BY LAWS

FOR K-NAD DIASPORA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

2026

Table of Contents

1.0 NAME AND AREA OF OPERATION 4
2.0 DEFINITIONS AND INTERPRETATIONS 5
3.0 OBJECTS 6
4.0 CO-OPERATIVE PRINCIPLES AND VALUES 8
5.0 MEMBERSHIP 9
6.0 QUALIFICATION FOR MEMBERSHIP BY NATURAL PERSONS 9
7.0 APPLICATION FOR MEMBERSHIP 10
8.0 ADMISSION INTO MEMBERSHIP 10
9.0 REFUSAL OF ADMISSION 11
10.0 RIGHTS OF MEMBERS 11
11.0 OBLIGATIONS OF MEMBERS 13
12.0 MEMBER'S PERSONAL STATEMENT 13
13.0 CESSATION OF MEMBERSHIP 14
14.0 GROUNDS FOR SUSPENSION 14
15.0 PROCEDURE OF SUSPENSION AND EXPULSION 15
16.0 WITHDRAWAL FROM SOCIETY 16
17.0 NOMINEE 17
18.0 FUNDS OF THE SOCIETY 17
19.0 SHARES 18
20.0 TRANSFER OF SHARES 19
21.0 LIABILITY 19
22.0 POWER TO BORROW 19
23.0 RECEIPTING OF MONEY 20
24.0 PAYMENT/DISBURSEMENT 20
25.0 RESERVE FUND 20
26.0 GENERAL MEETING 21
27.0 DUTIES OF GENERAL MEETINGS 22
28.0 RECORD OF BUSINESS 23
29.0 NOTICE OF MEETINGS 24
30.0 QUORUM 24

31.0 ELECTIONS 25
32.0 THE BOARD OF DIRECTORS 25
33.0 EXPENDITURE 30
34.0 DELEGATION TO EMPLOYEES 30
35.0 INDEMNITY 30
36.0 DECLARATION OF WEALTH 30
37.0 LEGAL STANDARD OF CARE 31
38.0 SUSPENSION FROM THE BOARD OF DIRECTORS 31
39.0 REMOVAL FROM THE BOARD OF DIRECTORS 31
40.0 EXECUTIVE OFFICERS 32
41.0 THE CHAIRPERSON 32
42.0 THE VICE-CHAIRPERSON 32
43.0 SECRETARY 32
44.0 TREASURER 33
45.0 SUB-COMMITTEES 33
46.0 SUPERVISORY COMMITTEE 35
47.0 VETTING COMMITTEE 37
48.0 THE MANAGER 38
49.0 BOOKS OF ACCOUNTS AND RECORDS 39
50.0 REGULATIONS 40
51.0 AUTHORIZATION TO SIGN DOCUMENTS 40
52.0 FINANCIAL YEAR 41
53.0 DISPOSAL OF SURPLUS FUNDS 41
54.0 LOANS 41
55.0 CASH RESERVE 45
56.0 COMMON SEAL 45
57.0 FINES 46
58.0 DISPUTES 46
59.0 MISCELLANEOUS 46
60.0 INSPECTIONS OF DOCUMENTS 47
61.0 DISSOLUTION 48
62.0 AMENDMENT OF BY-LAWS 48
63.0 ACCEPTANCE 49

1.0 NAME AND AREA OF OPERATION

The Society shall be called **K-NAD DIASPORA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED** herein after referred to in these by laws as "The Society" and area of operation shall be **THE REPUBLIC OF KENYA and North America.**

1.1 HEAD OFFICE LOCATION

The registered office of the SACCO shall be located and situated at Room 9D, Ninth Floor, TRV Towers, Ngara Road, Nairobi County, Kenya.

1.2 POSTAL AND ELECTRONIC ADDRESSES

The Postal Address of the SACCO shall be:

In the care of ***Post Office Box No. 1954-00621, Village Market.***

The official email address of the SACCO shall be: **members@knadsacco.com** (for communication with members) and **info@knadsacco.com** (for communication with other stakeholders), And the official website of the SACCO shall be:

www.knadsacco.com

And the Official telephone numbers of the SACCO shall be:

+254 714 917049 , +254 786 467640, +254 700 554731

1.3 Notice of any change of address shall be given to the Commissioner for Co-operative Development herein after referred to as ***"The Commissioner"*** and to all members of the Society through their last known address as per records held at the Society within thirty (30) days of such change.

