

CURRENT SELECTED PROPOSAL FOR AMENDMENTS	PROPOSED AMENDMENT
<p><b>NAME AND AREA OF OPERATION</b> The society shall be called <b>KENVERSITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED</b>, herein after referred to in these By-laws as “The Sacco Society” and its area of operation shall be the <b>Republic of Kenya with a CS/NO. 2483.</b></p> <p><b>2.REGISTERED OFFICE/ POSTAL ADDRESS</b> The registered office of the Sacco society shall be at <b>KAHAWA SUKARI</b> and the postal address shall be: - <b>10263-00100 NAIROBI, KENYA. Telephone: 0208002371/2; Mobile Nos. 0715114454, 0736710906.</b></p> <p><b>3.OPENING AND RELOCATION OF SACCO SOCIETY’S BRANCH</b> The Sacco Society shall seek a written approval from the Authority to open a new branch, relocate or close a place of business.</p> <p><b>4.INTERPRETATIONS AND DEFINITIONS</b> In these By-laws, unless the context otherwise suggests words or phrases shall be interpreted/defined in accordance with the Sacco Societies Act, 2008 and Regulations herein after referred to as the “Act” and “Regulations” respectively, the Co-operative Societies Act Cap 490 Laws of Kenya and the Rules made there under herein after referred to as the “Co-operative Societies Act” and “Rules” respectively. (xi) “General meeting” shall be a meeting (either “Annual” or “Special”) for all members duly convened by the Sacco society to conduct its business.</p>	<p><b>1. NAME AND AREA OF OPERATION</b></p> <ol style="list-style-type: none"> <li>a. A Proposal is made to change the name of Kenversity Savings and credit co-operative Society limited in Article 1 and in the entire By-laws where the name appears to “<b>KENVERSITY DP SACCO LIMITED</b>”.</li> <li>b. Alter the phrases, its area of operations shall be the Republic of Kenya by inserting shall be “domiciled in the Republic of Kenya and operate to the extent allowed by the Laws of the Republic and the relevant government authorities”.</li> </ol> <p><b>2.REGISTERED OFFICE/ POSTAL ADDRESS</b> The SACCO official email and websites are added on clause 2.1 immediately after Telephone numbers, “<b>Email; info@kenversitysacco.co.ke, Website; www.kenversitysacco.co.ke</b>”</p> <p><b>3.OPENING AND RELOCATION OF SACCO SOCIETY’S BRANCH</b> Article 3 is replaced by, “The SACCO Society may from time to time open and operate a place of business, other than its head office, including a branch, outlet or an agency, close and relocate upon written authorization from the Authority. ”</p> <p><b>4.INTERPRETATIONS AND DEFINITIONS</b> The following phrases are inserted in; -</p> <ol style="list-style-type: none"> <li>I. 4.1 “<b>Sacco Societies (Deposit Taking Sacco Business) Regulations 2010</b>” replacing Regulations made hereunder ----- after Sacco Act, 2008.</li> <li>II. 4.3 (vi) to insert the following words immediately after General Meeting “<b>or co-opted between the general meeting</b>”</li> <li>III. The following definitions are proposed <b>to be included in these By-laws</b>; - <ol style="list-style-type: none"> <li>(xii) Virtual Meeting: Means real-time interactions that take place over the internet using integrated audio, video, chat tools and application sharing.</li> <li>(xiii) Hybrid Meeting: Means some participants are in the same physical location while other participants join the</li> </ol> </li> </ol>

