

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

BY-LAWS

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1. NAMES AND AREA OF OPERATION:

The Society shall be called **YES SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED** hereinafter referred to in the By-laws as “the Society” and its area of operation shall be **THE REPUBLIC OF KENYA**.

2. REGISTERED OFFICE AND ADDRESS:

The registered office of the Society shall be at Parkside Towers, Mombasa Road within the City of Nairobi and its postal address shall be; **P.O. Box 73146, 00200 GPO NAIROBI**,

Notice of any change of address shall be given to the Commissioner for Co-operative Development (hereinafter referred to as “Commissioner” and to all members of the Society).

3. DEFINITIONS/INTERPRETATIONS

- a) In these By-Laws, unless the context otherwise suggests, words or phrases shall be defined and/or interpreted in accordance with the Co-operative Societies Act, No. 12 of 1997 and the Co-operative Societies Rules, 2004 made thereunder (hereinafter referred to as “the **Act**” and “the **Rules**” respectively).
- b) Any question concerning the interpretation of these by-laws or any matters not provided for therein, errors and omissions shall be referred to the **Co-operative Tribunal** (hereinafter referred to as “the **Tribunal**”).

4. OBJECTS

The objects for which the Society is established are:

- a) To promote thrift among its members by affording them an opportunity for accumulating their savings.
- b) To create a source of funds at fair and reasonable rate of interest.
- c) To provide an opportunity for each of its members to improve the members' respective economic and social conditions.
- d) To provide members with credit for purposes of providence or production or both.
- e) To offer to the members complementary savings and credit in form of front office services and a diversity of other financial products as may be required by the members.
- f) To ensure the progress of its members by educating them regularly on the proper use of credit.
- g) To perform the function and exercise the powers designated for Savings and Credit Co-operative Societies under the applicable law for the benefits of the members.
- h) For the attainment of the above objects, the Society may do all acts and things that are permissible under the Act, the Rules, and these By-Laws provided that the members in a General Meeting approve such acts either specifically or generally.

5. VALUE OF CO-OPERATIVES

- a. Self help
- b. Mutual responsibility
- c. Equity & equality

6. CO-OPERATIVE PRINCIPLES:

The Society is established on the following principles:

- i. Voluntary and open membership;
- ii. Democratic member control;
- iii. Economic participation by members;
- iv. Autonomy and independence;

- v. Education, training and information;
- vi. Co-operation among co-operatives; and
- vii. Concern for community in general.

7. MEMBERSHIP AND AFFILIATIONS

The Society may become a member of, or seek affiliation to other relevant organizations by a resolution of the members in a General Meeting.

8. MEMBERSHIP ELIGIBILITY

- a) The members shall consist of:
 - i. Original members who signed the application for Registration form; and;
 - ii. All persons who were members of the Society on the date these by-laws came into effect
 - iii. New members subsequently admitted in accordance with these by-laws.

- b) A person of either gender shall be eligible for membership who possesses all of the following qualifications:
 - i. Is not less than 18years of age
 - ii. Is of good character.
 - iii. Is employed by Celtel Kenya Limited, KDN, Cell tours, Spanco others (or KenCell Communications Limited the predecessor in title of Celtel
 - iv. Kenya Limited or employed by the Celtel Group of Companies having been originally an employee of Celtel Kenya Limited or KenCell Communications Limited) and former members of the KenCell Communications Limited or Celtel Kenya Limited who have chosen to continue as members after retiring from employment;

- c) The General Meeting may however by resolution allow membership in the Society to persons or groups of persons not employed by KenCell Communications Limited or

Celstel Kenya Limited and such persons shall be entitled to take up membership in the Society subject to provisions b (i) and (ii) hereinabove.

9. MEMBERSHIP APPLICATION FORM

Every applicant for membership shall complete an “Application for Membership” form. This form may be drawn so as to show all the information required for the purpose of the Register of Members. The Completed forms, when filled in serial order shall constitute the Register of Members as required by the Rules.

10. ADMISSION TO MEMBERSHIP

An applicant shall be admitted to membership on being accepted by a simple majority vote of the Management Committee, but shall not qualify for any for the rights and privileges of Membership until he has paid an entrance fee of Kshs.550.00. A member is also required to submit two passport size photographs and a copy of the National Identification Card or any other authenticated identity. The completed form, when filled in serial order shall constitute the register of members as required under the Act. Upon admission, the Secretary shall cause the name and the relevant particulars of a qualified applicant to be entered in the Register of Members.

11. REFUSAL OF MEMBERSHIP

The Management Committee may refuse membership to any applicant, giving him/her reasons for refusal in writing, provided the applicant shall have a right to appeal to the next General Meeting through a registered member. The appeal shall be filed with the Secretary within fifteen (15) days from the date the applicant received the refusal. The decision of the General Meeting on the matter shall be final.

12. MEMBERSHIP RIGHTS

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

- a). Receive, periodically and regularly, or upon request, at least once a year, a statement of the Member's Account.
- b). Attend and participate at the General Meeting of members. Each member shall have one vote irrespective of the shareholding.
- c). Enjoy the use of all facilities and services of the Society subject to the Society's By-Laws
- d). Be elected or elect to organs of the Society as officer of the Society, unless otherwise prohibited by any other law or where specifically disqualified by these By-laws.
- e). Use the Society's services according to the policies and procedures approved by the Management Committee.
- f). Submit projects or initiatives to the Committee, for the improvement of the Society services.
- g). Other rights as prescribed by the Act and Rules.