2.0 DEFINITIONS AND INTERPRETATIONS

2.1 In these by –laws, unless the context otherwise suggests words or phrases shall be defined and interpreted in accordance with the Co-operative Societies Act

2.2.0 Cap 490 Laws of Kenya and the Rules made there under herein after referred to as the ***"Act"*** and ***"Rules"*** respectively.

In these by –laws save otherwise expressly stated:

2.2.1 ***"General Meeting"*** shall be a meeting (either "annual" or "special") for all members duly convened by the Society to conduct its business.

2.2.2 ***"Board of Directors"*** means the persons elected at a duly convened General Meeting of the SACCO held in accordance with the Co-operative Societies Act,

2.2.3 Cooperative Societies Rules, Sacco Societies Act, Regulations 2020, and these By-Laws, or in accordance with the provisions of any other applicable law.

2.2.4 ***"Commissioner"*** shall mean "the Commissioner for Co-operative Development as provided for in Act."

2.2.5 ***"Tribunal"*** shall mean the Co-operative Tribunal established under the Act to hear and determine disputes.

2.2.6 ***"SACCO"*** shall mean Savings and Credit Co-operative.

2.2.7 ***"Shares"*** shall mean the amount represented by a member's portion in the equity of the Society as a co – owner.

2.2.8 ***"Applicable Law"*** shall mean the Co-operative societies Act, Rules, the Savings and Credit Co- operative Society Act rules, and these by-laws.

2.2.9 ***"Co-operative Society"*** shall mean a Society registered under the Act.

2.2.10 ***"Divided"*** shall mean members share of the surplus of the Society which is amongst its members.

2.2.11 ***"Returning Officer"*** is a person appointed to oversee or conduct the elections of a Co-operative Society at a general meeting.

2.2.12 ***"Member"*** includes a person or a Co-operative Society joining in the application for the registration of a Society, and a person or Co-operative Society admitted to membership after registration in accordance with the by–laws.

2.2.13 ***"Deposits"*** shall mean a sum of money paid on term under which it shall be repaid, with or with or without interest or premium, and either on demands or at a time or in circumstances agreed by or on behalf of the person making the Society to receive it at the risk of the Society receiving it.

2.2.14 ***"A nominee"*** means a person appointed by a member to inherit the shares, deposits and other interests in the Society upon the death of that member.

2.2.15 ***"A dormant or Inactive account"*** means a deposit or current account maintained by a Sacco society which is not operational or has had no deposits transaction by the depositor within twelve (12) months**.**

2.3.0 In these by- laws where the masculine gender is referred to, it shall be construed to include the feminine gender.

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

3.0 OBJECTS

3.1 The objects for which the Society is established are to organize and promote the welfare and economic interests of its members.

3.2.0 In particular, the Society shall undertake:

3.2.1 To promote thrift among its members by affording them an opportunity for accumulating their saving and deposits and create thereby a source of funds from which loans can be made to them exclusively for provident and productive

purposes, at fair and reasonable rates of interest; thereby enabling them to use and control their money for their mutual benefit.

3.2.2 To ensure personal growth through the introduction of new products and services that will promote the economic base of the members.

3.2.3 To ensure progress of members and Society through continuous education programs on proper use of Credit, reduction of poverty, human dignity, and co-operation.

3.2.4 To apply the Co-operative principle of cooperation among Cooperatives in promoting members' interests. In furtherance to the objects the Society shall affiliate to the relevant National Co-operative Union and Apex Society.

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

4.0 CO-OPERATIVE PRINCIPLES AND VALUES

In order to achieve its objectives, the Society shall act in accordance with the following Co- operative principles and relevant values.

4.1.0 PRINCIPLES

4.1.1 Voluntary and open membership

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

4.1.2 Democratic member control

The Society will be fully controlled by members who will have equal voting rights based on one member one vote.

4.1.3 Economic participation by member

Members shall contribute equitably to the capital of the Society and share in the results of its operations.

4.1.4 Autonomy and independence

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

4.1.5 Education, training, and information

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

4.1.6 Co-operation among Co-operatives

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

4.1.7 Concern for Community in General

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

4.2 VALUES

The values shall be self-help, mutual responsibility, equality and equity. It shall practice honesty, openness and social responsibility in all its activities.

5.0 MEMBERSHIP

Membership shall consist of: -

a) Original members who signed the application for registration.

b) New members subsequently admitted in accordance with these by-laws.

c) Employees of the Sacco may be added as members of the Sacco.