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<p><b>4(4.3) In these Bylaws save as otherwise expressly stated; -</b></p> <p>(vi) 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-laws hereinafter referred to as the "Board</p> <p>(xii) 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.</p> <p>(xvii)"Officers" means a person appointed or elected in the position of responsibility or authority in the SACCO Society (includes Chairperson, Hon. Secretary, Treasurer, committee member and Supervisory Committee).</p>	<p>meeting through electronic means including conference or such other electronic methods.</p> <p>(xiv) Meeting shall be defined as either of the following: -</p> <ol style="list-style-type: none"> <li>a) physical General Meeting</li> <li>b) virtual general Meeting</li> <li>c) hybrid general Meeting</li> <li>d) hybrid Special Meeting</li> </ol> <p>(xv) Physical General Meeting means participants are physically present in a meeting called for by the Society in accordance to these By-Laws.</p> <p><b>4.3 In these Bylaws save as otherwise expressly stated; - (Amendments are as follows;-)</b></p> <p>(vi)The Board of Directors definition is amended by inserting the word or co-opted after general meeting and definition of Officer changed as below.</p> <p>The numbering of the definition of Member is changed to (xvi) and modified to “include any person, group or registered organization who has been admitted in the Society in accordance with these By-Laws”,</p> <p>Numbering of the other definitions of terms changed from (xvi-xv) and thereafter additional definition of terms as follows; -</p> <ol style="list-style-type: none"> <li>(i) “Officers” has the meaning assigned to it in the Sacco Societies Act and the Regulations 2010</li> <li>(ii) “Branch” means a retail and physical location, other than the headquarters from where the Society operates.</li> <li>(iii)"Deposit-taking business" has the meaning assigned to it in the Sacco Societies Act;</li> <li>(iv) “Dispute” has the meaning assigned to it under the Co-operative Societies Act;</li> <li>(v) “Ethics Commission for Co-operatives” means the Ethics Commission for Co-operatives</li> </ol>
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<p><b>6.2 VALUES</b></p>	<p>established pursuant to the provisions of the Public Officer Ethics Act, 2003</p> <ul style="list-style-type: none"> <li>(vi) “Good standing” refers to a member who meets expected characteristics of minimum membership requirements, satisfactory loan repayment and deposit contribution.</li> <li>(vii) “Management” refers to person(s) who are appointed to positions of responsibility and are in charge of the day-to-day running of the Society;</li> <li>(viii) Non-withdrawable deposits” means all the members’ deposits not available for withdrawal for the duration of the membership of a member in the SACCO Society and which deposits may be used as collateral against borrowings.</li> <li>(ix)Supervisory Committee” means the Supervisory Committee of the SACCO Society elected in accordance with the provisions of the Co-operative Societies Act, Co-operative Societies Rules and these By-Laws.</li> <li>(x) Written law” means any written law by Act of parliament (s) for the time being in force in Kenya;</li> <li>(xi)Corporate member refers to the registered organization under the laws of the country and registered with the SACCO in accordance with these By-Laws.</li> <li>(xii) FOSA members refers to registered members transacting with the Front Office services only as per the SACCO policy.</li> </ul> <p><b>6.2 VALUES</b> Amendment is made to replace the current article 6.2 and the paragraph thereunder with the following “The Society shall at all times uphold and practice the following values in its business “-</p>
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<p>The values shall include self-help, mutual responsibility, equality and equity. It shall practice honesty, openness and social responsibility in all its activities.</p> <p><b>7. MEMBERSHIP</b></p> <p>Membership shall consist of: -Original members who signed the application for registration, New members subsequently admitted in accordance with these By-laws, (iii)Employees of Kenyatta University and individuals within the incorporated and un-incorporated organizations namely:- Kahawa Sukari Presbyterian Academy, Parity International Limited, Kenya Institute of Special Education, Dedan Kimathi University of Science and Technology, Karatina University, South Eastern University, Murang'a Teachers College, Ruaraka Academy, Kenya Tents Ltd., Jetlak foods Ltd, Abadi Kenya Ltd, Njiiri Distributors Ltd, Pwani University, Chuka University, Meru University, Embu University, Absolute Comfort, Jomo Kenyatta University, Rongo University(JKUAT), Mount Kenya University, JPC Trade, Jaramogi Oginga Odinga University of Science and Technology (JOUUST), Registered groups, Individuals in Registered groups, Business persons and organizations with which the Board signs a Memorandum of Understanding.</p> <p><b>8. QUALIFICATION FOR MEMBERSHIP</b></p> <p>8.1 A person who possesses the following qualifications shall be eligible for membership:</p> <p>-</p> <p>I. Is within the field of</p>	<p>a. Co-operatives core values of self-help, democracy, self-responsibility, solidarity, self-reliance and equity.</p> <p>b. Co-operatives ethical belief of honesty, openness, Social responsibility and caring for others.</p> <p><b>7. MEMBERSHIP</b></p> <p>Article 7 (iii) is deleted and the following inserted: -</p> <p><b>(iii)</b> Former members of the SACCO re-joining provided they are in good standing.</p> <p>Insert 7.2, Types of membership shall include; -</p> <p>a)individual natural persons living in Kenya and abroad,</p> <p>b) corporate, un-incorporated and incorporated membership registered in accordance to applicable laws in Kenya and abroad,</p> <p>c)group membership carrying out business within the area of operations,</p> <p>d) FOSA members as defined herein.</p> <p><b>8. QUALIFICATION FOR MEMBERSHIP</b></p>
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<p>membership where a contribution through check-off system is tenable.</p> <p>II. Has attained the age of 18 years and should not have been convicted of a criminal offence involving fraud and dishonesty.</p> <p>III. Is of good character and sound mind.</p> <p>IV. Pays the entrance fee and share capital as prescribed in these by-laws.</p> <p>8.2 Provided that no member shall belong to more than one Sacco Society serving similar purpose.</p> <p><b>10 ADMISSION INTO MEMBERSHIP</b></p> <p>10.1 An applicant shall be admitted to membership on being accepted by a simple majority vote of the Board of Directors, but shall not qualify for the rights and privileges of membership until he/she has paid an entrance fee of Kshs.500/= and paid in full at least 15 shares of Kshs.200 each (Kshs. 3,000.00) as shares and a minimum monthly deposit of Kshs.500/= or any other amount decided upon by Board of Directors and</p>	<p>Insert the clause, 8.1 “Qualification for natural persons shall possess the following qualifications to be eligible for membership” as detailed in the current bylaws (ii)-(iv) in 8. 8.1(i) and 8.2 clauses are deleted and insert the following sub-articles; -</p> <p>8.2 Qualification for group, corporate, unincorporated and incorporated membership shall include; -</p> <p>c. registered groups, unregistered or corporate based on the applicable laws in Kenya,</p> <p>d. group, corporate, incorporated and unincorporated By-laws or constitution or any other constitutive instrument permissible under the applicable laws,</p> <p>e. resolution of the governing organ to join the SACCO Society including names of office bearers and individuals authorized to transact on behalf of the corporate, incorporated or group,</p> <p>f. entrance fees and share capital as prescribed in these By-laws</p> <p>8.3 Members living abroad or Diaspora members shall have; -</p> <p>g. qualifications for natural person, group and corporate membership as per 8.1 and 8.2 above.</p> <p>h. work permit from the country of origin or foreign license for the business.</p> <p>8.4 FOSA members’ qualifications are; -</p> <p>i. either qualifications for individual, corporate, group or diaspora members</p> <p>j. members who regularly patronize the products and services of the front office activities as per the SACCO policy</p> <p><b>10.ADMISSION INTO MEMBERSHIP</b></p> <p>Delete 10.1, entrance fee of Kshs 500 and paid in full at least 15 shares of Kshs. 200 each (Kshs.3000.00) as shares and minimum monthly deposit of Kshs.500 and insert entrance fee of Kshs. 1000 and paid in full at least 50 shares of Kshs. 200 each (Kshs. 10,000 and minimum monthly deposit of Kshs. 1,500 or ----.</p> <p>Additional requirements are suggested in article 10.2 to be furnished to the SACCO as follows”, <b>National Identity Card, certified copy of Personal Identification number from Kenya Revenue Authority, certificate of registration (where applicable), constitution (where</b></p>
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<p>approved by the General Meeting of the SACCO Society from time to time.</p> <p>10.2 At the time of application, the member shall furnish the SACCO Society with two passport size photos and a certified copy of the National Identity Card or any other authenticated document.</p> <p>10.4 Members shall be admitted by the Board subject to confirmation by the next General Meeting.</p> <p>10.5 An applicant admitted into membership will only qualify for a loan after six months and having contributed the minimum shares and deposits as approved by a General Meeting.</p> <p>10.6 An applicant rejoining membership of the SACCO Society shall pay Kshs. 1,500/= and at least 15 shares of Kshs.200/= each or any other amount as may be determined by the Board and approved by the General Meeting from time to time. Such a rejoining member will qualify for a loan after six (6) months.</p> <p><b>11. REFUSAL OF ADMISSION</b> The Board may refuse membership to any applicant giving him/her reasons for the refusal in writing, provided, however, that the person whose membership has been refused, if otherwise eligible for membership, shall have the right to appeal to a General Meeting of the SACCO Society. Any such appeal must be supported by at least 10 (ten) members and upon payment of a fee of KES 1500/=. ----- . The decision of the general meeting on the matter shall be final.</p> <p><b>14. MEMBERS PERSONAL ACCOUNTS</b> Every member shall receive</p>	<p><b>applicable), work permit (where applicable) or any other authenticated document.</b></p> <p>10.4 Is deleted and replaced by the following phrases, <b>“Members shall be admitted by the Board and total numbers reported to the next General Meeting”</b>.</p> <p>10.5 <b>The Chief Executive Officer shall cause the name and relevant particulars of qualified applicant to be entered in the register of members.</b></p> <p>10.6 The word <b>“BOSA”</b> is inserted in clause 10.5 before loan after three months (The word six months is deleted) ----- and <b>“he may patronize FOSA products immediately”</b>.</p> <p>10.7 Clause 10.6 changes numbering to 10.7 and Kshs.1500 and at least 15 shares of Kshs. 200 each are deleted respectively and replaced with entrance fee of Kshs. 3,000/= and at least 50 shares of Kshs.200/= each or ----- . The phrases, <b>“A member will be allowed to rejoin the SACCO at least two (2) months after membership withdrawal maturity”</b>. Such a rejoining member will qualify for a BOSA loan after three (3) months. <b>“However, he/she may patronize FOSA loans immediately” are inserted respectively.</b></p> <p>10.8 Clause is added as follows, <b>“Upon admission the member’s name shall be entered in the membership register and a membership number issued”</b>.</p> <p><b>11. REFUSAL OF ADMISSION.</b> The following phrase is inserted immediately after upon payment of a fee of Kshs. 1,500 <b>“by giving 14 days’ notice before General meeting date.”</b></p>

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regular statements at least once every six months, which shall contain particulars of membership, shares, deposits and loan transactions with the Sacco Society. Any other request shall be at a fee prescribed by the Board

**21. PROCEDURE OF SUSPENSION AND EXPULSION**

**21.3**A member so expelled may appeal to the Supervisory Committee if not satisfied with the decision of the Board.

**21.4**The Supervisory Committee shall consider and determine the appeal and present their finding to the next Board meeting, which may either lift the suspension or maintain.