Provided that a member who qualified for membership into the Society by virtue of his/her employment with the Society shall not be eligible for election to any organ, Committee or office of the Society save that of his employment.

13. MEMBERS' OBLIGATIONS

In complement to the Act and Rules, members of the Society are obliged to:-

- a). Be represented at General Meeting
- b). Show a good Co-operative spirit
- c). Inform non-members and encourage them to join the Co-operative
- d). Bring out the problems affecting the Society and look for solutions.
- e). Participate in Society projects both physically and financially.

- f). Attend educational meetings and seminars organized by the Society or other organizations approved by the Management Committee.
- g). Make use of the services of the Society as stated in the objects of the Society.
- h). Comply with these By-laws, the Act, Rules and any Resolutions of General Meeting.

14. MEMBER PERSONAL ACCOUNT

The Management Committee may direct that a periodic "Statement of Account" containing a record of the members' transaction with the Society, in the same form as a Pass Book shall be used instead of the Pass Book. Such Statement shall be sent to every member on a quarterly basis and shall constitute a Pass Book for all intents and purposes.

15. NOMINEES

- a). Every member shall nominate in writing one or more persons to whom upon his death, his/her share money, deposit or any interest and dividend shall be paid. The member in the presence of two attesting witnesses shall sign the Nomination. A member shall have the right to change his nominee, but any such change or alteration must be in writing and signed by the member in the presence of two attesting witnesses. Each such nomination shall be sealed by an officer of the Society in a separate cover subscribed with the word "Nomination of....."
- b). In the case of death of a member, the Society, after satisfying itself and after obtaining such documentary proof of the death of the member as it may consider necessary shall after sixty (60) days from the day of the application by the nominee pay to the nominee the value of the deceased's share deposits, interest and dividends after deducting such sums as may be due from the member to the Society.
- c). A nominee shall not have the option to be admitted to membership unless he also belongs to the same common bond as the deceased member or he is the spouse of the member. On admission to membership of such a nominee, the shares and deposits of and interest/dividend due to the deceased shall be transferred in the name of that nominee.

16. VOLUNTARY WITHDRAWAL

Members with no liability or outstanding obligations on their accounts and no outstanding collateral or guarantees for other members' loans may withdraw from membership at any time, without losing vested rights, so long as they give the Society a sixty (60) days written notice. In spite of losing their status as members, individuals who have withdrawn from membership but still have outstanding loan balances or outstanding guarantees for other members' loans shall continue being responsible for their obligations unless other alternative arrangement acceptable to the Society is made. The member may re-apply for admission after two (2) months.

17. CESSATION OF MEMBERSHIP

Membership to the society shall cease with effect from the date of a member:

- i. Dying;
- ii. Being expelled from membership;
- iii. Withdrawing all his/her shareholdings;
- iv. Becoming certifiably insane;
- v. Acting contrary to the relevant provisions of the Act, Rules and By-laws;
- vi. Losing any of the qualifications set out in By-law number 7;and

18. EXPULSION FROM MEMBERSHIP

The Management Committee or the General Meeting may expel a member who:

- i. Is convicted in a court of law of any criminal offence involving dishonesty or is imprisoned for three (3) months or longer;
- ii. Acts in a way prejudicial to the interests of the Society.
- iii. Willfully refuses to comply with the Society's By-laws, policies, contracts and persists in such refusal or failure.

- iv. Willfully defaults in the Repayment of loans or part of loans for a period exceeding four (4) months.
- v. Fails to save regularly. In this case, one is deemed a regular saver when he/she saves at least twelve (12) times in a financial year.
- vi. Is found to have willfully furnished false information on the application for membership form.
- vii. Any other reason approved by the General Meeting and/or as may be contained in the Society's code of conduct.

19. EXPULSION PROCEDURE

- a). Upon formal and written announcement and proof that a member has committed a violation punishable by expulsion, the Management Committee shall serve a written notice to the member stating the reason(s) for the proposed expulsion, and grant the member thirty days to file a defence.
- b). Upon the expiry of the thirty days and taking into consideration the member's defence, the Management Committee shall initiate an administrative inquiry and take a decision on its findings within fifteen (15) days.
- c). A member so expelled by the Management Committee shall have the right to appeal at the General Meeting provided the notice and grounds of such appeal have been filed with the Secretary not less than ten days before the date of the meeting. The decision of the General Meeting regarding such expulsion shall be final, provided such member shall have the right to refer the issue to the Tribunal if the issue constitutes a dispute.

20. PAYMENT RESULTING FROM WITHDRAWAL, TERMINATION OR EXPULSION FROM MEMBERSHIP.

A member who withdraws or is expelled shall be repaid the following amounts after deduction of any debts, owed by him to the Society as borrower, guarantor or otherwise:

- i. The nominal or book value of his/her shares, whichever is less provided, however, that the Management Committee may require a maximum of sixty (60) days written notice of intention to withdraw shares;
- ii. Any dividends or interest due to him/her on the date the membership ceased;
- iii. Any deposits or other sums held by the Society on his/her behalf.

21. FUNDS

a) The funds of the Society shall consist of:

- i. Entrance fees;
- ii. An unlimited number of shares of the value of Kshs2,000.00 each, and part shares subject to the provisions of these by-laws;
- iii. Deposits or loan from members or non members;
- iv. Any surplus resulting from operations of the Society;
- v. A reserve fund resulting from the operations of the Society;
- vi. Funds obtained from lawful miscellaneous sources subject to the provisions of these by-laws.

