to improve membership awareness and enlightenment.
- i) Support issues put forth that improve the sustainability of the Society and promote the goodwill of all members
- j) Buy and pay for shares and make any other payments provided in the Bylaws of the Society
- k) Attend meetings and education forum and take part in decision-making.
- l) Notify non-members and encourage them to join the Society,
- m) Bring out problems affecting the Society and look for solutions,
- n) Participate in the Society projects both physically and financially
- o) Make use of the services of the Society as stated in the objects of the society,
- p) Comply with these By-laws, the Co-operative Societies Act, SACCO Act, Rules and Regulations and General Meeting Resolutions

15. MEMBER PERSONAL ACCOUNTS

The Society shall provide a periodic “Statement of Accounts” containing a record of the members’ transactions with the Society.

16. PENALTIES AND FINES

- a) Any member who willfully acts in violation of these by-laws or regulations made thereunder shall be liable to a fine not exceeding twenty thousand shillings (Kshs.20, 000) for each offence notwithstanding any other action that may be taken against him in accordance with the Act, Rules, these by-laws or any other law.
- b) The Board of Directors of the Society shall have powers to hear and determine matters relating to any alleged violation of By-laws by members. Any member aggrieved by the decision of Board of Directors may appeal to the general meeting whose decision shall be final. Provided this provision should not prejudice a members’ right to refer the matter to the Tribunal, if the issue constitutes a dispute.

17. APPOINTMENT OF A NOMINEE (S)

- a) Every member may nominate in writing one or more persons in order of priority to whom upon his death, his shares deposits or any other interest shall be transferred. Appointment of a nominee by a member shall be in writing and signed by the member in the presence of two attesting witnesses.
- b) The name(s) of the nominee(s) shall be entered in the member`s file. A member shall have the right to change his nominee(s) but any such change or alteration must be in writing and signed by the member in the presences of two attesting witnesses.
- c) Disputes regarding shares, deposits or any other interests of a deceased member shall be referred to the tribunal.

18. PAYMENT TO UN-ADMITTED NOMINEE

On the notification to the society of the death of a member, the nominee(s) or in his absence, the legally appointed personal representative, shall be paid the value of the deceased member's shares or interest within reasonable time subject to:

- a) Submission of the deceased member's burial permit, original and copy of death certificate, copy of national identification from the employer where applicable
- b) Recovery of all outstanding debts not covered under any insurance programme.

19. VOLUNTARY WITHDRAWAL

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

20. NOTICE OF VOLUNTARY WITHDRAWAL

- a) A member may at any time withdraw from the Society by giving 30 days' written notice to the Society during which time the Society will settle the member's Accounts and refund the member's deposits if he/she has no outstanding liability with the Society.
- b) A member who is withdrawing shall pay to the society an amount out of his/her deposits as may be prescribed in the Membership Policy.

21. CEASATION OF MEMBERSHIP

Membership in the Society shall be terminated upon: -

- a) Voluntary resignation by the member.
- b) Death of the member.
- c) Expulsion from membership.
- d) Becoming certifiably insane and confirmed by a doctor
- e) Withdrawing all his deposits and transferring his shares.
- f) Acting contrary to the relevant provisions of the Co-operative Act, Rules, Regulations and By-laws.
- g) Being declared bankrupt by a court of law
- h) Ceasing to hold the qualifications for membership stated in these By-laws.
- i) Being inactive for six consecutive months without honouring the monthly contribution.
Anyone who ceases to be a member of the society shall have his/her name struck out by the Chief Executive Officer.

22. SUSPENSION AND EXPULSION

The Board of Directors may suspend a member subject to expulsion by the General Meeting who:-

- a) Is convicted in court of a criminal offence involving dishonesty or imprisonment for any other offence for three months or more.
- b) Acts in any way detrimental or prejudicial to the society's interests or for other just cause

- c) Willfully fails to comply or refuses to comply with the Society's By-laws, policies and contracts and persists in such refusal or failure.
- d) Lends money on his/her own account or in another person's account unless the directors has given him/her written authority.
- e) Acts in any way against the interest of the society or the by-laws made hereunder:-
- f) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act – on criminal cases.
- g) Spreads malicious rumours concerning the society, its members, employees or Board
- h) Fails to meet the requirements stated in of the Co-operative Societies Rules
- i) Willfully defaults in the repayment of loans due or part of loans or advances due for a period exceeding six months.
- j) Fails to save regularly.
- k) Is found to have willfully furnished false particulars in his application for membership to the society
- l) For any other reason as may be contained in the Society's code of ethics.

23. SUSPENSION AND EXPULSION PROCEDURE

- a) Upon formal and written announcement and proof that a member has committed a violation punishable by expulsion, the Board of Directors shall provide written notice to the member stating the reason(s) for the suspension and proposed expulsion, and grant the member 15 days for the member to prepare a defense if any
- b) Upon expiry of the 15 days and taking into consideration the member's defence, the Board shall initiate an administrative Inquiry and take a decision on its findings within 15 days.
- c) A member so expelled by the Board of Directors shall have the right to appeal at the next General Meeting provided the notice and grounds of such appeal have been filed with the Chief Executive Officer no less than 20 days before the date of the meeting.
- d) A member so suspended or expelled loses voting rights and cannot attend Society Meetings unless invited by the Chief Executive Officer in writing.

The decision of the General Meeting on such expulsion shall be final. Provided such a member shall have the right to appeal to the Tribunal if the issue constitutes a dispute.

24. PAYMENTS RESULTING FROM WITHDRAWAL, TERMINATION OR EXPULSION FROM MEMBERSHIP

The following are the conditions that must be observed by members who withdraw from the society and wish to rejoin later.

- a) Where a member wishes to withdraw from the society he will be required to give the society a written notice of up to 30 days of his intention to withdraw.
- b) No member shall be allowed to withdraw from the society unless his outstanding loan is repaid in full or the loan balance can be fully offset against his deposits, such a member will also have to satisfy the society that all the loans guaranteed have been paid in full.
- c) A member who withdraws will be required to clear all his outstanding loans and provide alternative guarantors for loans guaranteed.
- d) A member who has withdrawn from the Society may be accepted to join after a period of not less than two months of the withdrawal.