**23. MEMBERSHIP IN APEX ORGANIZATIONS**

(i) The SACCO Society may become a member of the Kenya Union of Savings and Credit Co-operative (KUSCCO) and Co-operative Alliance of Kenya (CAK), Co-operative Insurance Company (CIC), Co-operative Bank of Kenya or any other approved organization.

**14 MEMBERS PERSONAL ACCOUNT**

**Article 14 in the current Bylaw is replaced as follows; -**  
The Society shall maintain a Member’s Personal Account (MPA) for each member which shall contain full particulars such as: -

- 11 Name, Society membership number and employment personal number or business details, identification, ID number, shareholding deposits, types of loans and interests where applicable.
- 12 A member on request and payment of requisite fee can get statement as per (i) above.
- 13 Every member shall receive regular statements through email at least once every six months as per (i) above.
- 14 A member can access statements directly in the member portal and other digital platforms as determined by Board of Directors from time to time.

**21. PROCEDURE OF SUSPENSION AND EXPULSION**

Amendment on clause 21.3 after a member so expelled is replaced with **“suspended”**. **Consequently**, clause 21.4 is inserted with words **“Joint Board and Supervisory Committee meeting** immediately after the words present their findings to the next.

**23.MEMBERSHIP IN APEX ORGANIZATIONS**

Insert (ii). “The Society may become a member of a licensed and regulated central liquidity and shared Services Platform (SACCO Central) for the SACCO

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<p>(ii) It shall recognize the fact that such membership is vital for the safety of its transactions and in the interest of its members.</p> <p>(iii) In accordance with the principle of Co-operative among co-operatives, it shall participate in the building a strong SACCO system, nationally, regionally and internationally.</p> <p><b>24. FUNDS OF THE SACCO SOCIETY</b></p> <p>24.5 The funds of the Sacco Society shall only be applied for the promotion of the stated objects of the Sacco Society as set forth in these by laws, and shall be invested in: -</p> <p>(ii) Deposits obligations or other accounts of deposit taking institutions under the Banking Act.</p> <p>24.6 Investments under 27.5 above shall not in the aggregate, exceed such proportion of total assets, core capital and deposits of the Sacco Society as prescribed in the Regulations</p>	<p>Societies in Kenya” and change the numbering (ii) and (iii) to (iii) and (iv) respectively.</p> <p><b>24. FUNDS OF THE SACCO SOCIETY</b></p> <p>24.5 We propose to Insert the sub-title” Investments”, introduce clause (a) for the current paragraph 24.5, add on clause (ii) after Banking Act, “and any other licensed or Regulated institution in Kenya.</p> <p>Consequently, introduce (b) The Society is prohibited in investing its funds in: -</p> <ol style="list-style-type: none"> <li>15 Foreign trade operations.</li> <li>16 Trust operations.</li> <li>17 Investment in enterprise capital beyond the prescribed limit by the Sacco Regulatory Authority and Commissioner of Co-operatives development.</li> <li>18 Purchase of land other than for SACCO business within prescribed limits.</li> <li>19 Allowing nonmembers to save and receive loans from the SACCO.</li> <li>20 Such other activity as the Authority may prescribe or prohibit.</li> </ol> <p>Clause 24.6 is repealed in its entirety and replaced with “Liquidity and capital reserves”</p> <ol style="list-style-type: none"> <li>a) The SACCO shall maintain liquid funds above 15% of the total withdrawable deposits.</li> <li>b) Capital Reserve shall be held by the SACCO Society to fund the growth and to meet operational losses not related to loans.</li> <li>c) The loan allowance for loan loss account shall be held to meet loan losses as prescribed by the Sacco Regulatory Authority or International Financial Reporting Standards.</li> <li>d) Capital Reserve and the allowance for loan loss shall not be distributed to members except in the</li> </ol>



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<p><b>25 SHARES</b></p> <p>Member shall hold at least <b>15</b> shares of <b>Kshs.200</b> each or any other amount which shall be fixed by the General meeting. However, no member shall hold more than one-fifth (20%) of the total shares of the Sacco Society.</p> <p><b>26.TRANSFER OF SHARES.</b></p> <p>26.1 With the approval of the Board, a member may at any time transfer shares to another member. Such transfers must be in writing and at nominal value.</p> <p>26.3 Shares are not refundable but they can only be transferred to another member upon exit.</p> <p><b>27. DEPOSIT</b></p> <p>(iii) In considering monthly deposits reduction, a member shall apply to the Board, provided that either his/her deposits and loan balances are equal, or the deposits exceed the loan balance and the repayment shall not be less than 0.5% of the original normal loan subject to a minimum of Kshs. 500/= or as may be determined by the General Meeting.</p>	<p>case of dissolution of the SACCO and after all of the losses have been provided for.</p> <p><b>25. SHARES</b></p> <p>The Word at least <b>15</b> shares in Clause 25.1 is repealed to <b>50</b> Shares</p> <p><b>26. TRANSFER OF SHARES.</b></p> <p>Amend clause 26.1 by adding after nominal value the following statement, “The transferee must be a SACCO member for more than one year”. Additionally, the statement, “or active members may transfer surplus shares to another member’s provided the minimum shareholding is maintained”, is added on clause 26.3 after the word exit”.</p> <p><b>27. DEPOSIT</b></p> <p>Clause 27(iii) amount subject to a minimum of Kshs. 500 is repealed to Kshs. 1,500</p> <p>Additional clauses (iv) (v) and (vi) are introduced as follows: -</p> <ul style="list-style-type: none"> <li>(iv) Non-withdrawable deposits shall attract interest at a rate as may be determined in a General Meeting subject to the Regulatory requirements and the recommendations of the Board on a prorate basis.</li> <li>(v) Withdrawable deposits through FOSA shall attract interest on pro-rata basis at a rate to be determined by the Board and as dictated by external market forces or internal funding needs.</li> <li>(vi) Deposits as defined by SASRA Regulations may be used for security of loans including membership guarantor ship.</li> </ul>

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<p><b>29. POWER TO BORROW</b></p> <p>29.1 Loans may be obtained from members and non-members subject to the maximum amount and terms approved by the General Meeting provided the total external borrowing by the Sacco Society does not exceed the limit prescribed in the Regulations.</p> <p>29.2 For the securing of any loans accepted by the Sacco Society under 32(1) the Sacco Society may grant a charge over its assets. The authority to grant a charge shall be reserved to the General Meeting.</p> <p>29.3 The rate of interest on loans shall not exceed the current market rate.</p> <p><b>31.RISK MANAGEMENT FUND</b>  (vi)Risk Management fund benefits shall be; -  a) payment of the funeral expenses of Kshs. 10,000/= (ten thousand shillings</p>	<p>Amend clause 27.2 by introducing sub-heading “Dormant and abandoned savings” and subsequent sub-articles; -</p> <ul style="list-style-type: none"> <li>(i) The Society shall from time to time maintain a register to be called dormant and abandoned savings accounts respectively.</li> <li>(ii) Dormant and abandoned accounts savings or deposits shall be transferred to the Unclaimed Asset Authority or Public Trusts established by the Republic of Kenya after sending both to the member or nominee a notice of 90 days using the last known address as per the enabling law after the lapse of the period prescribed in law.</li> </ul> <p><b>29.POWER TO BORROW</b>  Amend clauses 29.4 and 29.5 are proposed to be added to clauses 29.1,29.2 and 29.3 as follows; -  29.4 The Society shall cause a charge to be registered by the Commissioner of Co-operatives Development within 30 days from the date of execution.  29.5 The Society shall maintain a register of charges held by the Commissioner of Co-operatives Development showing the date of acquisition, particulars of property charged, amount secured and any other requirement deemed necessary.</p> <p><b>31.RISK MANAGEMENT FUND</b>  Amend 31(iv) a and c to include “or as may be amended by the Board of directors from time to time” and at the end of the statement. Insert (ix) For purpose of payment to nominee, the SACCO Society after obtaining such documentary proof of the death of a member as it may</p>