22. APPLICATION OF FUNDS

The funds of the Society shall be applied to the promotion of the stated objects and purposes of the Society as set forth by these by-laws and as determined or approved by the Annual General Meeting.

23. SHARES

- a) The nominal value of each share shall be Kshs2,000.00 and every member shall hold at least twenty-five shares in the Society, but no member shall hold more than one fifth (1/5) of the total shares.

- b) Any amount may be accepted towards the purchase of shares provided however, that the Management Committee with the approval of the General Meeting may fix a minimum amount that may be paid in by a member at any one time.
- c) No member shall be permitted to reduce his/her monthly share contribution to less than Kshs2,000.00
- d) With the approval of the Management Committee, a member may at any time transfer his/her shares to another member. Such transfers must be in writing and at nominal value.
- e) All transfers of shares must be registered with the Secretary in order to be valid. The Management Committee shall require a payment of Kshs.500.00 for each transfer.

24. LIABILITY

- a). The liability of a member shall be limited to the nominal value of the shares held by him.
- b). In the event of liquidation, where available funds are insufficient to pay the full nominal value of shares held by members, the funds shall be distributed pro-rata among the shareholders according to the number of shares held by each.

25. SOCIETY'S POWER TO BORROW

- a). The Society may with the approval of the General Meeting borrow any such sums as it may consider necessary for the attainment of its objects.
- b). For the purpose of securing any loans accepted by the Society under paragraph (a) above, the Society may grant a charge over its assets. The authority to grant a charge shall be reserved to the General Meeting.
- c). The rate of interest on loans shall not exceed the market rates on reducing/diminishing balance except with the approval of the General Meeting.

26. RECEIPTING OF MONEY

- a). Money paid in or out on account of shares, deposits, loans, interest, fees or fines shall be evidenced in by an entry in the statement book or other form approved by the Management Committee. Every person receiving or paying out any money on behalf of the Society shall be identified on the receipt.
- b). Should the statement or other receipt to the member by the Society be lost or destroyed, the member shall give immediate notice of such facts to the Treasurer who may be authorized by the Management Committee to issue a duplicate receipt. The Management Committee may require the member to sign an indemnity to protect the Society against any loss due to the issuance of duplicate. The Management Committee may also require payment to the Society a reasonable charges to cover the cost of issuing the duplicate statement.

27. LIQUIDITY AND RESERVES

The Society shall maintain a Reserve Fund as required by the Act and Rules. Unless otherwise resolved by the General Meeting, and approved by the Commissioner, the Reserve Fund shall be credited with 20% of the net surplus of each financial year. It shall also be credited with all entrance fees, except the amount taken from such fees to pay initial expenses within two (2) calendar years, following the year in which the Society was registered; and with the recoveries of loans and other losses previously charged against the Reserve Fund.

28. BRANCHES OF THE SOCIETY

- a). If after consideration by the Management Committee and after approval by the General Meeting, the Society may open branches and the establishment of such branches shall be in accordance with the provisions of the Act, the Rules and these By-Laws.
- b). The Management Committee shall determine the criteria for the opening of the branches and the number of branches the Society may have.

29. GENERAL MEETINGS

- a). The Supreme authority of the Society shall be vested in the General Meeting of members. Such meeting shall be held as follows:
 - i. The Annual General Meeting shall be convened by the Management Committee in every year and in any case not later than four (4) months after the close of the financial year with the intention of holding elections and to undertake such other business as laid down by these by-laws.
 - ii. Any other business not completed at the Annual General Meeting, may be taken up at a subsequent Special General Meetings or at the next General Meeting.
- b). A Special General Meeting shall be held:-
 - i. When convened by the Management Committee, or
 - ii. Within fifteen (15) days of receipt of a written request from at least Ninety (90) or one-fifth (1/5) of the members whichever is greater.

30. NOTICE OF GENERAL MEETINGS

- a). Except as noted above, at least fifteen (15) days notice shall be given in the case of an Annual General Meeting or a Special General Meeting. The Secretary shall take all possible and usual steps, such as announcements at public meetings, posting notice on the Society's notice board, or boards, posting the notice to members' email addresses to inform all the members of the date and main business of the Meeting. All written notices shall include a statement of the business to be dealt with.
- b). For a Special General Meeting requested by the members, the request must state the object of the meeting being called, and be signed or thumb-marked by the members seeking the meeting. The request shall be deposited in the registered office of the Society.

31. QUORUM

Except when convened by the Commissioner, the presence at least 75 members or one fifth (1/5) of the total number of members (whichever is less) 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 and shall fix a date within one month of the adjourned meeting, which shall be advertised as prescribed in these By-laws. If at such a meeting a quorum is again not attained, the Chairman shall declare the meeting open with those present, one-half hour after the advertised time of the meeting.

32. REQUIRED MAJORITY ON RESOLUTIONS

- a). The motion to revoke a special decision taken by the Management Committee or to remove a Committee Member from office must be considered by a minimum of five Committee Members attending the Meeting.
- b). Amendments to these By-laws shall be approved by a vote of simple majority.
- c). Any other motion shall be approved by a simple majority of votes.

33. ENFORCEMENT OF DECISIONS

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

34. CHAIRPERSON AT MEETINGS

The Chairperson, or in his /her absence, the Vice Chairman shall preside at every meeting. In their absence, any member elected by a majority of those present shall preside.