- e) A rejoining fee may be charged on the rejoining member in addition to the normal entrance fee and as may be prescribed in the Membership Policy

PART FOUR-ENTRANCE FEES AND SHARE CAPITAL

25. ENTRANCE FEE

- a) A member shall pay an entrance fee as may be provided for in the Membership Policy, within one month after approval of membership or as may be determined by the Board of Directors from time to time.
- b) The entrance fee is not refundable and shall not carry any interest.

26. SHARES

- a) The nominal value of each share shall be *Kshs.100/=* and every member shall hold at least one share in the Society, but no member shall hold more than one-fifth of the total shares and deposits in the Society.
- b) Any amount may be accepted towards the purchase of shares provided however, that the Board of Directors may fix a minimum amount that may be paid by a member at any one time.
- c) With the approval of the Board of Directors a member may at any time transfer his shares to another member. Such transfers must be in writing and at nominal value.
- d) All transfers must be registered with the Chief Executive Officer, and no transfer shall be valid unless so registered. A transfer fee to be determined by the Board of Directors shall be paid to the Society by the transferee.
- e) The Society shall maintain capital adequacy as required by the Regulations.

27. DEPOSITS

- a) The Society shall have a written Savings policy
- b) All withdrawable deposits shall attract interest at a rate prescribed in the terms and conditions of the deposit.
- c) The amount accumulated in the non-withdrawable deposit accounts may be used as collateral against borrowings and shall be refunded only when a member withdraws from membership provided the member has fully repaid all his debts and obligations, and is free from any guarantee.
- d) A member may be refunded the amount saved in his non-withdrawable deposit account within 30 days after giving a written notification of his intention to cease being a member subject to clearance from the employer.
- e) Non-withdrawable deposits shall attract interest at a rate to be determined by the Society and as dictated by external market forces or internal funding needs.

28. LIABILITY OF MEMBERS

- a) The liability of a member shall be limited to the nominal value of the shares held by the member.
- b) In the event of liquidation, where available 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.

- c) The estate of a deceased member shall be liable for the debts of the society, as they existed at the time of his/her death unless otherwise covered under any other existing scheme in the society

PART FIVE – FUNDS OF THE SOCIETY

29. SOCIETY FUNDS

The funds of the Society shall consist of: -

- a) Entrance Fee as may be provided for in the Membership Policy.
- b) An unlimited number of Shares to the value of *Kshs.100/=* each or as the Board of Directors may determine from time to time.
- c) Deposits or Loans from members or non-members.
- d) A Reserve Fund as required by the Act and such other Reserves as may be established with the approval of the Board of Directors.
- e) Any deposits, grants or gifts from other bodies, organizations or individuals
- f) Any surplus resulting from operations of the Society.
- g) Funds obtained from other lawful miscellaneous sources

30. APPLICATION OF SOCIETY'S FUNDS

The Funds of the Society shall be applied for the promotion of the stated objects and purposes of the Society as set forth in these By-laws and as determined or approved by the General Meeting.

31. POWERS TO BORROW AND CREATION OF A CHARGE

- a) The Society may borrow loans or deposits from non-members subject to the maximum determined by the General Meeting, which shall be notified to the Commissioner and the Authority.
- b) The Society may borrow as approved by the authority an equivalent of a percentage of its total assets in execution of the Society's duties.
- c) For the necessary Security of any Loans accepted by the Society under paragraph (a) above, the Society may grant a charge over the assets of the Society.

32. RECEIPTING FOR MONEY

Money paid in or out on account of shares, deposits, loans interest, fees or fines shall be evidenced by an entry in the Members Personal Account or issuance of an official receipt in the name of the Society.

33. EXPENDITURE

The Board of Directors may re-allocate funds from one vote to another but shall spend within the approved limits of the General meeting of the society.

34. LIQUIDITY MANAGEMENT

- a) The Board of Directors shall formulate the Liquidity Policy for the Society.
- b) The Board shall put in place a contingency plan to handle liquidity matters. The plan shall include procedures for making up liquidity shortfalls in emergency situations and back-up liquidity strategy for circumstances in which the normal approach to funding operations are disrupted.

- c) The SACCO shall maintain adequate liquidity as required by law.

35. RESERVES

- a) Subject to the provisions of Section 47 of the Co-operative Act, and approval of the Board, the Society shall pay one-fifth (20%) of its net surplus resulting from the operations during the financial year to the Reserve Fund.
- b) The Reserve Fund of the Society shall be invested or deposited in the manner provided for in Section 45 of the Co-operative Act and the Rules.
- c) The Reserve Fund shall be indivisible and no member shall be entitled to claim a specified share of it.
- d) On dissolution of the Society, the Reserve Fund shall be applied for in the manner provided for in the Act and Rules.

36. INVESTMENTS

- a) The Society shall have a written Investments policy consistent with the relevant provisions of the Co-operative Act, Rules, the SACCO Act, Regulations and any other applicable laws.
- b) The Society shall only invest in non-earning assets or property and equipments, real estate and financial investments to the extent permitted by the Rules and Regulations.

PART SIX- DISTRIBUTION OF SURPLUS

37. DISPOSAL OF SURPLUS

Subject to the Act and Rules, and approval by the members, the Net Surplus resulting from the operations of the Society during any Financial Year shall be disposed of as follows: -

- a) Not less than 20% shall be credited to the Statutory Reserve Fund
- b) The balance may be disposed of as decided at the General Meeting:-
 - (i) Paying dividends on shares at a rate determined by the Board of Directors and approved by the General Meeting
 - (ii) Paying interest on deposits to members on record at close of the financial year at rate determined from time to time
 - (iii) Paying it into the institutional capital to which no member has a claim
 - (iv) Being carried forward to an Education Fund or other funds of the society, including the appropriation accounts
 - (v) An amount not exceeding 10% of the remaining net balance may be paid to any charitable purpose.
 - (vi) Paying a pension or honoraria, bonuses, allowances and other commissions to Board of Directors or employees of the society as determined by the General meeting.
 - (vii) In any other way approved by the General Meeting
- c) The detailed Policies and Procedures shall be provided for by the Board of Directors in the Dividends Policy.
- d) Computation of Interest on deposits shall be paid based on the terms and conditions provided in the Savings and deposits policy.