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<p>only) each on the death of any two nominees from a list of 10 nominees provided by the member.</p> <p>(c) payment of last expenses of Kshs. 30,000/= on death of a member</p> <p><b>33.GENERAL MEETING</b> A special general meeting may be held when convened by either the: -</p> <p>33.4(iii) Board within 15 days of receipt of a written request by at least 100 or one fourth of the members whichever is less stating the objects and reasons for calling the meeting.</p> <p><b>35.QUORUM</b> Except when convened by the Commissioner, the presence of at least 100 (one hundred) members or one fourth of the total membership whichever is less, shall constitute a quorum for the conduct of business at the General Meeting. When a quorum is not attained the Chairperson shall adjourn the meeting and fix a date for another meeting within one month, which shall be advertised as prescribed in these by-laws. If a quorum is again not attained, the Chairperson shall declare the meeting open with those</p>	<p>consider necessary, shall pay to the nominee the value of the deceased member's deposits, interest and dividend after deducting monies owed to the SACCO Society, if any</p> <p><b>33. GENERAL MEETING</b> Amend 33.4 (iii) from 100 to <b>500 (Five hundred)</b> members to convene Special meeting. Amend by Inserting clauses 33.7, 33.8 and 33.9 as follows; - 33.7 The Society shall conduct general meetings through either one or combinations of the following; -</p> <ol style="list-style-type: none"> <li>I. physical general Meeting,</li> <li>II. virtual general Meeting,</li> <li>III. hybrid Special Meeting,</li> <li>IV. hybrid general Meeting</li> </ol> <p>33.8 That the virtual meetings shall include: -</p> <ol style="list-style-type: none"> <li>I. online Video live transmission</li> <li>II. online Registration Link, code or any other equivalent feature</li> <li>III. automated membership Validation or equivalent</li> <li>IV. online Participation questions and answers, remarks and Comments, observations from members and officials.</li> <li>V. reports, attendance, validated members, voting outcome for each resolution within shortest time possible.</li> </ol> <p>33.8 The Board shall prepare procedures and processes of carrying out simple, transparent and accountable digital general meetings.</p> <p><b>35. QUORUM</b> Amend the quorum from 100 to 500 (Five hundred) members.</p>
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<p>present one hour after the advertised time of the meeting.</p> <p><b>39.ELIGIBILITY FOR MEMBERSHIP TO THE BOARD</b></p> <p>No person shall be eligible as a member of Board of Directors if s/he; -</p> <ol style="list-style-type: none"> <li>I. All Board members shall be at least 21 years of age.</li> <li>II. Has not been a member of the Sacco Society for at least one year prior to the General meeting.</li> <li>III. Has been adversely named by the Commissioner or his/her representative in an inquiry report endorsed by an Annual or Special General meeting for mismanagement or corrupt practices whilst still a member of the Board of a co-operative society or union in the last ten years, or named in any other national inquiries where he/ she has been shown to be engaging in dishonest activities.</li> <li>IV. Has been adversely named by the Authority in an inspection report for mismanagement or corrupt practices while still a member of the Board of a Sacco society.</li> <li>V. Has been charged of any offence involving dishonesty, a crime involving fraud, perjury or breach of contract of a licensed financial institution.</li> <li>VI. Has been convicted of any offence involving dishonesty or is imprisoned for three months or more with a crime involving fraud, perjury or breach of contract of a licensed financial institution.</li> <li>VII. Is a defaulter and has acted in any way prejudicial to the interest of the <b>SACCO Society</b>.</li> <li>VIII. Shall not have attained a minimum of "O" Level Certificate of Education or equivalent.</li> <li>IX. Is undis-charged bankrupt.</li> </ol>	<p><b>Article 39, 40 and 41 are merged as follows; -</b></p> <p><b>39.ELECTIONS</b></p> <p>Elections to the Board and Supervisory committee in the SACCO Shall be as provided for in the Act, Rules and these By-laws.</p> <p><b>39.1.1 MODALITIES OF ELECTIONS</b></p> <ol style="list-style-type: none"> <li>a) The Board shall notify the members of the vacancies arising in both the Board and Supervisory Committee.</li> <li>b) When vacancies happen in the SACCO Society's Committees, the Hon. Secretary thereof shall issue notice of election to fill such vacancies fifteen (15) clear days before the General Meeting.</li> <li>c) There shall be a Nomination and Election Committee constituted by the Board to vet and clear the prospective candidate for election.</li> <li>d) The General Meeting shall be adjourned to allow for elections by secret ballot during a working day the following week.</li> <li>e) All elections shall be determined by simple majority vote of the members present on voting day by secret ballot except where there is only one nominee for the office. If there is a tie vote, a runoff election for tying candidates shall be conducted within seven (14) days of the initial General Meeting date.</li> </ol> <p><b>39.1.2 ELIGIBILITY TO VOTE</b></p> <ol style="list-style-type: none"> <li>a) All active Kenversity SACCO members fully registered with the minimum share capital requirements are eligible to vote. This includes group members with individual membership numbers and requisite share capital. Irrespective of the number of share held by him/her, no member shall have more than one vote.</li> <li>b) Hybrid members shall only vote once. This includes a member with more than one membership number.</li> </ol>

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<p>X. Is of unsound mind.</p> <p>XI. Is a Board member of another existing SACCO society licensed under the Act.</p> <p>XII. Is an official of or holds a political office at any level.</p> <p>XIII. Does not conform to minimum qualification standards in accordance to the applicable law.</p> <p>XIV. Has been removed from public office on disciplinary action.</p> <p>XV. Has not duly executed the Fit and Proper Test form as provided in the Regulations.</p> <p><b>40. ELECTIONS</b> Elections to post in the SACCO shall be as provided for in the Act, Rules and these by-Laws;</p> <p>40.1 The Board shall notify the members of the vacancies arising in both the Board and Supervisory Committee.</p> <p>40.2 There shall be a Vetting Committee constituted as per the SACCO electoral policy formulated by the Board to vet and clear the prospective candidate for election.</p> <p>40.3 When vacancies happen in the SACCO's Committees, the Hon. Secretary thereof shall issue notice of election to fill such vacancies fifteen (15) clear days before the General Meeting.</p> <p>40.4 To qualify for election a candidate must: -</p> <p>I. Have been a registered member of the Sacco for at least one year;</p> <p>II. Be of good character and sound mind;</p> <p>III. Not have previously been disqualified from contesting for an elected post in any co-operative Society or convicted in a court of law for a criminal offence involving dishonesty or fraud in accordance with the Act, Rules and these By-laws;</p> <p>IV. Be a member of good standing.</p>	<p>c) Groups with unlisted members shall nominate one representative to vote on their behalf.</p> <p>d) No member shall be entitled to vote by proxy.</p> <p><b>39.1.3 ELIGIBILITY FOR MEMBERSHIP TO THE BOARD/SUPERVISORY COMMITTEE</b></p> <p>a) Board members and Supervisory Committee members shall be elected bona-fide members of the Society with desired qualifications, qualities and Skills.</p> <p>b) The Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of all SACCO members. Candidates will be selected for their ability to exercise good judgment and to provide practical insights and diverse perspectives.</p> <p>c) Candidates will also be assessed in the context of the then-current composition of the Board of Directors, the operating requirements of the SACCO and the long-term interests of all shareholders.</p> <p>d) In conducting this assessment, the Committee will, in connection with its assessment and recommendation of candidates for Director, consider diversity (including, but not limited to, gender, age, experience and skills)</p>