35. POWERS AND DUTIES OF THE ANNUAL GENERAL MEETING

General Meetings shall be conducted, and shall have the powers and duties prescribed in the Rules and these By-Laws. The Annual General Meeting Shall:

- a). Confirm the minutes of the previous meeting and consider matters arising there from;
- b). Consider the statement of account, the auditor's report, the inspection of notes of the Commissioner and the Reports of the Committees on the activities of the Society during the past financial year;
- c). Decide on the disposal of the net surplus (if any) resulting from the operations of the Society during the past financial year.
- d). Confirm or otherwise, actions taken by the Management Committee and other Committees;
- e). Consider appeals against the expulsion of members and refusal of membership by the Management Committee;
- f). Elect, suspend or remove members of the Management Committee and other Committees;
- g). Fix the maximum liability, which the Society may incur in loans and deposits, whether from members or non members;
- h). Approve the estimate of expenditure for the next Financial year following the Annual General Meeting;
- i). Fix the honoraria, bonuses and any other allowances if any for committees of the Society and or employees;
- j). Elect the delegates to represent the Society in a Co-operative Union or other apex Society of which this Society is a member;
- k). Fix the amount of money in respect of which the members of the Management Committee shall provide indemnity to the Society in the event of Mismanagement of the affairs of the Society, as required under Section 28(6) of the Act as well as fix bonus to employees for submission to the Commissioner for his/her approval, or otherwise.
- l). Appoint and/or confirm the Society's bankers, advocates, auditors and insurers.
- m). Impose fines on members.

36. RECORD OF GENERAL MEETING

All business discussed or decided at the General Meeting shall be recorded in a minute book which, within one week of the meeting, shall be signed by the Chairman of the meeting and at least one other Committee member who was present at the Meeting to verify that in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the meeting. At the next Annual General Meeting, after approving any alterations, 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.

37. MANAGEMENT COMMITTEE

- a) The Management Committee shall be the managing body and shall be elected from the membership and shall consist of nine (9) members. The Committee shall include the Chairman, Vice Chairman, Treasurer and Secretary, all of whom shall be elected by the Committee from amongst the committee.
- b) Members of the Management Committee shall be elected for a three- year term but shall be eligible for re-election for two terms. No member shall be elected for more than two consecutive terms.
- c) To qualify for election as a member of the Management Committee every member presenting himself for election must possess an adequate education background and at least must have completed formal education up to Secondary School level.
- d) Meetings of the Management Committee shall be held regularly at least once a month and at all other times when necessary. At least five of the total number of the committee members shall form the quorum for the disposal of business.
- e) If a member of the Management Committee fails to attend three consecutive meetings without excusing himself by written notice to the Management Committee

therefrom, or otherwise fails to perform his duties, the member's position may be declared vacant and the vacancy filled as provided in this By-Laws.

- f) The Management Committee shall be the governing authority of the Society and subject to any direction from the General Meeting and the Commissioner; it shall direct the affairs of the Society. Its procedures, powers, and duties shall be as prescribed in the Rules, and in particular it shall:

- i. Observe in all its activities the Act, the Rules, these By-laws and prudent business practices.
- ii. Generally manage the affairs of the Society.
- iii. Act upon all applications for membership.
- iv. Ensure that a true and accurate record and accounts are kept of the Society's money and its properties, capital reserves, liabilities, and income and expenses.
- v. Decide the amount and kind of surety bond, or other security that shall be required of the treasurer, Secretary, and any other officer or employee having the custody of, or handling funds or property of the Society.
- vi. Determine from time to time the interest on loans (subject to the maximum permitted by these By-laws), the maximum maturities and terms of payment or amortization of loans to members, and the maximum amounts that may be loaned, with, or without security to any member. When by action of the Committee, the interest rates on future loans are reduced, similar action may be taken with regard to interest rates on unpaid balances of existing loans.
- vii. Lay before the Annual General Meeting a balance sheet and final account together with the proposals of the net surplus (if any).
- viii. Recommend to the Annual General Meeting the dividend rate to be paid on shares and interest refund (if any) to be paid to borrowers.
- ix. Fill vacancies occurring in the Management Committee the Credit Committee between the Annual General meetings.
- x. Authorize the conveyance of property (if any).
- xi. Authorize investment of the Society.
- xii. Authorize borrowing and lending operations of the Society in accordance with the Act and Rules.
- xiii. Designate a depository or depositories for the funds of the Society.
- xiv. Employ and fix the Compensation of a Manager and such other employees as may be necessary to carry on the business of the Society.
- xv. Impose fines under By-law 71.
- xvi. Approve transfers of shares between members.
- xvii. Determine the interest rate which shall be paid on borrowed money.

- xviii. Supervise the collection of loans and authorize the write-off of uncollectable bad debts and unrecoverable accounts.
- xix. Affiliate the Society to a Co-operative Union of Savings and Credit Societies or an apex Society, subject to the approval of the General Meeting.
- xx. Perform such other duties as the members may from time to time direct.
- xxi. Perform and authorize any actions consistent with the Act, Rules and these By-laws, unless specifically reserved for the General Meeting.

38. LEGAL STANDARD OF CARE

- a). i) In the conduct of the affairs of the Society, the members of the Management Committee shall exercise the prudence and diligence of ordinary men of business and may be held personally and individually responsible for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, the Rules and the By-laws or the direction of any General Meeting.
- ii) The Annual General Meeting may from time to time fix the indemnity of the Management Committee under Section 28 of the Act.

39. DELEGATION OF DUTIES

The Management Committee may delegate to an officer or employee of the Society such powers as it may deem necessary but such delegation shall not absolve the Management Committee from its responsibility.

The Management Committee shall authorize no expenditure unless it is provided for in the estimates approved by the General Meeting.