PART SEVEN - GOVERNANCE OF THE SOCIETY

38. GOVERNANCE STRUCTURE

- a) The Governance structure of the Society shall comprise of the General Meeting that has the overall control of the Society, Board and management staff, and members
- b) The members of electoral zone shall elect their representatives to the General Meeting of the Society and the members shall constitute the General Meeting. Provided that in the interest of maintaining the operations of the Society, the Board of Directors may delegate authority or appoint representatives.

39. ELECTORAL ZONES AND BRANCHES

- (i) The society shall have nine electoral zones (representation).
- (ii) The members of each electoral zone shall be represented by one board member elected in accordance with these Bylaws.
- (iii) The representatives shall provide such services to members in accordance with these Bylaws and other society policies.
- (iv) Every member shall belong to one electoral zone, provided that a member may be served at the head office or any branch of the society.

40. ANNUAL GENERAL MEETING

The Supreme authority of the society shall be vested in the Annual General Meeting elected in the manner prescribed in these By-laws , where members subject to these by laws shall have the right to attend, participate and vote on all matters. Such a meeting shall be held in the manner prescribed in the Act as follows: -

- a) The Annual General Meeting shall be held within four months of the close of the financial year to undertake such other businesses as laid down in the Act and such other as shall appear in the notice convening the meeting.
- b) The General Meeting of the Society shall be convened by giving at least fifteen (15) days written notice to the Members
- c) The Chief Executive Officer shall take all possible and usual steps, such as announcements at public meetings, posting a notice on the Society's notice board or boards, an advertisement in the local newspaper or newsletter, to inform all members of the date and main business of the meeting. All written notices shall include a statement of the business to be dealt with.
- d) Members in a General Meeting must conduct themselves with decorum
- e) Any other business from a member must be followed 7 days before the day meeting..

41. SPECIAL GENERAL MEETING

A Special General Meeting of the Society may be convened-

- a) When convened by the Board of Directors or the Commissioner or
- b) Within 15 days on receipt of a written demand from at least 900 members with a minimum of 100 members drawn from each electoral zone stating the reasons for and the objective of the meeting. Such members shall append their Membership number, Identity card number and signatures on such demand.
- c) Any business not completed at the Annual General Meetings may be taken up at a subsequent Special General Meeting, or at the next Annual General Meeting.

For a Special General Meeting requested by the members, the request must state the object of the meeting being called, and be signed by the requesters. The request shall be deposited in the registered office of the Society.

42. QUORUM

Except when convened by the Commissioner, the presence of at least 100 members shall constitute a quorum for the conduct of business at a General Meeting. When a quorum is not attained, the Chairman shall adjourn the meeting, which shall be advertised as prescribed in the by-laws. If at such a meeting, a quorum is again not attained, the Chairman shall declare the meeting open with those present, one-half hour after the advertised time of the meeting.

43. REQUIRED MAJORITY

- a) A motion to remove a member of the Board whose term of office has not expired as a result of a vote of no confidence must be supported by at least three quarters of the registered members present in the meeting
- b) Amendments of these By-laws shall be made by a resolution of majority of members present or voting at the General Meeting.
- c) Any other motion shall be approved by simple majority of votes.

44. ENFORCEMENT OF DECISION

A decision taken by the General Meeting shall be binding to all members present, absent and objecting.

45. CHAIRMAN AT MEETINGS

The Chairman or in his absence, the Vice-Chairman shall preside at every General Meeting. In their absence, any Board member may preside failing which any member elected by a majority of board members present shall preside.

46. IDENTIFICATION OF MEMBERS AND CONDUCT

- a) Before they may attend or vote at a General Meeting, members shall be required to produce evidence of their membership and eligibility as members.
- b) Any member who is disorderly and disrupts business of the General Meeting may be denied entrance or ejected from the meeting.
- c) No person shall attend any society's meetings or be allowed in the banking hall or society's offices while drunk or disorderly
- d) Abusive language shall not be allowed in the society meetings, society offices and society functions. Members found using such language shall be forced to leave.

47. POWERS AND DUTIES OF GENERAL MEETING

The Supreme Authority shall vest in the General Meeting which shall be constituted by members. General Meeting shall have the powers and duties prescribed in section 27(5) of the Cooperative Act. At the General meeting, members shall: -

- a) Consider the minutes of the previous meeting and consider matters arising there from.
- b) Confirm Board of Directors elected in their respective electoral zones for the ensuing years as provided in the Co-operative Act.

- c) Receive Reports and decide upon other matters as may be necessary for the conduct of the Society's business.
- d) Consider the Annual reports and accounts and the auditor's report on the activities of the Society during the past financial year.
- e) Subject to these Bylaws, decide the disposal of the net surplus resulting from operations of the Society during the past financial year.
- f) Confirm or otherwise, actions taken by the Board of Directors and give directions to the new Board of Directors where necessary.
- g) Consider appeals against the expulsion of members and refusals of membership by the Board of Directors;
- h) Confirm, suspend or remove members of the Board of Directors and the Supervisory Committee provided that proper notice and the purpose of the meeting has been given in advance
- i) Fix the maximum liability, which the Society may incur in loans (maximum borrowing powers)
- j) Appoint Society's Auditors.
- k) Approve the estimates of expenditure for the next financial year.
- l) Consider and approve the disposal of any available surplus resulting from the operations of the society.
- m) Receive the inspection notes of the Commissioner and the Authority, if any.
- n) Approve the honoraria, bonuses and other allowances for Board of Directors or the employees.
- o) Transact any other business of the Society for which seven days notice shall have been given to the Chief Executive Officer (who will sign a copy as proof of receipt) prior to the meeting.