6.0 QUALIFICATION FOR MEMBERSHIP BY NATURAL PERSONS AND LEGAL ENTITIES

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

6.1.0 Is within the field of membership consisting of the following common bond;

i) Kenyan Women, their spouses and children above 18 years, currently in Gainful Employment within North America and KNADS employees.

ii) Kenyan women, their children and spouses previously resident in North America engaged in gainful employment and have returned to Kenya.

6.1.1 Has attained the age of eighteen (18) years.

6.1.2 Is of good character and sound mind.

6.1.3 Pay the entrance fee and share capital as prescribed in these by-laws.

6.1.4 Is not a member of another SACCO having similar objectives as K-NAD SACCO.

6.1.5 An employee of the Sacco

but:

i) They cannot vie for

leadership position

ii) Must meet requirement in section **6.1.0 (i)** above

7.0 APPLICATION FOR MEMBERSHIP

Every applicant for membership shall complete an "Application for Membership" form. This form shall be drawn to show all the information required for the purpose of registration of members.

8.0 ADMISSION INTO MEMBERSHIP

8.1 An applicant shall be admitted to membership of the SACCO upon payment of an entrance fee of Ksh 10,000 (Kenya shillings Ten Thousand only) and;

8.2 Purchase minimum Share Capital worth Ksh 50,000 (i.e., 50 shares at Ksh 1,000 each) payable within 6 months. Minimum Share Capital shall increase by 1 share at Ksh.1,000 each year per Member.

8.3 All payments made to the Sacco within the first Six (6) months will go towards building the minimum share capital as per sub-section 8.2 above.

8.4 The entrance fee and minimum shares per member may be fixed by the General meeting from time to time.

8.5 Upon admission the member's name shall be entered in the membership register and a membership number issued.

8.6 The new member shall sign or make a thumb mark acknowledging they have read the By-laws of the Society.

8.7 Members shall be admitted by the Board of Directors subject to confirmation by the next general meeting.

8.8 Members shall deposit a minimum of Ksh 5,000 per month.

8.9 Bulk deposits will only cover that particular financial year in question. Members are expected to continue with their regular deposits the following year.

8.10 The member shall receive an electronic copy of these By-Laws upon request and pay for a hard copy of the Society's By-laws at its actual cost to the Society.

9.0 REFUSAL OF ADMISSION

The Board of Directors may refuse admission to a person after assigning reasons for their decision. Such a person, if otherwise eligible for membership, shall have the right to appeal to the next General Meeting through a member.

10.0 RIGHTS OF MEMBERS

A Member of the Society shall have the right to:

a) Attend and participate in decision making at all general meetings of the Society and vote;

b) Elect and be elected to organs of the Society, subject to these by-laws;

c) Enjoy the use of all the facilities and services of the Society subject to the Society's by-laws.

d) All legitimate information relating to the Society, including internal regulations, registers, Minutes of general meetings and supervisory committees' reports, annual accounts, inventories, and investigation reports, at the Society's registered office.

e) To be furnished with a free statement for each account that provides adequate details of each transaction made during the period upon request by a member, through an electronic media to the members' disclosed electronic address.

f) An advance written notice of at least thirty (30) days before the effective date of a change in the features of the SACCO's products and services in accordance with the Regulations, 2020.

g) A full and accurate disclosure of the terms and conditions for subscription to the SACCO shares or the terms and conditions for the mobilization of non-withdrawable deposits or the opening and operation of a non- withdrawable deposit account including the savings frequency, tariffs, penalties, commissions, charges, and fees among others in accordance with the Regulations, 2020.

h) A full and accurate disclosure of the minimum lending terms, legal obligations and requirements of either party, including the amount to be financed; the finance charges, such as the interest rate, fees and any other charges that may be imposed; the interest computation method (variable, fixed, flat or reducing) and the date interest charges begin to accrue; the conditions for refinancing of loans; frequency of issue of statements; and the collateral or security required to secure the lending.

i) A full and accurate disclosure of the method employed to calculate any dividends payable on shares and interest payable on non-withdrawable deposits; and the frequency of the dividend or interest calculation and the time the dividends or interest are paid or credited to an account.

j) Propose initiatives to the Board in writing for consideration.

k) Any other right as may be conferred upon the member by the Co-operative Societies Act, the Sacco Societies Act, the Regulations 2020, these By- Laws and any other applicable law.