All business discussed or decided at committee meetings shall be recorded in minute book, which, within one week of the meeting shall be signed by the Chairman of the meeting to verify that, in their opinion, the minutes are true and complete record of all important matters that were discussed or decided at the meeting. 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 authorize the Chairman to sign and date the final record.

40. SUB-COMMITTEES

The Management Committee may appoint such other committees as an Education Committee, a Budget Committee, a Credit Committee as shall be deemed necessary for the better realization of the objects of the Society which Committee shall consist of persons drawn from the General membership of the Society.

The Management Committee may delegate to the committees such of its powers and duties under these By-laws as it deems fit.

41. VACATION OF OFFICE BY A MEMBER OF A COMMITTEE

A member of the Management Committee or of any other Committee of the Society shall cease to hold office if:-

- a) He ceases to be a member of the Society under **By-Law 15 and 16** hereof.
- b) He resigns from the Committee by tendering a written notice to the Secretary of the Committee or in the case of the Secretary of the Management Committee by tendering his resignation notice to the Management Committee.
- c) Refusal to declare wealth
- d) Involvement in criminal acts
- e) Adverse mentioning in an inquiry
- f) Insanity
- g) Bankruptcy

Provided that unless in the event of a) above the said member shall continue to be a member of the Society.

42. EXECUTIVE OFFICERS

The Chairman, Vice-Chairman, Treasurer and Secretary shall be termed “Executive Officers”. The Executive officers shall be elected at a meeting of the Management Committee within Seven (7) days after each Annual General Meeting, in accordance with the Commissioner’s guidelines or policies.

43. CHAIRMAN AND VICE-CHAIRMAN

- i. The Chairman shall preside at meetings of the members, and at meetings of the Management Committee. He shall perform such other duties as he may be directed to perform by the Management committee, not inconsistent with Provisions of the Act, the Rules and these By-laws.
- ii. The Vice-Chairman shall perform the duties of the Chairman during his absence and shall perform such other duties as may be directed to perform by the Management Committee.

44. THE SECRETARY

The duties of the Secretary shall be:

- i. To record minutes of Management Committee meetings and General Meetings;
- ii. To ensure that the Society's correspondence is promptly and correctly attended to;
- iii. To prepare and send notices of meetings;
- iv. To liaise with and assist the Treasurer in managing the Society.

45. THE TREASURER

The duties and powers of the Treasurer shall be:

- i. To cause to be managed the affairs of the Society in a competent manner.
- ii. To maintain full and complete records of all assets, liabilities, income and expenses of the Society.
- iii. To ensure the safekeeping of the Society's money, securities and books of account.
- iv. To ensure that all payments and expenditures are duly authorized.
- v. To ensure compliance with all the directives of the Management Committee and Commissioner.
- vi. Within fifteen (15) days after close of each month the Treasurer shall submit to the Management Committee a financial statement showing the conditions of the Society as at the end of the month and shall after approval promptly post a copy of such monthly financial statement in a conspicuous place for the information of the

members. He shall forward to the Commissioner such financial report as may be required.

46. THE MANAGER

He shall be responsible for the day-to-day management of the Society. His powers and duties shall be assigned by the Management Committee and in particular: -

- a). To manage the affairs of the Society in a Competent manner
- b). To cause to be kept proper books of records and registers.
- c). To attend, when called upon, Management Committee Meetings and the General Meetings in an advisory capacity but have no voting rights.
- d). To prepare and analyze on a quarterly basis the Society's business plans and budget.
- e). To represent the Society in business transactions and any other transactions authorized by the Management Committee.
- f). To provide information required by the Supervisory Committee in time.
- g). To propose to the Management Committee new positions arising at the Society and revision of salary schedule for all Society's staff.
- h). To implement recommendations set forth in the audit reports and those issued by the Supervisory Committee.
- i). To ensure on a monthly basis that the accounting records are in balance and the individual accounts subsidiaries are up-to-date and the Income Statement, Balance Sheet and Delinquency list are complete and correct. Ensure that the account records are maintained in accordance with acceptable accounting principles.
- j). To ensure that adequate insurance is in place for all employees, officials and property of the Society.
- k). To direct and supervise the administration and processing of loans application.
- l). To establish a pricing strategy for products and services, in which the interest rates structure will seek a balance between the loans available to the members, and the long-term viability of the Society.

For the attainment of the above, the Manager shall consider: -

- i. Cost particularly those related to members' savings dividends, the allowances for loan loss, and operating expenses.

- ii. The need for a strong capital position, which is essential for the Society's long-term viability and future growth.
 - iii. The competitors' pricing structure, given the competitive nature of the financial market.
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- m). To assist the Management Committee with determining acceptable type of collateral that can be used to secure the Society's loans.
 - n). To ensure there is adequate liquidity to meet loan demands, savings withdrawal, and operating expenses.
 - o). To ensure drawing up and updating of job description of each employee.
 - p). To ensure implementation without delay of all decisions of all Committees of the Society.
 - q). To ensure custody of valuables, legal instruments and seal of the Society.
 - r). To perform such other duty as may from time to time be assigned by the Management Committee.

47. CREDIT COMMITTEE

The credit committee shall consist of three (3) members of the Management Committee who are not Executive Officers. The credit Committee shall be chosen at a meeting of the Management Committee within seven (7) days after each Annual General Meeting for a term of three (3) years.

48. MEETING OF THE CREDIT COMMITTEE

The Credit Committee shall hold such meetings as the business of the Society may require, but not less than one (1) meeting in any given calendar month, subject to a grace period of six (6) months from the date of registration of the Society.