Provided that the new Board of Directors may not take office until items (a) to (n) above have been dealt with

48. MINUTES

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

49. ELECTIONS

- a) The society's general elections shall be conducted annually in the respective electoral areas where they fall due.

b) ELECTION PROCESS

The elections shall be conducted by a returning officer who may be the District Cooperative officer, other authorized official from the Ministry in charge of Co-operatives or other person approved by the Board of Directors, whose duties shall be to:

- Declare the seat vacant.
- Initiate the process of filling the vacant seat.
- Receive the nominations from the floor.
- Ensure smooth conduct of the election.

c) In all the society's elections:-

- i. The Nominated Committee whose membership shall be appointed by the board of directors, shall confirm that the prospective candidates meet the fit and proper test criteria and the provisions in the Bylaws and Board of Directors Charter
- ii. All elections shall be by secret ballot by a majority of the members present.
- iii. No member shall be entitled to vote by proxy
- iv. Irrespective of the number of shares held by him, no member shall have more than one vote.
- v. The elections results will be announced immediately by the presiding officer on the floor.
- vi. Within 14 days of their election, the names and addresses of all persons elected to office shall be forwarded by the Chief Executive Officer to the Commissioner and the Authority

d) Electoral Areas

i. The electoral areas for the Board members shall be:

- Kyeni Electoral Zone (1) Board of Director
- Kagaari Electoral Zone (1) Board of Director
- Gaturi Electoral Zone (1) Board of Director
- Manyatta Electoral Zone (1) Board of Director
- Mbeti Electoral Zone (1) Board of Director
- Evurori Electoral Zone (1) Board of Director
- Siakago Electoral Zone (1) Board of Director
- Mavuria Electoral Zone (1) Board of Director
- Mwea Electoral Zone (1) Board of Director

ii. Provided that,

- a) Elections shall be conducted at the electoral areas as stipulated in these by-laws
- b) For a member to be elected in the Board of Directors or Supervisory Committee he should either be a member in that electoral area or a resident in the area or both a member, resident and should be a registered voter in that electoral area.
- c) The Board and Supervisory Committee members shall be from Embu County.
- d) The Society shall comply with the regulations and guidelines from the Authority and the Board Charter in respect to the electoral process.

- e) When a board of director is removed at the general meeting, affected electoral area will elect a new member to hold office for the remainder of the term of the member so removed.
- f) Where the entire board of director is removed from office, the general meeting may decide to elect or fix a date for election of the board of directors of nine members to hold office for a period not exceeding three (3) months

PART EIGHT- BOARD OF DIRECTORS AND COMMITTEES

50. COMPOSITION AND MEETINGS

- a) The Board of Directors shall be elected by and from the members and shall comprise of nine (9) members including the Chairman.
- b) The members of the Board shall be elected for a term of three years and shall be eligible for re-election
- c) Subject to the By-laws, one third of the members of the Board shall retire annually by rotation
- d) The board shall including the Chairman, V chairman, Treasurer and Honorary Secretary all of whom shall be elected by the board from the amongst the members of the board.
- e) The Chief Executive Officer or his/her appointee shall be an ex-officio member of the Board of Directors and any Board Committee of the society
- f) The board may appoint ad hoc committees with specific terms of reference and time frames to address specific issues and such committees shall be entitled to allowances at the prevailing rate
- g) The Board of Directors shall meet not less than twelve times in a financial year and not more than two months shall lapse between the date of one meeting and the date of the next meeting.
- h) The Board of Directors shall deliberate and be informed about the condition of the Society in order to provide oversight guidance and policy direction to the management.
- i) A member of the Board who fails to attend three consecutive meetings, without reasons acceptable to the Board, may be suspended.
- j) The Quorum shall be five (5) members. In case the Chairman and the Vice Chairman are absent, a chairman for the meeting shall be elected among those present.
- k) In case of equal votes in the Board the Chairman shall have a casting vote.

51. CONDUCT OF BUSINESS

The Board of Directors may make such rules not inconsistent with these by-laws, as they may deem necessary for the conduct of the society's business. Any such regulations shall be recorded in the minutes ,incorporated in the Society policies and shall be posted on the society's notice board, and shall come into force when and as determined by the Board.

52. ELECTION OF BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE

- a) No member shall be eligible to be into the Board of Directors and Supervisory Committee unless he has been a member of the Society for the immediate 48 months preceding his becoming a member.
- b) Members of the Board of Directors shall be elected from among the members in their respective electoral zones for a term of three (3) years and may be eligible for re-election.

- c) The members under the Category B shall not be eligible to be elected into the Board or Supervisory committee.
- d) No member shall be eligible to be elected into the Board or Supervisory Committee if he/she: -
- i. Is not a member of the Society
 - ii. Is not a resident or working in that electoral zone
 - iii. Does not have his/her salary being paid through the FOSA for the last six (6) months or as determined by the general meeting from time to time.
 - iv. Declares an interest to vie for a seat in other teachers organizations
 - v. Is under 18 years of age;
 - vi. Has not attained Form Four level of education or its recognised equivalent;
 - vii. Receives any remuneration, salary or other payment from the Society
 - viii. Is a Board member in another Salary based SACCO society;
 - ix. Is a member of a society with similar objectives as WINAS SACCO LTD SACCO,
 - x. lends money on his own account;
 - xi. Is an undischarged bankrupt;
 - xii. Is of unsound mind;
 - xiii. Has been adversely named by the Commissioner or Authority in an inquiry report adopted by a general meeting for mismanagement or corrupt practices while a member of the Board of Directors;
 - xiv. Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
 - xv. Has been convicted of any offence under the Act or Rules;
 - xvi. Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the Act
 - xvii. Is a member of an existing Board of Directors and, becomes delinquent and does not make good the default within a period of 90 days.
 - xviii. Has not attained non withdrawable deposits above Kshs.200,000/=
 - xix. Has not within thirty (30) days of being appointed, declared his wealth to the commissioner in the prescribed manner;
 - xx. Fails to file an indemnity determined by the general meeting and which shall be lodged with the commissioner within fourteen (14) days of his elections to the committee;
 - xxi. Has been removed from public office on disciplinary action.
 - xxii. Has not duly executed the fit and proper test form as provided in the regulation.
 - xxiii. Does not conform to minimum qualification standards established by the Board from time to time.
- e) The elected Board members shall be required to undergo a ‘fit and proper’ test with the Authority and to declare his wealth and provide indemnity within two weeks of his election
- f) If a Member of the Board of Directors fails to attend three consecutive Meetings without acceptable reasons or otherwise fails to perform his duties in his position as a Board member, the Board of Directors may co-opt a member into the Board after his removal.
- g) Where a member of the Board is out of station for a period exceeding 6 months and is therefore unable to perform his duties, his position may be declared vacant.