11.0 OBLIGATIONS OF MEMBERS

A Member of the Society shall have the obligation to:

i) Observe and comply with all the Society's by-laws and decisions taken by the relevant organs of the Society.

ii) Buy and pay up for shares or make any other regular payments provided for in these by-laws.

iii) Meet the debts of the Society in case of insolvency in accordance with the provision of the Act and these by-laws.

iv) All members are required to submit via email their receipts for all deposits made without any exceptions. This will ensure a paper/email trial of all deposits made by all members and hence clear record keeping. Except for direct deposits from Kenyan Bank to K-NADS account where records are seen in the transaction.

v) Ensure that only members of sound mind are elected to the Board of Directors and the Supervisory Committee.

vi) Any other obligation imposed by the Co-operative Societies Act, the Sacco Societies Act, the Regulations, 2020, these By-Laws and any other applicable law.

12.0 MEMBER'S PERSONAL STATEMENT

The Society may use a "check off system", standing order or cash for payments of members shares, deposits and loan repayments.

However, when direct payments have to be made, they shall be paid directly into the Society's bank account and a receipt issued by the Society on submission of the bank slip.

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

13.0 CESSATION OF MEMBERSHIP

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

i. Death

ii. Withdrawal

iii. Expulsion

iv. Being certified insane

v. Transferring all the shares to another member

vi. Failure to remit share contributions and loan repayment for a continuous period of twelve (12) months without valid reason or leave of the Society.

vii. Ceasing to hold qualification for membership as specified in these by-laws provided that members who have lost the common bond may retain their membership.

14.0 GROUNDS FOR SUSPENSION

The Board of Directors may suspend a member subject to the decision of the general meeting to expel who:

a) Fails to fulfil his/her obligations to the Society whether stated in these by-laws, general internal regulations, a resolution of the general meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed.

b) Is a member of another Society having similar objectives.

c) Falsifying documents.

d) Engaging in businesses which conflict with the SACCO interest.

e) Impersonation.

f) Acts in any manner prejudicial to the interests of the SACCO.

Provided that no member shall remain in suspension for a period of more than 12 months.

15.0 PROCEDURE OF SUSPENSION AND EXPULSION

a) Upon formal and written proof that a member has committed a violation punishable by expulsion, the Board of Directors shall serve thirty (30) day written notice to the member stating the reason(s) for the proposed expulsion and requiring him, /her to file a defense.

b) Upon the expiry of the 30 days and taking into consideration the members' defense, if any, the Board of Directors shall initiate an administrative inquiry and decide on its findings within 15 days. The Board of Directors may; -

i. Suspend the member pending expulsion by the General Meeting or

ii. Impose any other punishment as provided for in the applicable law.

c) The suspended member may appeal to the Board of Directors if not satisfied with the decision of the Board of Directors.

d) The Board of Directors shall present their findings to the next General meeting which may either lift the suspension or expel the member.

e) A member who is expelled from the Society shall have the right to appeal to the tribunal.

16.0 WITHDRAWAL FROM SOCIETY

i. A member may at any time withdraw from the Society by giving at least sixty (60) days written notice to the Board of Directors. All refunds to the member should be done within thirty (30) days of the notice to leave the Sacco

ii. Partial withdrawal of shares from the Society shall not be allowed under any circumstances except by selling or transferring to another member or an eligible person. Joining shares only.

iii. Shares and entrance fee shall not be refunded to a member.

16.1 PAYMENT ON CESSATION OF MEMBERSHIP

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

a) Any dividends or interests due to him prior to the date membership ceased and

b) Any other sums held by the Society on his behalf after deduction of any sum owed to the Society.

16.2 RE-ADMISSION TO MEMBERSHIP

a) A member who withdraws from the SACCO and wishes to rejoin, may rejoin immediately upon notifying the SACCO through writing, with no waiting period.

b) A Re-admission fee of Kes. 10,000 (Kenya shillings Ten thousand only) or such other amount as may be determined by the general meeting from time to time.

c) Upon re-admission, the re-joining member shall be treated as a new member for purposes of qualification of members' rights and obligations.

17.0 NOMINEE

Every member shall nominate in writing one or more persons as nominees(s). The nomination shall be attested to by two witnesses who are members of the Society. The names of such nominees(s) shall be entered in the nominee register.

Provided that a member shall have the right to change his/her nominee(s) in writing. Such changes shall be witnessed by at least two members of the Society.