49. DUTIES OF THE CREDIT COMMITTEE

- i. The Credit Committee shall design, monitor and review the lending policy of the Society.
- ii. The credit Committee shall inquire carefully into the character and financial position of each applicant for a loan, and of his/her guarantors, if any, to ascertain his/her ability to repay fully and promptly the obligations incurred by him and to determine whether the loan is for a worthy purpose and will be of probable benefit to the borrower. The Credit Committee shall endeavor diligently to assist members to solve their financial problems.
- iii. The Credit Committee shall make such reports to the Management Committee as they may require and shall make an annual report to the General Meeting.
- iv. The Credit Committee shall advise the Management Committee on delinquent loans.

50. EDUCATION COMMITTEE

The Education Committee shall consist of three members who shall be members of the Management Committee including the Vice-Chairman of the Society as the Chairman of the Committee.

51. DUTIES OF THE EDUCATION COMMITTEE

The functions of the Committee shall be to: -

- i. Organize, facilitate and promote members' and Committee members' education;
- ii. Organize, promote and oversee staff training for Society employees;
- iii. Ensure production and acquisition of literature including periodicals, magazines or brochures;
- iv. Promote distribution and interpretation of these By-laws, to the members;
- v. Arrange for education tours in liaison with other members of the Management Committee;

- vi. Advise the Management and update the members on all matters of education and information;
- vii. Ensure allocation of funds for educational purposes and apply the funds for the benefit of members;
- viii. Prepare periodic reports on education and information and publicize the same for the benefit of the members;
- ix. Identify, collect, disseminate and publish Co-operative news for the benefit of the Society and its members;
- x. Educate members and publicize information on the various products, package and services offered by the Society;
- xi. Perform any other duties as assigned by the Management Committee.

52. SUPERVISORY COMMITTEE

There shall be a Supervisory Committee consisting of three members who must not be employees of the Society or serving on the Management Committee or any other Committee of the Society. The Supervisory Committee shall be directly answerable to the General Meeting.

53. ELECTION OF THE SUPERVISORY COMMITTEE

The members of the General Meeting shall elect the Supervisory Committee from any member stationed and working around the Society's head office. It shall consist of three (3) members of the Society. Members of the Supervisory Committee shall be elected for a three year term but shall be eligible for re-election. The Supervisory Committee members shall choose from their number a Chairman and a Secretary. The Secretary of the Supervisory Committee shall prepare, maintain and keep custody of all the records of all action taken, including written evidence of any audits performed by the Supervisory Committee.

54. POWERS AND DUTIES OF THE SUPERVIORY COMMITTEE

The Supervisory Committee shall exercise the following powers and duties: -

- a). Evaluate programs of the Society.

- b). Check minutes of the Management Committee and General Meetings for policy matters following the stated objectives.
- c). Ensure proper interpretation of the loan policies, By-laws, the Act and Rules, Resolutions of the General Meetings, policies of the Management Committee and their implementation.
- d). Confirm cash regularly and reconcile with records
- e). Check bank accounts monthly and their reconciliation
- f). Check Balance Sheet and Income and Expenditure Statements to ensure they are correct.
- g). Make pass book audits
- h). Check loan applications and note exception if any.
- i). Verify investments in bank, building, insurance firms, stock amongst others
- j). Check delinquent loans among the Management Committee and Members and ensure that those concerned are informed.
- k). Analyze expenses of the Society.
- l). Check dividends, interest on Shares or Savings and loan interest payment.
- m). Ensure that the Standardized Accounting System is implemented in the Society
- n). Listen to Members' complaints and assist them to find solutions
- o). Make regular review of budgets
- p). Prepare and present for discussion quarterly reports to the Management Committee.
- q). Prepare and present annual reports on the management of the Society to the General Meeting.
- r). Co-operate and seek assistance from the Manager and Auditor where necessary.
- s). Co-operate with other Committees and Management Committee where necessary.
- t). Seek for solutions to weakness in the Management.
- u). Monitor if Management Committee Members and staff are serving the interest of the Society and the members in general.
- v). In case the Supervisory Committee requires the Services of an expert to assist on a specific task, the honorarium of the expert shall be determined by the Management Committee based on the budget of the Society approved by the General Meeting. Such expert shall be an appointee of the Supervisory Committee.

- w). Receive the reports of the Auditor and take action on the same or recommend for action by the General Meeting.

55. AUTHORITY OF THE SUPERVISORY COMMITTEE

Without intervening in the administrative function and subject to its control and supervision, the Supervisory Committee is responsible for the Society's compliance to the Act, the Rules and all regulations of internal control. It is responsible for the truth and accuracy of the Society's financial condition, and for making sure that the Society's administrative practices and procedures are adequate to safeguard the members' and the institutions rights and interests. The Chairman of the Committee shall convene meetings of the Supervisory Committee. The Supervisory Committee shall meet as often as it finds necessary to carry out its work efficiently. Its normal meetings shall be once every month. Sitting allowance to the Supervisory Committee shall not be determined by the number of meetings. Compensation per sitting shall match amount payable to members of the Management Committee. It shall be a compulsory body in the internal supervision of the Society.

56. LIABILITY OF THE SUPERVISORY COMMITTEE

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

57. QUALIFICATION OF SUPERVISORY COMMITTEE MEMBERS

The Annual General Meeting shall set the minimum qualification for the Supervisory Committee, provided, that at least one of the members shall have adequate Accounting, Auditing or Financial Management knowledge.