- h) A person elected into a Board of a Co-operative Union or Apex Society on the basis of his elected position shall cease to be a member of the Apex Society or Union upon ceasing to be a Board member of the society

53. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall be the governing authority and subject to any directions from the General Meeting and it shall direct the affairs of the Society. Its procedures, powers and duties shall be as prescribed in the Act and Rules, and in particular, it shall:

- a) Observe in all its activities the Act, Rules and these By-laws.
- b) Generally direct and monitor the affairs of the Society.
- c) Act upon all applications for membership unless delegated to the Society staff.
- d) Establish appropriate policies including but not limited to human resource policy, credit policy, investment policy, savings policy, liquidity policy, pricing policy, information preservation policy, dividend policy and risk management policy.
- e) Ensure that true and accurate records and accounts are kept of the Society's money, and its properties, capital reserves, liabilities, income and expenses.
- f) Decide the amount and kind of surety, bond or other security, which shall be required of the Chief Executive Officer and any other officer or employee having the custody of, or handling funds or property of the Society.
- g) Cause Annual returns to be filed with the Commissioner.
- h) Cause monthly returns for remittances to be submitted to Authority.
- i) Cause to be prepared estimates of the Society's income and expenditure including recurrent and capital expenditure for approval by the General Meeting at least three (3) months before the end of the preceding financial year.
- j) Cause to be kept proper books of accounts prepared in accordance with International Financial Reporting Standards.
- k) Display audited accounts in a conspicuous place at the registered office and branches at least two (2) weeks before presentation of the accounts to members at the General Meeting.
- l) Ensure that the Society makes adequate provisions for known and probable losses likely to occur as required by the regulations.
- m) Ensure that the Society maintains a positive image within the industry and the economy as a whole.
- n) Draft or cause to be drafted the Internal Regulations which shall include all matters which have not been taken care of in these By-laws which all for specific enactment to ensure smooth functioning of the Society.
- o) Determine from time to time the interest rates on loans and determine the Interest rates, which shall be paid on deposits.
- p) Lay before the Annual General Meeting a Balance Sheet and Final Accounts and Budget for the following year.
- q) Recommend to the Annual General Meeting the Dividend Rate to be paid on Shares.
- r) Fill vacancies occurring in the Board and Board committees.
- s) Determine the Society electoral zones and Branches
- t) Authorize investments of the Society and make capital expenditure.
- u) Authorize the conveyance of property of the society.
- v) Authorize borrowing and lending operations of the Society in accordance with the Act, Rules and Regulations.

- w) Designate a Depository, or Depositories, for the Funds of the Society.
- x) Submitting Proposals to the General Meetings and provide information necessary to enable the members deliberate and take actions.
- y) Employ, terminate and fix compensation of staff in accordance with terms and conditions of service.
- z) Impose fines on errant members.

Provided, the Boards sole official connection to the operational organization, its achievements and conduct shall be through the Chief Executive Officer. The Chief Executive Officer shall only be bound by decisions passed by the Board. Individual Board member requests that are outside of a Board meeting shall not be considered as binding.

All authority and accountability of staff, as far as the Board is concerned, shall be considered the authority and accountability of the Chief Executive Officer.

54. LEGAL STANDARDS OF CARE, INDEMNITY AND DECLARATION OF WEALTH

- a) In the conduct of the affairs of the Society, the Members of the Board of Directors 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, Regulations and the By-laws of the Society.
- b) Every Board member shall, pursuant to section 27(b) of the Act, file an indemnity, whose amount the General Meeting shall determine and which shall be lodged with the Board within fourteen (14) days of his election to the committee.
- c) The Board of Directors shall indemnify the society to the extent of ksh 500,000.
- d) Every Board member and other officers of the Society shall within thirty (30) days of being appointed, declare their wealth to the Commissioner.

55. CODE OF CONDUCT

- a) Every officer of the Society shall comply with governance rules as prescribed by the Ethics Commission for Co-operative Societies
- b) The Society shall prepare a Code of Conduct as set out in the regulations to be approved by the Authority.
- c) Any officer who violates the Society's Code of conduct commits an offence and the Board shall take the necessary action in line with the provisions of the Regulations.

56. CONFLICT OF INTEREST

- a) Every Board 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 initiate to disclose any personal interest in the matter and shall not take part in any discussion or vote upon that item of business.
- b) The Board member or employee shall physically absent himself/herself from the discussion unless it is determined that the individual has relevant information to provide. Failure to divulge this information shall result in removal from Office or Termination of Employment.

- c) No person or member shall serve as a Board member of the society as well as in a sister organization with common interest or which is having a dispute with the society. Such affected members shall be given one month from the date of the appointment /election to decide whether to serve and notify the society of such decisions in writing, failure to which it shall be deemed he/she has ceased being a board member of the society.