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<p>V. Not be a defaulter and has not acted in any way prejudicial to the interest of the SACCO.</p> <p>VI. Not be undertaking business similar to the Sacco.</p> <p>VII. Not be an undischarged bankrupt.</p> <p>VIII. Not have been adversely named by the Commissioner of Co-operative Development or his representative in an inquiry report endorsed by the General Meeting.</p> <p>40.5 The General Meeting shall be adjourned to allow for elections by secret ballot during a working day the following week.</p> <p>40.6 All elections shall be determined by simple majority vote of the members present on voting day by secret ballot except where there is only one nominee for the office. If there is a tie vote, a runoff election for tying candidates shall be conducted within seven (7) days of the initial General Meeting date.</p> <p>40.7 In all Sacco elections: -</p> <p>I. No member shall be entitled to vote by proxy.</p> <p>II. Irrespective of the number of share held by him/her, no member shall have more than one vote.</p> <p>III. Within 10 days after the election the names and address of all persons elected to office shall be compiled by the C.E.O of the SACCO.</p> <p>40.8 Within fourteen (14) days of the elections, the C.E.O shall forward to the Commissioner and the Authority the names and addresses of all persons elected.</p> <p>40.9 A new Board elected at the General Meeting shall not assume office unless they have been cleared by the Authority and satisfied the requirements of the Co-operative Act, Rules and these By-Laws as to the indemnity and ethics.</p>	<p>e) NO PERSON shall be eligible as a member of the Board of Directors/Supervisory if he/she: -</p> <p>i. has not been a member of the SACCO Society for at least 12 months prior to the AGM,</p> <p>ii. has been adversely named by the Commissioner or his/her representative in an inquiry report endorsed by an Annual or Special General Meeting for mismanagement or corrupt practices whilst still a member of the Board of a Co-operative Society or union in the last ten years, or named in any other national inquiries where he/ she has been shown to be engaging in dishonest activities</p> <p>iii. has been adversely named by the Authority in an inspection report for mismanagement or corrupt practices while still a member of the Board of a SACCO Society</p> <p>iv. has been convicted of any offence involving dishonesty or is imprisoned for three months or more with a crime involving fraud, perjury or breach of contract of an institution</p> <p>v. is delinquent on loans with the SACCO for more than 60 days within 2 years prior to elections;</p> <p>vi. shall not have attained post-secondary professional training (degree, diploma or certificate)</p>

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<p><b>41. NOMINATION MODALITIES</b> Any member who qualifies for an elected post in Kenversity Sacco shall, in addition to fulfilling the requirements of these By-laws.</p> <p>I. Be nominated in writing, by a proposer and two seconders who must be members of the Sacco. The nomination form must be received by Kenversity SACCO Ltd office ten (10) days before the General Meeting and forwarded to the Vetting Committee.</p> <p>II. The Vetting Committee shall vet candidates as per vetting policy and forward names of candidates to District Co-operative Officer.</p> <p>III. Member(s) may refuse nomination of any member, giving reasons thereof, provided, however, that the member whose nomination has been rejected, if otherwise eligible for nomination, shall have the right to appeal to the General Meeting: -</p> <p>a) Any such appeal must be supported by at least twenty (20) members.</p> <p>b) A successful appeal shall automatically qualify a member to be nominated on the floor during the General Meeting.</p> <p>(iv) Successful nominees for election may campaign and solicit for votes prior to the General Meeting. Such a campaign should not take place during the General Meeting or election date.</p> <p>(v) Member whose nomination has been rejected shall have the right to appeal in General Meeting by notifying the Chairperson of the Board of Directors her/his intention to appeal against such a decision.</p> <p>(vi) A nominee may at any time withdraw his name from the list of aspiring candidates by giving a notice to the Board.</p>	<p>vii. has shareholding of not less than Kshs 10,000 and non-withdrawable deposited of Kshs. 1,000,000 (One Million Kenya Shillings) or as may be determined by the general meeting,</p> <p>viii. is un-discharged bankrupt,</p> <p>ix. is under 21 and over 70 years of age,</p> <p>x. is of unsound mind,</p> <p>xi. is a Board member of another existing SACCO Society licensed under the Act</p> <p>xii. is an official of or holds a political office at any level.</p> <p>f) Have fulfilled the requirements of chapter 6 of the Kenyan constitution and attached the clearance documents as prescribed by the law.</p> <p>g) Prospective candidates shall submit the following documents addressed to the Chairman of the Nomination and Election Committee: -</p> <p>i. duly filled nomination form</p> <p>ii. copy of National Identification card</p> <p>iii. passport sized photograph</p> <p>iv. nomination fee of Kshs. 5,000/- non-refundable</p> <p>v. copies of academic and professional certificates</p> <p>vi. valid Police Clearance Certificate of Good Conduct</p> <p>vii. clearance Certificate from Credit Reference Bureau,</p>