58. BOOKS AND RECORDS.

The Society shall keep up-to-date and in proper business-like manner, such accounts and such books as the Rules and the Commissioner may from time to time direct, and in particular shall keep the following books of accounts:

- i. A register of members showing in respect of each member:
 - a). The name, age, date of application for membership, address and occupation;
 - b). The date on which he ceased to be a member
 - c). The date he was admitted to membership.
- ii. A minute book giving details of proceedings of General Meetings.
- iii. A minute book giving details of proceedings of Management Committee, the Credit Committee and the Supervisory Committee meetings.
- iv. A cashbook showing details of all monies received and all monies expended or paid out by the Society.
- v. General ledgers containing such accounts as are necessary to reflect properly the business of the Society.
- vi. A personal ledger for each member showing his/her transactions with the Society.
- vii. An asset (property) register.
- viii. A register of loans to members showing in respect to each loan, the loan number, name of the borrower, the due date of repayments, names of guarantors and when the repayments were completed.
- ix. Such other books and records as the Management Committee may decide or that the Commissioner may prescribe.

59. FINANCIAL YEAR

The financial year of the Society shall be the same as the calendar year.

60. CONDUCT OF BUSINESS

The Management Committee may make such rules, not inconsistent with these By-laws, as they deem necessary for the conduct of the Society's business. Any such rules shall be

recorded in a minute book and shall be posted on the Society's notice board and or notified to the members in writing; and shall come into force when and as determined by the Management Committee.

61. ELECTIONS

Each member shall have one vote and unless specifically provided in the Act or these by-laws any question referred to the members present at a meeting shall be decided by a majority votes in a "show of hands" or secret ballot vote as decided by the General Meeting.

- a). The members shall nominate candidates to the Management Committee and the Supervisory Committee during the Annual General Meeting. The members thus nominated shall be voted upon, except if a nominee declines.
- b). All elections shall be by a "show of hands" or secret ballot as decided by a majority of the members present.
- c). Irrespective of the number of shares held by him, no member shall have more than one vote.
- d). No member shall be entitled to vote by proxy.
- e). Within fifteen (15) days after the election, the Secretary shall forward the names and addresses of all persons elected to office to the Commissioner and inform members of the Society accordingly.

62. ELIGIBILITY INTO THE COMMITTEE

The following qualities will be desirable:

- a) Age: 18 years & above
- b) Not a committee member in any other society in same business.
- c) Not a shy-lock.
- d) Must declare wealth
- e) Not declared bankrupt.

63. CONFLICT OF INTEREST

Every Committee member and employees of the Society shall be required before taking part in any business transactions which the Society may be about to discuss or initiate, to disclose any personal interest in the matter if such interest exists and shall not take part in the discussion or vote on that item of business. The Committee Member or employee shall physically absent him/herself from the discussion unless it is determined that the individual has relevant information to provide. Failure to divulge this information shall result in suspension from office or any other appropriate disciplinary action.

64. AUTHORISATION TO SIGN DOCUMENTS

Unless decided otherwise by the General Meeting, all documents, contracts and cheques shall be signed on behalf of the Society by any three of the following:-

- i. Chairman
- ii. Vice-Chairman
- iii. Treasurer
- iv. Secretary
- v. Sacco Manager
- vi. Any other signatories authorised by the Management Committee on its behalf provided that the person so authorised is a member of the Management Committee.

65. DISPOSAL OF SURPLUS

Subject to the Act and after approval by the General Meeting, the net surplus resulting from operations of the Society shall be disposed as follows:

- a). Not less than 20% shall be credited to the Reserve Fund
- b). The balance may be disposed as decided by the General Meeting in:
 - i. Paying a dividend on shares at a rate recommended by the Management Committee and approved by the General Meeting;

- ii. Paying an interest refund to members on record at the close of the financial year in proportion to the interest paid by them during the financial year.
- iii. Being carried forward to the Education Fund or any other fund or funds of the Society, including the appropriations.
- iv. In any other way approved by the General Meeting; and
- v. Paying a gratuity or honorarium.

66. LOANS TO MEMBERS

- a). All loans shall be recommended by the Credit Committee and approved by the Management Committee and shall be availed only to members.
- b). The rate of interest on loans shall be fixed by the Management Committee upon recommendation of the Credit Committee in conformity with prevailing market rates and in keeping with the Society's objective of providing credit to its membership at the most affordable rates possible. The types of loans and interest rates applicable on loans shall be advised to all members regularly.
- c). All loans shall be applied for on forms provided by the Society for the purpose. The loan application form in each case shall set forth the amount applied for, the purpose for which the loan is desired, the terms of repayment, the security if any, and such other information as the Credit Committee may require. All application for loans and the reports of the Credit Committee shall be filed as permanent records of the Society.
- d). Loan applications shall be considered by the Credit Committee in the order in which the application is received by the Managing Committee, unless the loan is deemed by the Committee to be an "Emergency Loan" whenever there are more applications for loans pending than there are funds available, preference shall be given in all cases to the applicants for smaller loans, if the need and credit standing of the applicants are nearly equal.
- e). The Credit Committee may require an applicant to appear before it personally to be interviewed in respect of his application for a loan.
- f). The loan repayment form shall clearly state the amount of the loan, the rate of interest, the terms of repayment and the security, if any. If not written in the

borrower's language, it shall contain a clause stating that he has had the meaning explained to him and that he understood its contents.