57. CONFIDENTIALITY BY OFFICERS OF THE SOCIETY

- a) The Executive Officer, members of the Board of Directors and Employees of the Society shall hold in the strictest confidence all transactions of the Society, with its members, and all information respecting their personal affairs, except to the extent deemed necessary by the Board of Directors in connection with the loans and the collection thereof.
- b) In case of breach of confidentiality, besides the resulting action for damages, the responsible party shall be removed from the office or their employment terminated.
- c) No Executive Officer, Board member, or employee of the Society shall in any manner participate in the deliberations upon, or determination of any issue affecting his/her own financial or personal interest. In the event of disqualification of any such Executive Officer, Board of Director or employee, he/she shall withdraw from such deliberation or determination, and the remaining qualified Board members present at the meeting, if constituting a quorum, may exercise with respect to the matter, all the powers of the Board of Directors.

58. DELEGATION OF DUTIES

- a) The Board of Directors may delegate in writing to an officer, Board committee or employee of the Society such of its duties, as it may deem necessary.
- b) Nothing in (a) above shall absolve the Board of Directors from its responsibility of running the affairs of the Society in proper and businesslike manner. The Board of Directors must ensure full control.

59. RECORDS OF BOARD OF DIRECTORS MEETINGS

- a) All Business discussed or decided at Board of Directors meetings shall be recorded in minutes which, within one week of the Meeting, shall be signed by the chairman of the meeting, and at least one other Board Member who was present at the meeting to verify that in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the Meeting.
- b) At the next meeting, after approving any alterations or variations, which may be written immediately below the above signatures and not as alterations to the original record, the meeting shall authorize the chairman to sign and date the final record.

60. BOARD COMMITTEES

- a) The Board of Directors may delegate to the Board Committees such of its powers and duties under these By-laws, as it deems fit and proper, provided that the Board remains responsible. The Board Committees shall consist of persons drawn from among its members.
- b) The Board of Directors may appoint Committees as it may deem reasonably necessary. The Committees shall consist of persons drawn from among its members

- c) The Quorum of the Board Committee meetings shall be two thirds of the members of the Board Committee, provided that out of necessity the Management staffs who attend the Board committee meetings may be considered for purposes of attaining a quorum.
- d) The Chief Executive Officer shall sit in all Board and Board committee meetings together with other Management staff as may be appointed to facilitate effective deliberations.

61. VACATION OF THE OFFICE BY BOARD MEMBER

- i) A member of the Board of Directors or any other Board committee shall cease to hold office if he:
 - a) ceases to be a member of the society or
 - b) Is delinquent for Six or more months or
 - c) When the term of office of the Board that appointed it expires
 - d) becomes ineligible for any other reason(s)
- ii) Unless as a result of force majeure, all Board members shall automatically lose their seats in the next Annual General Meeting of the society if they fail to cause the accounts of the society in respect of the society's business for the previous year to be audited within four (4) months of the close of the financial year.

62. REMOVAL FROM OFFICE

- a) The Board of Directors may by majority vote remove any Board member who violates the Act or Rules made there under, these by-laws or for any other good or sufficient cause. No person may be removed by this by-law until the person has been informed by writing of the reason for his proposed removal and has been given the opportunity to appear before the board of directors to rebut the allegations made against him.
- b) The Board of Directors shall by a majority vote of the board members then holding office appoint a member of the Society to fill the vacancy occurring on the board. Appointments under this section shall be valid only until the next general meeting of the society where, the members shall confirm or elect a board member to serve for the balance of the unexpired term.

63. FINANCE AND ADMINISTRATION COMMITTEE

- a) The finance committee shall consist of four members from the board including the treasurer
- b) the chief executive officer shall be the secretary to the committee.
- c) the duties and responsibilities of the Finance Committee shall be as prescribed by the board of directors and provided for in the board charter.

64. CHAIRMAN AND VICE-CHAIRMAN

- a) The Chairman shall preside at all Meetings of the Members, and at Meetings of the Board of Directors. He shall perform such other duties as the Board of Directors, not inconsistent with the provisions of the Act, Rules and these By-laws, may direct him.
- b) No person shall serve as a chairman for more than two consecutive terms and no person who has held office for two consecutive terms shall be eligible as chairman for a period of three years from the date of vacation of office.
- c) The Vice- Chairman shall perform the duties of the Chairman during his absence, and shall perform such other duties as the Board of Directors may direct him to.

65. TREASURER

The Treasurer shall have financial management background. The powers and duties of the Treasurer shall be to: -

- a) Generally to manage or cause to be managed the financial affairs of the Society in a competent and efficient manner.
- b) Cause to be maintained full and complete records of all assets, liabilities, income and expenses of the Society.
- c) Ensure the safekeeping of the Society's money, securities and Books of Accounts.
- d) Ensure that all payments and expenditures are duly authorized.
- e) Ensure compliance with all directives of the Board.

Provided that within 20 days after the close of each month, the treasurer shall cause the preparation and submission to the Board of Directors financial statements showing the position of the society at the end of each such month

66. SECRETARY

The duties of the Secretary are to:-

- a) Cause minutes of the General Meeting, board meeting and joint meetings with the supervisory committee to be recorded.
- b) Ensure that notices of the meetings are prepared and sent out.
- c) Ensure that the SACCO society's correspondence is promptly and correctly attended to.
- d) Perform such other duties as may from time to time be assigned by the Board of Directors

67. CREDIT COMMITTEE

- a) The Credit Committee shall consist of three members of the board whose chairman shall be the board vice chairman.
- b) The Board of Directors may set the minimum qualifying requirements for the credit committee from time to time
- c) The Credit Committee shall hold such meetings as the business of the Society may reasonably require, but not less frequently than once a month.
- d) The duties and responsibilities of the Credit Committee shall be as prescribed in the credit policy and Board Charter.

68. BUSINESS DEVELOPMENT AND EDUCATION COMMITTEE

- a) The Business Development and Education Committee shall consist of three members who shall be members of the Board of Directors.
- b) The duties and responsibilities of the Business Development and Education Committee shall be as prescribed by the Board and provided for in the Board Charter.