17.1 PAYMENT TO NOMINEE

The Society, after obtaining such documentary proof of the death of a member as it may consider necessary, shall pay to the nominee the value of the deceased member's deposits, interest, and dividend after deducting monies owed to the Society, if any.

17.2 ADMISSION OF NOMINEE INTO MEMBERSHIP

A nominee may be admitted to membership of the SACCO upon request if qualifies to be a member as per these by-laws, and upon such request the shares, deposits, interest, and dividends due to the deceased member shall be transferred to the account of that nominee, and the account of the deceased member shall be closed down forthwith.

18.0 FUNDS OF THE SOCIETY

18.1 The funds of the Society shall consist of:

a) Entrance fee.

b) An unlimited number of shares of Ksh 1000 each.

c) Deposits from members and loans from non-members.

d) Administration fees and penalties.

e) Statutory reserve fund and any other reserve fund as may be kept by the Society.

f) Any surplus resulting from the operations of the Society.

g) Any donations, gifts from other bodies, organizations, and individuals.

h) Funds obtained from lawful miscellaneous sources.

i) Funds obtained from lawful and permitted activities which may include interest charged, fees, charges, fines, penalties, and commissions.

18.2 The funds of the Society shall only be paid to the promotion of the stated objects of the Society as set forth in these By- laws, and shall be invested in:

a) Such investments and securities as are authorized for the investment of trust funds,

b) The shares of any other Co-operative Society,

c) Any bank licensed under the Banking Act,

d) The stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya or in any other manner approved by a resolution at a general meeting of the Society.

e) Loans to members.

19.0 SHARES

Every member shall hold at least fifty (50) shares of Ksh 1000 each. Each year, shares held by each member will increase by 1 share at Kshs. 1000 each. To be recouped from Dividends and Interest Rebates each year for members not in compliance. However, no member shall hold more than one-fifth of the total shares of the Society.

20.0 TRANSFER OF SHARES

a) With the approval of the Board of Directors, a member may at time transfer shares to another member but not to any other person. Such transfers must be in writing and at nominal value.

b) All transfers of shares shall be registered with the Society and no transfer shall be valid unless so registered. A fee of Ksh 5,000 shall be payable by the transferee.

21.0 LIABILITY

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

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

22.0 POWER TO BORROW

Loans may be obtained from non-members subject to the maximum amount authorised by the General meeting and approved by the Commissioner for Co-operatives.

a) For the securing of 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 subject to approval by the commissioner for Co-operatives.

b) The rate of interest on loans shall not exceed the current market rate.

c) Loan eligibility for members will be 6 months from date of joining membership.

23.0 RECEIPTING OF MONEY

a) Money received on account of shares, deposits, loans, interest fees or fines shall be evidenced by a printed receipt in a form to be approved by the Board of Directors. Every member paying any money to the Society shall be identified on the receipt.

b) Should the receipt issued by the Society be lost or destroyed, notice of such fact shall be given to the Treasurer who may be authorized by the Board of Directors to issue a duplicate receipt at a reasonable fee.

c) The Board of Directors may require the members to sign an indemnity to protect the Society against any loss due to the issuance of such duplicate.

d) All funds payable to the Society's account shall be by way of electronic funds transfer.

24.0 PAYMENT/DISBURSEMENT

Payment made by the Society shall be evidenced in writing in a form approved by the Board of Directors.

25.0 RESERVE FUND

a) The Society shall pay into the Reserve Fund maintained in pursuance of the provisions of Section 47 of the Act and the Rules one fifth (1/5) of any net surplus resulting from the operations of the Society during a financial year.

b) The Reserve Fund of the Society shall be invested in the manner provided for in these by-laws.

c) The Reserve Fund shall be indivisible, and no member shall be entitled to claim a specific share of it.

d) No withdrawal shall be made from the reserve fund of the Society without a resolution from the General Meeting and a written approval from the Commissioner.

26.0 GENERAL MEETING

26.1 The supreme authority of the Society shall be vested in the General Meeting of members.

a) An Annual General Meeting shall be convened within four months after the end of the Society's financial year.

b) A specific general meeting of the Society may be held when convened by: -

i) Committee

ii) The Commissioner

iii) The Board of Directors within 15 days of receipt of a written request by at least **50** members or one fourth (25%) of the active members, whichever is less.

iv) Provided that when the General meeting is convened at the request of the members, the request must be deposited by registered mail at the Society's address or delivered to the manager at the Society offices within normal working hours.

c) The members, as in b (iii) above, if the Board of Directors fails to convene a meeting within fifteen days of receiving notice under the Act. The members shall.