- g). No loans shall be made to any member in excess of 20% of the Society's total share capital and reserves, and not for a period exceeding thirty-six (36) months.
- h). Loans may be granted to the executive officers, committee and employees of the Society who are members only if:
 - i. The loan complies with the By-laws and is not on terms more favorable than those extended to other borrowers;
 - ii. The loan is approved by the credit committee and thereafter by the Management Committee;
 - iii. The applicant takes no part in the consideration of his application and does not attend the Credit or Managing Committee meetings at which his application is considered.

67. SECURITY FOR LOANS

- a). The Credit Committee shall ask for such security, as it may consider necessary. The shares and deposits of a member may be taken as security.
- b). The Credit Committee may refuse to accept any person as guarantor for a loan and shall assign its reasons for such decision.
- c). Where a member of the Management Committee or Supervisory Committee or an employee of the Society acts as endorser, guarantor, or co-maker for borrowers from the Society, he will not take part in the deliberations of such loan, and the Society shall be required to keep a register of disclosure for the said loans.
- d). A borrower or guarantor may apply to the Credit Committee for a change of guarantors, provided the existing guarantor will remain liable until a new guarantor is approved.

68. REPAYMENT OF LOANS

- a). A borrower may, on any day on which the Society is open for business, repay his loan in whole or in part.
- b). The re-financing of a loan balance, or any request for an extension of time in which to pay, may be agreed to by the Management Committee only in the most exceptional circumstances. Any extension so granted shall be treated as though it was a new loan, and an extension agreement shall be executed and signed.
- c). At every regular meeting of the Management Committee, the items LOANS shall appear on the agenda. At the meeting, the Treasurer shall present an up-to-date listing of delinquent borrowers showing:
 - i. Name of the Borrower
 - ii. Account number
 - iii. Date of loan
 - iv. Date of last repayment
 - v. Unpaid balance of loan
 - vi. Number of months delinquent
 - vii. Borrower's share balance
 - viii. Security or guarantors, if any

The Management Committee shall thereupon take action to collect the overdue accounts.

- d). Any loan in respect of which no repayment is received for a period of three (3) months shall be referred to the Management Committee for appropriate action.

69. CASH RESERVES

Except as may be authorised by the General Meeting, a cash reserve shall be maintained of not less than 10% of the total share capital for the specific purpose of meeting requests for share withdrawals and other emergency pay-out. The cash reserve may consist of cash in hand, the current account, the Society's savings account and any fixed deposits.

70. COMMON SEAL

The Society shall adopt and use a common seal. The common seal shall bear the names of the Society as “Yes Savings and Credit Co-operative Society Limited” and shall be different from the ordinary name stamp of the Society. The seal shall be kept securely under lock and key by the Treasurer and shall be used only by and in the presence of the officers authorized to sign documents on behalf of the Society.

71. FINES

For any breach of these By-laws or instructions issued by the Management Committee, or for failure of a member to pay his obligations on time, the defaulting member may be fined an amount not exceeding Kenya shillings twenty thousand (Kshs.20,000/-) for each offence. This By-law does not preclude penalties being imposed as provided for under the Act.

72. DISPUTES

Any dispute arising out of the By-laws or concerning the business of the Society, which the Management Committee or the General Meeting cannot settle shall be referred to the Tribunal.

73. MISCELLANEOUS

- a) No Executive officer or Committee Member shall receive from the Society any payment, apart from the actual costs of traveling, sitting allowance and subsistence while working on the Society’s business, except an honorarium from the net surplus as allowed in By-law 74 (ii) (e) or such allowances as approved by the Commissioner. There shall be a sitting allowance for the Committee Members per sitting.
- b) i) The Executive Officers, members of the Committees and employees of the society shall hold in the strictest confidence all transactions of the Society with its members, and all information respecting their affairs except to the extent deemed necessary by the Management Committee in connection with the making of loans and the collection thereof.

- ii) In case of any failure to comply with (i) above, the person concerned may be held liable for damages caused to the Society in addition, if a member of the Committee, may be removed from office or in the case of an employee, the Society may terminate his services.
- c) When any Committee member is absent, disqualified or otherwise unable to perform his duties, the Management Committee may designate another member or members of the Society to act and serve the Committee concerned when necessary in order to form a quorum.
- d) No Executive Officer, Committee member or employee of the Society shall in any manner participate in the deliberation upon, or determination or any question affecting his own financial interest. In the event of disqualification of any Executive Officer, Committee member or employee, he shall withdraw from such deliberations or determination, and the remaining qualified committee present at the meeting, if constituting a quorum without the disqualified person, may exercise with respect to the matter, all the powers of the Committee.
- e) All books of account and other records shall at all times be available to the Committee members of the Society, and the Commissioner or his authorized representative. A copy of the Act, the Society's registration certificates, its By-laws, and a list of members excluding details of nominees and shareholdings or loans shall be available for inspection by any member.
- f) The Society shall pay such audit and supervision fees as the Commissioner may prescribe as fair and reasonable.
- g) Words in singular shall be interpreted as including the plural and vice versa and reference to the masculine gender shall include reference to the feminine gender.

74. DISSOLUTION

- a). The Co-operative Society may be dissolved in accordance with the procedures set forth in the Act and the Rules.
- 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 Savings Account ninety days (90) prior to the date of liquidation.

75. AMMENDMENT OF BY-LAWS

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

76. INSPECTION OF DOCUMENTS

A copy of the Act, Rules, these By-laws, the Certificate of Registration and a list of the Society's members (excluding details of Nominees and Shareholding or loans) shall be available for inspection at the Registered Office of the Society by any person free of charge at all reasonable times during business hours.