69. AUDIT AND RISK MANAGEMENT COMMITTEE

- a) The Audit and Risk Management Committee shall be duly constituted by the Board of Directors to review the financial conditions of the Society, its internal controls, performance and findings of the internal auditor and to recommend remedial actions regularly and at least once in every three months.
- b) The Audit and Risk Management Committee shall consist of three directors. The Internal Auditor shall be the Secretary to the committee.

- c) One of the Board members, at the least shall be conversant with financial and accounting matters. The chairman of the Board of Directors shall not be a member of the Audit and Risk Management Committee
- d) The Audit and Risk Management Committee shall report to the Board of directors on measures taken to implement recommendations and corrections of findings reported.
- e) The duties and responsibilities of the Audit and Risk Management Committee shall be as prescribed by the Board of Directors and provided for in the Board Charter.

70. SUPERVISORY COMMITTEE

- a) There shall be a Supervisory Committee consisting of three (3) members who shall not be employees of the SACCO or serving on the Board or any other Committee of the Society. The Supervisory Committee shall be directly answerable to the General Meeting, to which it shall report.
- b) The Supervisory committee shall be confirmed by the members at the Annual General Meeting. The supervisory committee shall consist of three members all of whom shall;
 - i. Not be employees of the society , members of the board or any Board committee
 - ii. Have some experience in audit, accounting or general management
 - iii. Be from Embu County
- c) The term of the committee members will initially be three (3) years with a 1/3 of them retiring yearly on rotational basis.
- d) The Supervisory Committee members shall choose among their number a Chairman, Secretary and a member.
- e) Without intervening in the administrative functions subject to its control and supervision, the Supervisory committee shall be responsible for Society compliance and internal Control and oversight.
- f) Supervisory Committee shall not perform the duties or exercise any of the powers of the Board of Directors of the Society.

71. SOCIETY EMPLOYEES

- a) The Board of Directors shall have powers to appoint paid employee(s) to carry out such duties as may be required by the Board of Directors in accordance with the terms and conditions of employment.
- b) All appointments shall be done in a transparent manner and in line with the Human Resource Policy.
- c) The Board of Directors may require all employees of the Society to provide such indemnity as and when deemed necessary.

PART NINE- SACCO SOCIETY CHIEF EXECUTIVE OFFICER

72. CHIEF EXECUTIVE OFFICER

The Society shall have a qualified Chief Executive Officer. The Chief Executive Officer shall be responsible to the Board of Directors for the operation and administration of the Society on a day-to-day basis while paying attention to:-

- a) The implementation and adherence to the policies, procedures and standards.
- b) Systems that have been established to facilitate efficient operations and communication.
- c) The planning process that has been developed to facilitate achievement of targets and objectives.

- d) All staff matters, particularly human resource development and training.
- e) Adherence to the established code of conduct
- f) The Act, these regulations, rules, bylaws and any other applicable laws.

73. DUTIES AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER

The powers and duties of the Chief Executive Officer shall be assigned by the Board of Directors and in particular to: -

- a) Manage the affairs of the Society in a competent manner.
- b) Attend Board of Directors meetings and the Annual Members Meetings in an advisory capacity but have no voting rights
- c) Advise the Board of Directors and other Committees in framing the policies and programmes of the Society and implement these after approval.
- d) Supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner.
- e) Ensure that proper books of accounts, records and returns are kept and that regular financial statistical and operational information is prepared and submitted to the Board of Directors and other Board Committees and also to the Ministry in charge of Co-operative Development.
- f) Be responsible for the security of the funds and assets of the Society.
- g) Ensure that all statutory deductions are correctly calculated and that all amounts due and the necessary returns are submitted by the due date.
- h) Prepare and analyze on a quarterly basis the Society's Business Plan and Budget.
- i) Represent the Society in business transactions and any other transaction authorized by the Board of Directors.
- j) Provide information required by the Supervisory Committee in time.
- k) Propose to the Board of Directors of new positions arising at the Society, and the revision of the Salary Schedule for all the Society's Staff.
- l) Implement recommendations set forth in the Audit Reports and those issued by the Supervisory Committee.
- m) Ensure on a monthly basis the Accounting records are in Balance and the individual Accounts subsidiaries are up to date and the Income Statement, Balance Sheets, and delinquency lists are complete and correct.
- n) Ensure that the Account records are maintained in accordance with internationally accepted Accounting standards.
- o) Ensure that adequate Insurance is in place if available for all employees, officials and property of the Society.
- p) Direct and supervise the administration and processing of loan applications.
- q) Assist the Board of Directors with determining acceptable types of collateral that can be used to secure the Society's loans.
- r) Ensure there is adequate liquidity to meet loan demands, savings withdrawal, and operating expenses.
- s) Ensure implementation of the Society Policies and Procedures
- t) Ensure implementation without delay of all decisions of all Board Committees of the Society and the members meeting.

74. BOARD PAPERS

The Chief Executive Officer shall ensure that the Board of Directors are frequently and adequately appraised about the operations of the society through presentation of relevant Board papers as specified in the Regulations.

PART TEN- POLICIES AND PROCEDURES FOR THE SOCIETY

75. GUIDING PRINCIPLES

- a) The Board shall lay down and regularly review policies and procedures for savings, credit and other services to ensure that they are always in conformity with financial regulations and the interest of the members.
- b) The Board of Directors shall establish appropriate policies and procedures.

PART ELEVEN – ACCOUNTS AND RECORDS

76. BOOKS AND RECORDS

The Society shall keep up-to-date and in a proper business-like manner such records as the Act, Regulations and Rules may require from time to time.

The following Books shall be kept by the Society: -

- a) A Register of Members showing in respect of each Member:-
 - i. The Name, Age, Date of Application for Membership, Address and Occupation.
 - ii. The Date on which he ceased to be a Member.
 - iii. Particulars of his Nominee if any.
- b) Minutes giving details of proceedings of the Board and Supervisory Committee.
- c) Minutes giving details of proceedings at the General Meeting.
- d) A Cash Book giving details of all monies received and all monies spent or paid out by the Society.
- e) A Personal Ledger for each member showing his transactions with the Society.
- f) A Register of Charges showing in respect of every charge created by the Society the amount of the charge and the person entitled thereto.
- g) A Register of Loans to Members showing in respect of each loan the name of the borrower, the amount borrowed, and the Purpose of the Loan, the Due Date of Repaying, and the date the repayment is made.
- h) Such other books and records as the Board of Directors may decide or the Commissioner or Authority may prescribe.