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<p>(vii) Member can only be nominated to vie for either Board or Supervisory Committee position.</p> <p>(viii) Election day shall have no other agenda.</p> <p>(ix) Election shall be held on first Wednesday, unless it is on a holiday, after the General Meeting.</p>	<p>viii. higher Education Loans Board Certificate,</p> <p>ix. clearance Certificate from Ethics and Anti-Corruption Commission.</p> <p>x. tax Compliance Certificate from Kenya Revenue Authority.</p> <p><b>39.1.4 THE NOMINATION AND ELECTION COMMITTEE</b></p> <p>There shall be a Nomination &amp; Election Committee, which shall comprise of three members as follows;</p> <p>a) The Director of Co-operatives or his or her representative.</p> <p>b) The Chief Executive Officer or his representative who will be the Secretary to the committee</p> <p>c) Person drawn from any of the associations of professional bodies in Kenya, government officials, religious community within the areas of operation of the Cooperative.</p> <p><b>39.1.5 THE NOMINATION AND ELECTION APPEAL COMMITTEE</b></p> <p>There shall be a nomination and election Appeal Committee, which shall comprise of three members as follows;</p> <p>a) The Director of Co-operatives or his or her representative.</p> <p>b) The Chief Executive Officer or his representative who will be the Secretary to the committee</p> <p>c) Person drawn from any of the associations of professional bodies in Kenya, government</p>
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	<p>officials, religious community within the areas of operation of the Cooperative.</p> <p>d) Members who presided over in the Nomination and election Committee shall not qualify to be members of Appeal Committee.</p> <p><b>39.1. 6 NOMINATION AND ELECTION COMMITTEE'S POWER AND RESPONSIBILITY.</b></p> <p>a) To receive nomination applications from all prospective candidates together with all the required supporting documents in the prescribed format</p> <p>b) To ensure that the candidates are in compliance with requirements for the positions so vied for as stipulated in this policy, the Society By-Laws and any other relevant laws</p> <p>c) To ensure that all candidates produce any other information or document that may be required to facilitate the election process.</p> <p>d) To compile a report on the nomination process to the Board.</p> <p>e) To issue nomination certificates to candidates who meet the set qualification in the prescribed format.</p> <p>f) To administer taking of oath of office and secrecy by the elected officials before being issued with letters of appointment by the CEO.</p> <p>g) To ensure that the elected Board member fill indemnity and wealth declaration form to be submitted to the Commissioner for Co-operatives</p>
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	<p>within 14 days by the Chief Executive Officer as they assume office.</p> <p>h) To ensure updated list of elected officials is done and published on the official Society's records and website</p> <p><b>39.1.7 NOMINATION PROCESS</b></p> <p>a) The committee shall give a notice of 14 days to receive nomination documents from members.</p> <p>b) All applications received by office shall be forwarded to the committee within two (2) days after end of the fourteen (14) day notice.</p> <p>c) The committee shall then carry out vetting to ensure that the candidates meet the requirements as per this By-Laws, any other applicable guidelines and Laws.</p> <p>d) The committee shall issue a nomination certificate to all qualifying candidates within 14 days of receipts of application.</p> <p>e) The nomination committee shall ensure that at every stage, the nomination process is done within and in compliance with the official SACCO election calendar.</p> <p><b>39.1 NOMINATION AND ELECTION COMMITTEE SITTINGS</b></p> <p>a) The committee shall have a maximum of three sittings.</p> <p>b) The committee shall transact the following business in their first meeting:</p> <p>(i) Receive all applications for contesting</p>
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	<p>candidates (which shall be in sealed envelopes), confirm the details in the nomination register and append their signatures on all the application forms.</p> <p>(ii) Vetting all applicants. All applicants shall be communicated to in writing whether successful or not. The reasons for disqualifications shall be clearly spelt in the communication.</p> <p>(iii) The second sitting shall be for the purpose of receiving and determining appeals</p> <p>(iv) The third sitting shall be preparing and presenting their report/minutes to the Board for adoption.</p> <p><b>39.1.9 CANDIDATURE WITHDRAWAL</b></p> <p>a) A candidate who wishes to withdraw from the election must give notice within seven (7) days to the election date.</p> <p>b) A candidate who shall have issued a notice as in (a) above will be refunded his or her application fees and shall not appear on the ballot</p> <p>c) Candidates who shall not issue a notice as prescribed in (a) above shall not be refunded their application fees and their names shall appear at the ballot.</p> <p><b>39.2.0 ELECTION MATERIALS</b></p> <p>The following materials shall be used in the election process: -</p>
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	<ul style="list-style-type: none"> <li>a) Nomination application form</li> <li>b) Nomination clearance certificate</li> <li>c) Numbered Voters' register</li> <li>d) Serialized ballot papers</li> <li>e) Transparent ballot box</li> <li>f) Tally sheet</li> <li>g) Election certificate</li> </ul> <p><b>39.2.1 PRESIDING OFFICER</b></p> <ul style="list-style-type: none"> <li>a) The Presiding Officer at all SACCO elections shall be Director Co-operative Officer or his representative.</li> <li>b) Shall ensure elections are conducted in a free and fair manner.</li> <li>c) Shall ensure elections is by way of Secret ballot.</li> <li>d) The presiding officer will have a team of election officials.</li> </ul> <p><b>39.2.2 VOTERS</b></p> <ul style="list-style-type: none"> <li>i) All voters shall carry with themselves acceptable identification document</li> <li>ii) A register of members shall be availed and checked against all voter</li> </ul> <p><b>39.2.3 AGENTS AND OBSERVERS</b></p> <ul style="list-style-type: none"> <li>I. Each candidate will have 2 agents</li> <li>II. All observers will be approved by the Nomination and Election committee</li> </ul> <p><b>39.2.4 ELECTIONS AND DECLARATION OF RESULTS</b></p>
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	<ul style="list-style-type: none"> <li>i) All candidates shall be proposed and seconded by members other than fellow candidates</li> <li>ii) Voting shall be by secret ballot</li> <li>iii) Election results shall be announced immediately after tallying and counting of votes.</li> <li>iv) The presiding officer shall sign and present the election certificate to the winner (s).</li> <li>v) In case of a tie, a repeat election shall be conducted within seven days for the tying candidates.</li> <li>vi) All Candidates/their Agents will be required to sign the results declaration form.</li> <li>vii) Within ten (10) days after the election, the names and addresses of all persons elected to office shall be compiled by the Chief Executive Officer of the SACCO Society.</li> <li>viii) Within fourteen (14) days, of the elections, the Chief Executive Officer shall forward shall to the commissioner and the authority the names and addresses of all persons elected.</li> </ul> <p><b>39.2.5 VOTERS REGISTER</b> The Voters register shall be compiled by the office of the Chief Executive Officer 7 days before election and made available at the website, notice board and any member of the SACCO may be provided with a copy at cost.</p> <p><b>39.2.6 ELECTION METHOD</b></p> <ul style="list-style-type: none"> <li>a) The Society shall adopt digital or manual election process at the elections of Board of Directors and</li> </ul>
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	<p>Supervisory committee members during the general meetings.</p> <p>b) Whichever the method adopted, the Society shall carry out an election process which is free and fair, respect political rights of members, inclusive of two third gender and people with disabilities.</p> <p>c) The election shall be free and fair if; -</p> <ol style="list-style-type: none"> <li>i. is by secret ballot,</li> <li>ii. is free from violence, intimidation, improper influence or corruption,</li> <li>iii. is transparent and</li> <li>iv. accountable and accurate</li> </ol> <p>d) The method of voting whether digital, manual or both shall be decided 7 days before election date and all participants shall be notified accordingly by the Secretary or the Chief Executive officer.</p> <p>e) The Society may carry out pilot testing with a small number, documents any gaps and their mitigation.</p> <p><b>39.2.7 SECRET BALLOT VOTING AND COUNTING OF VOTES</b></p> <p>a) The polling centre shall be the General meeting venue or such other venue as shall be communicated to members.</p> <p>b) Eligible voters shall be cleared at the registration desk upon arrival at the General Meeting Venue.</p> <p>c) The member shall then be directed to the next desk where he/she will be issued with a ballot paper and proceed to vote.</p>
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	<p>d) The voter’s name shall be crossed in the register as evidence that the member has been issued with a voter’s card.</p> <p>e) After all votes have been cast, the returning officer shall close the ballot boxes to be sealed in the presence of agents and be taken to the counting hall.</p> <p>f) Candidates, their accredited agents, election officials and invited guests who will act as observers shall be admitted into the counting hall.</p> <p>g) The returning officer shall open the ballot boxes in the presence of the candidates or their agents. Sorting of ballot papers shall then begin,</p> <p>h) Counting of ballots for each individual shall be done audibly by the election officials,</p> <p>i) The scores by each candidate shall be entered in a prescribed tally sheet and signed by agents,</p> <p>j) The voters’ register shall be reconciled with the total votes cast,</p> <p>k) The returning officer shall then announce the results to those present</p> <p>The returning officer shall then issue elected Board members or their agents</p> <p><b>39.2.8 ELECTION MISCONDUCT</b> The following actions shall among others constitute election misconduct: -</p> <p>a) securing nomination on false information,</p> <p>b) concealing information which if it had been brought to the knowledge of the vetting committee</p>
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	<p>would have led to the disqualification of the candidate,</p> <ul style="list-style-type: none"> <li>c) breach of security and use of life threatening statements,</li> <li>d) breach of peace during election period,</li> <li>e) acts of omission and commission that scares off voters.</li> <li>l) with election certificates,</li> </ul> <p><b>39.2.9 ELECTIONS DISPUTE</b></p> <ul style="list-style-type: none"> <li>a) Elections dispute shall be channelled to the Nomination and Election Appeals committee within 24 hours after the announcement of results in writing failure to which such disputes will lapse.</li> <li>b) The appellant shall provide evidence in support of such an appeal.</li> <li>c) All such appeals shall be resolved within 72 hours of receipt and resolutions communicated in writing to all parties.</li> <li>d) Appeal shall be rejected on the following grounds; <ul style="list-style-type: none"> <li>i. late submission</li> <li>ii. insufficient/Unsatisfactory evidence</li> <li>iii. any other reason as may be determined by the Appeals Committee Chief Executive officer, County Director of Co-operative Officer and the Society Lawyer)</li> </ul> </li> <li>e) Where the appeal is successful, repeat election for the contested seat shall be conducted within 7 (seven) days.</li> </ul>
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	<p>f) The decision of the nomination and Election Appeals Committee in the above cases shall be final.</p> <p>g) Any party who is dissatisfied by the Nomination and Election Appeals Committee’s decision may proceed to the Co-operatives Tribunal.</p> <p>h) Appealing aspirants shall pay an appeal fee of Kshs. 10,000 non-refundable.</p> <p><b>39.2.10 CEASATION OF OFFICE BY BOARD AND SUPERVISORY COMMITTEE MEMBER</b>  A committee member shall cease to hold office upon: -</p> <ul style="list-style-type: none"> <li>a) resignation</li> <li>b) is suspended/Expulsion of the members under the provisions of the Act and the By-Laws</li> <li>c) dies</li> <li>d) ceases to be a member of the Sacco</li> <li>e) any other reasonable cause</li> </ul> <p><b>39.2.11 RECONSTITUTION OF BOARD COMMITTEES AFTER ELECTION</b></p> <p>I. Within fourteen (14) days of the elections, the Chief Executive Officer shall forward to the Commissioner and the Authority the names and addresses of all persons elected.</p> <p>II. A new Board elected at the General Meeting shall not assume office unless they have been cleared by the Authority and satisfied the requirements of the Co-operative Act, Rules and these By-Laws as to the indemnity and ethics.</p> <p>III. The County Director of Co-operatives or his/her representative shall preside over the reconstitution process whereas the Chief Executive Officer shall be the witness and record minutes.</p>
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	<p>IV. The reconstitution of the committee shall take place within 7 days of the election.</p> <p>V. The Board shall vote to elect among themselves the following position: -</p> <ul style="list-style-type: none"> <li>a. Chairperson</li> <li>b. Vice Chairperson</li> <li>c. Honorary Secretary</li> <li>d. Treasurer</li> <li>e. After the election, the Chairperson elect shall take charge and chair the rest of the meeting in consultation with County Director of Co-operatives or his/her representative.</li> <li>f. The Board shall reconstitute the following committees: <ul style="list-style-type: none"> <li>i. Finance, Staff and Administration Committee</li> <li>ii. Education and Governance Committee</li> <li>iii. Audit Committee</li> <li>iv. Credit Committee</li> <li>v. Enterprises Risk Management Committee</li> <li>vi. Adhoc Committee as prescribed by the Board.</li> </ul> </li> <li>g. The tenure for Sub-committee membership shall be one year.</li> <li>h. The Supervisory Committee members shall elect from amongst themselves the following positions: <ul style="list-style-type: none"> <li>i. Chairperson</li> <li>ii. Secretary</li> </ul> </li> </ul>
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	<p style="text-align: center;">iii. Member</p> <p><b>39.2.12 TENURE OF OFFICE</b> For the Board and Supervisory Committee, retirement shall be on one-third rotational basis.</p> <p><b>40.THE BOARD OF DIRECTOR</b> Insert in 42.1 membership of the Board shall be <b>“minimum five (5) and maximum nine (9) non-Executive members”</b>.</p> <p>Amend 42.5 by inserting the Board of Directors shall co-opt <b>“good standing”</b> qualified member(s) into the Board of Directors until the next General Meeting <b>“in liaison with the Nominations and Election committee”</b>.</p> <p><b>51 SUSPENSION OF A BOARD MEMBER</b> Amend by inserting clause 51.3, <b>“The Board of Directors shall formulate a policy and procedures of suspending and expelling a Board and Supervisory committee member in compliance with applicable laws”</b>.</p> <p><b>60.FINANCE, STAFF AND ADMINISTRATION COMMITTEE</b> <b>The composition of the committee is amended to exclude the Chairman of the Board and further a</b> amend by inserting the statements in clause 60, <b>“Treasurer shall serve at its Chairman “and insert the following additional roles.</b> (xxi)To ensure regular review of Strategic Plan and make recommendations to the Board. (xxii) Ensure annual declarations on the fit and proper criteria for onward transmission to the Regulator.</p> <p><b>60.EDUCATION AND GOVERNANCE COMMITTEE</b> Amend by changing the name of the committee from Education and training to <b>“Education and Governance” and introduce the following additional duties; -</b> The Committee shall consist of three members from the Board. It shall comprise of the Chairperson, who shall be</p>
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	<p>the Board's Vice-Chairperson, a Secretary and a member. Its duties among others shall be to: -</p> <ul style="list-style-type: none"> <li>(vii) plan, recommend and allocate funds for educational and Training and publicize the same for the benefit of the members, Board and Staff,</li> <li>(viii) develop and review Board Manual and recommend to the Board,</li> <li>(ix) determine the performance measures to be deployed in assessing the performance of the business, the Chief Executive Officer, Chairman, individual Directors and the Board as a collective entity,</li> <li>(x) develop and recommend to the Board an appropriate evaluation process for the Board and the Chief Executive Officer,</li> <li>(xi) develop recommendations regarding the essential and desired experiences, skills and competencies for Board members of the Society,</li> <li>(xii) review monitor and make recommendations regarding the induction and development of necessary skills for Board/Supervisory Committee members,</li> <li>(xiii) monitor and make recommendations to the Board, 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,</li> <li>(xiv) ensure regular development of business strategies and marketing plan and make recommendations to the Board,</li> <li>(xv) review loan interest rates and other levies proposed by the Management and make recommendations to the Board for approval,</li> <li>(xvi) undertake research on new products and services,</li> <li>(xvii) undertake review of the existing products and services.</li> </ul> <p><b>60. AUDIT COMMITTEE</b></p> <p>The Audit committee shall consist of not more than three members appointed from the Board, one of whom shall</p>
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<p><b>42. THE BOARD OF DIRECTORS</b>  42.1 The Board shall be the governing body of the Sacco Society elected from the general membership and shall consist of 9 members who are non-executive.  42.5 Where the membership of the Board falls below five the committee shall co-opt qualified member(s) into the Board until the next General Meeting.</p> <p><b>51. SUSPENSION OF A BOARD MEMBER</b></p> <p><b>60. FINANCE STAFF AND ADMINISTRATION COMMITTEE</b>  The Committee shall consist of the Chairman, Vice chairperson, Honorary Secretary and Treasurer.</p> <p><b>61. EDUCATION AND TRAINING COMMITTEE</b></p>	<p>be conversant with financial and accounting matters. The Chairperson of the Board shall not be a member of the Audit committee.  Introduce additional responsibilities as detailed in Regulation 57(2) follows; -</p> <ul style="list-style-type: none"> <li>(v) ensuring that accounting records and financial reports are promptly prepared to accurately reflect operations and results;</li> <li>(vi) reviewing management reports, internal and external on deviation and weaknesses in accounting and operations controls;</li> <li>(vii) reviewing the SACCO internal audit plan, with specific reference to the procedures for identifying regulatory risks and controlling their impacts on the SACCO Society, including receiving correspondences from the Authority and responses from the management;</li> <li>(viii) monitoring the ethical conduct of the SACCO Society and considering the development of ethical standards and requirements, including effectiveness of procedures for handling and reporting complaints;</li> <li>(ix) reviewing any related party transactions that may arise within the SACCO Society;</li> <li>(x) ensuring that relevant plans, policies and control procedures are established and properly administered;</li> <li>(xi) ensuring that policies and control procedures are sufficient to safeguard against error, carelessness, conflict of interest and self-dealings and fraud;</li> </ul> <p><b>66. DUTIES OF THE SUPERVISORY COMMITTEE.</b>  Amend clause (x) by replacing it with the statement, "Check statements of financial position and comprehensive income",  Amend clause (xi) by inserting, "ATM and mobile banking records" immediately after passbook.  Amend (xii) clause by replacing application with "process" immediately after loan.  Amend (xiv) clause by replacing delinquent with "insider lending".  Amend (xxii) clause by replacing seek solution for weaknesses in management with recommend to the Board solutions for weaknesses in management.</p>
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	<p>Amend (xxiii) clause by replacing with to report to the Board and to the general meeting any performance of Board, Supervisory Committee and staff</p> <p style="text-align: center;"><b>68 BOOKS OF ACCOUNTS AND RECORDS</b></p> <p>Amend (xiii) clause by inserting, “Sacco Act and Regulations” immediately after a copy of current Cooperative Societies Act.</p> <p>Amend (xiv) by replacement with Copies of approved “Statements of Financial position comprehensive income, cash flow, equity and other disclosures”.</p> <p>Amend (xvi) clause by replacing the word loan with “credit”</p> <p>Amend (xvii) clause by replacing with “A copy of SACCO policies”</p> <p><b>75. DISPUTES</b></p> <p>Insert in the paragraph (b) after accordingly, “including Alternative Dispute Resolution mechanism among other arbitrators’.</p> <p><b>76. MISCELLANEOUS</b></p> <p><b>a. PAYMENTS TO THE BOARD AND SUPERVISORY COMMITTEE</b></p> <p><b>Repeal clause (a) Paragraph with the following; -</b></p> <p>I. A member of the Board of Directors or Supervisory committee shall not receive remuneration in the form of a salary or any fixed periodic payments in respect of services rendered to the SACCO Society.</p> <p>II. The Board and Supervisory Committee of the SACCO may be paid reimbursements or allowances for necessary expenses incurred in the course of discharging lawful duties shall be determined at such rates as the members may approve during the general meeting.</p> <p>III. The SACCO Society shall develop and implement a Compensation Policy clearly detailing the rates of compensation or allowances payable to the members of the Board of Directors or Supervisory, nomination and Election committee members taking into consideration the economic and</p>
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**63.AUDIT COMMITTEE**  
a. The Audit committee shall consist of not more than three members appointed from the Board, one of whom shall be conversant with financial and accounting matters. The Chairperson of the Board, Vice Chairperson, Honorary Secretary and Treasurer shall not be members of the Audit committee.