77. PAYMENTS OF OFFICERS AND MEMBERS OF SOCIETY

Executive officers or board members shall not receive from the society any payment, except for sitting , travelling ,subsistence or other allowances as may be prescribed while working on the society`s business or an honoraria from the net surplus as allowed by these by-laws or any other legal payment as determined by members at a general meeting of the society.

78. AUDITS

- a) The Society shall submit to the Authority the selected names of the external Auditor within 30 days after the annual general meeting together with an extract of minutes appointing the external auditor;
- b) The Auditor shall submit audited accounts to the general meeting within four months after the end of the accounting period.

- c) The society shall pay such audit fees and supervision fees in accordance with the Act, Rules and Regulations.

79. DEPOSIT GUARANTEE FUND

The Society shall pay the assessed annual premiums to the Deposit Guarantee Fund.

80. FINANCIAL YEAR

The Financial Year of the Society shall be the same as the Calendar Year (from 1st January to 31st December).

PART TWELVE -SIGNATORIES FOR THE SOCIETY

81. AUTHORIZATION TO SIGN DOCUMENTS

- a) The Chairman, Vice-Chairman, Treasurer, Hon. Secretary and Chief Executive Officer or such other signatories as may be authorized by the Board of the Society.
- b) The documents of the society shall be deemed official where they carry the official stamp and designated signatories referred to above.

82. COMMON SEAL

The Society may adopt and use a Common Seal bearing the words ‘WINAS SACCO LTD SACCO Society Limited’ and shall be kept securely under lock and key by the Chief Executive Officer or duly designated officer for that purpose and shall be used only by the officers authorized to sign documents on behalf of the Society.

PART THIRTEEN

83. MISCELLANEOUS

- a) No board member or supervisory committee shall receive from the SACCO society any payment apart from sitting allowance and travelling and subsistence allowance except an honorarium from the net surplus as allowed in these by –laws.
- b) The board and supervisory committee members, and employees of the SACCO society shall hold in the strictest confidence all transactions of the SACCO society with its members.
- c) No members of the board or supervisory committee shall in any manner participate in the deliberations and determination of any question affecting his/her financial interest. In the event of any disqualification the remaining qualified board or committee members present may exercise with respect to the matter all powers of the board or committee.

84. DISSOLUTION

- a) The Society may be dissolved in accordance with the procedures set forth in the Act and the Rules made there under.
- b) 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 or Deficit thereafter shall be apportioned to each member in proportion to the value of each member’s shares at the date of liquidation.

85. DISPUTES

- a) If any dispute concerning the business of the SACCO society arises:

- i) Among members , past members and persons claiming through members , past members and deceased members or
 - ii) Between members , past members or deceased members , and the SACCO society its committee or any officer of the SACCO society or
 - iii) Between the SACCO society and any other co-operative society
 - iv) Between the SACCO society and the authority
- Which cannot be determined by the board (or General meeting) it shall be referred to the Tribunal. Appeals shall be taken to the high court.
- b) In case of debts due to the society from a member or debts owing to a member or past member of the society , a general meeting of the society may at its discretion , issue such instruction to the board of directors for liquidation of the debts as may be necessary or refer the dispute to the tribunal.
 - c) The society may request the commissioner to intervene in case the employers fail to remit deductions from members salary on expiry of seven days from the date of such deductions

86. AMALGAMATION

- a) The Society shall amalgamate with another SACCO society after prior written approval of the Authority.
- b) The application for Society to amalgamate shall be accompanied with the following information:
 - i. An amalgamation plan detailing probable assets/ share ratios, share adjustments designation of continuing SACCO society its by law state of guarantee of member deposits, non conforming assets and liabilities and provisions for notification and payment of creditors
 - ii. Resolution of the board of directors
 - iii. Amalgamation agreement
 - iv. Proposed notice of special general meeting
 - v. Previous month end financial statements and statistical report
 - vi. Combined statement of financial condition
 - vii. Application for guarantee of members deposits
- c) The Authority shall approve or deny the application for amalgamation within 30 days of receiving all necessary and required information.
- d) Upon Authority approval the SACCO society shall not later than 30 days notify all the creditors of the forthcoming changes in writing post the information in all SACCO society offices and place the relevant information in a national newspaper of wide circulation.

87. AMENDMENT OF BY-LAWS

- e) These By-laws may be amended in accordance with the procedures set forth in the Act, Rules and these By-laws, provided no amendment shall become effective until it is approved by the General meeting and registered by the Commissioner.
- f) The by-laws of the co-operative society shall, when registered, bind the co-operative society and the members hereof to the same extent as if they were signed by each member and contained covenant on the part of each member for himself and his personal representatives to observe all the provisions of the by-laws

88. ACQUISITION OF BY-LAWS

The society may make available upon request a certified copy of these By-laws from the registered office of the Society upon payment of a fee to the Society. For purposes of this provision, a copy of the By-laws shall be deemed duly certified provided it is endorsed in compliance with these By-laws.

89. ACCEPTANCE

We the undersigned officers of the SACCO Society named herein do hereby accept and adopt these By-laws for and on behalf of **WINAS SACCO LTDSavings and Credit Co-operative Society Limited** together with any changes or alterations that have been initiated or signed by us.

	NAME	SIGNATURE
Chairman
Vice Chairman
Treasurer
Honorary Secretary
Chief Executive Officer

Certified that the foregoing by-laws of the **WINAS SACCO LTDSavings and Credit Co-operative Society Limited** have been approved by me and duly registered

Given Under My Hand at Nairobi

THIS..... DAY OF..... 2012

Fredrick F. Odhiambo
COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT AND MARKETING