**66.DUTIES OF THE SUPERVISORY COMMITTEE.**  
(x)Check balance sheets and income and expenses statements to ensure they are correct,

financial condition of the SACCO Society, which Policy.

**c.CO-OPTION**  
Amend by inserting the statement after general meeting, “Co-option of Supervisory Committee member requires consultation with Commissioner of Co-operatives Development”

**e. ACQUISITION OF BY-LAWS**  
Amend (a) by inserting the word “a **hard**” copy -----  
----- . At the beginning of the paragraph.

**f. INSPECTION OF DOCUMENTS**  
Amend (a) by inserting the word “Commissioner” after inspection by-----.

**79. AUDIT AND SUPERVISION FEE**  
Amend by inserting the word “**and levies**” after audit fees -----and the Authority after the word Commission

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<p>(xi) Make passbook audits,</p> <p>(xii) Check loan applications and note the exceptions, if any,</p> <p>(xiv) Verify investments in banks, KUSCCO, buildings, insurance firms, and stocks amongst others,</p> <p>(xiv) Check delinquent loans among the Board and SACCO members and ensure that the concerned are informed</p> <p>(xiv) Seek for solutions for weaknesses in management,</p> <p>(xx) Receive the reports of the Internal Auditor and take action on the same or recommend for action by the Board.</p> <p><b>68. BOOKS OF ACCOUNTS AND RECORDS</b></p> <p>(xiii) A copy of current cooperative societies act</p> <p>(xiv) Copies of approved Financial Accounts</p> <p>(xv) Copies of monthly financial statements;</p> <p>(xvi) Copies of the loan policy;</p> <p>(xvii) Copy of the Risk Management Certificate or insurance policy document</p> <p><b>75. DISPUTES</b></p> <p>b. In the case of debts due to the Sacco from the member or debts due to or from past members, the Board may, at its discretion, determine them as a dispute and may act accordingly.</p> <p><b>76. MISCELLANEOUS</b></p> <p><b>40 MISCELLANEOUS</b></p> <p><b>a. PAYMENTS TO THE BOARD AND SUPERVISORY COMMITTEE</b></p> <p>No Board member or Supervisory Committee member shall receive from the Sacco Society any payment apart from sitting allowance, travelling and subsistence allowance while working on the Sacco business, except an honorarium.</p>	
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<p><b>c.CO-OPTION</b>  When any Committee Member is absent, disqualified, or otherwise unable to perform his duties, the Board may designate another member or members of the Society to act and serve on the Committee until the next general meeting.</p> <p><b>e. ACQUISITION OF BY-LAWS</b>  A copy of these By-laws shall be furnished to every member who joins the Sacco Society or on request upon payment of a fee not exceeding its actual cost to the SACCO to be determined by the Board.</p> <p><b>f. INSPECTION OF DOCUMENTS</b>  (a) All books of accounts and other records shall at all times be available for inspection by the Authority, Supervisory Committee and the members.</p> <p><b>79.AUDIT AND SUPERVISION FEE</b>  The Society shall pay such audit and supervision fees as the General Meeting and the Commissioner may prescribe as fair and reasonable from time to time and as per the Act and rules.</p>	
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