26.2 Any business not completed at the annual general meeting may be taken up at a subsequent special General Meeting of the Society.

26.3 The Society shall hold its first general meeting within thirty (30) days from the date of registration.

26.4 VIRTUAL GENERAL MEETINGS

The SACCO may hold its General Meeting entirely in virtual format, allowing all members to participate remotely.

26.5 VIRTUAL MEETINGS TO COMPLY WITH GUIDELINES

Where the Board of Directors opts to hold a virtual or a mixed virtual and physical General Meeting, then the Board of Directors of the SACCO shall –

a) Take measures to ensure that the General Meeting is constituted, held, and conducted strictly in compliance with any circulars or guidelines or directives which may be issued by the Commissioner and/or the Authority from time to time, or any written law;

b) Ensure members are allowed to vote electronically/ virtually if they are unable to attend physically; and

c) The Board of Directors, the Chief Executive officer, and the Commissioner or representative shall be present within the SACCO's registered offices for the purposes of the General Meeting.

27.0 DUTIES OF GENERAL MEETINGS

27.1 The General Meeting shall have the powers and duties prescribed in the Act, Rules, and these by-laws. It shall:

a) Consider and confirm the minutes of the previous General Meeting.

b) Consider the report of committees, the Commissioner or his/ her representative and the audited accounts on the Society's activities during the past financial year.

c) Consider and resolve the way any available surplus shall be distributed or invested, subject to the Act and rules.

d) Elect or remove members of the Board of Directors and the Supervisory Committee, subject to the Act, Rules and these by-laws.

e) Fix the indemnity for the elected committee members and management staff.

f) Consider recommendations from the Board of Directors against the suspension of members.

g) Consider appeals against refusal of membership by the Board of Directors.

h) Confirm or reject admission of new members by the Board of Directors.

i) Fix the maximum liability which the Society may incur in loans and deposits from both members and non-members.

j) Approve the estimates of income and expenditure for the financial year following the General Meeting.

k) Fix the honoraria, if any, for officers or employees of the Society.

l) Decide on the management structure, including the establishment of branches to facilitate efficient and cost-effective delivery of services to members.

m) Appoint bankers, auditors and advocates of the Society for the ensuing year.

n) Affiliate the Society to National Co-operative Organization for SACCO societies and the Apex Society, subject to approval of the General Meeting.

o) Transact any other business of the Society for which notice has been given to members in the manner prescribed in these by-laws.

27.2 All members have a right to attend the General Meeting and participate in its deliberations; however, they may be required to identify themselves or by proxy where the delegate system of representation has been provided.

28.0 RECORD OF BUSINESS

All business discussed or decided at the General meeting shall be recorded without erasures and corrections in a minute book, which within one week of the meeting, shall be signed by the Chairperson of the meeting and the secretary present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.

At the next meeting after approving any alterations or variations which shall be written immediately below the above signatures and not as alterations to the original record, the meeting shall by resolution authorize the Chairperson to sign and date the final record.

29.0 NOTICE OF MEETINGS

a) The general meeting shall be convened by giving at least 15 days' written notice to the members.

b) The secretary shall take all usual steps to publish the notice of the meeting in public places, on the Society's noticeboard(s), in newspapers or new sheets, including the media or any other mode decided by the members.

c) All notices shall include a statement of the business to be dealt with.

30.0 QUORUM

Except when convened by the Commissioner, the presence of at least 50 members or 25% 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 present one hour after the advertised time of the meeting.

31.0 ELECTIONS

a) With every notice of the general Meeting convened in accordance with these by-laws, where elections will be held, the Board of Directors shall notify the members at least 2 months before the AGM, of the vacancies arising in both the Board of Directors and the Supervisory Committee. Nomination of Board Members on the floor during the AGM shall not be allowed.

b) During elections, the Returning officer shall call for nominations from the floor.

c) Each candidate must have a proposer and seconder.

d) At the elections, members shall decide the method of voting. The method may be secret ballot or queuing or by show of hands or by Electronic Voting.

e) No member shall be entitled to vote by proxy.

f) Irrespective of the number of shares held no member shall have more than one vote.

g) Dormant members have no rights to vote.

31.1 Within fourteen (14) days of the elections, the Returning officer shall forward to the Commissioner the names and addresses of all persons elected.

31.2 A new committee elected at the General Meeting shall not assume office unless they have satisfied the requirements of the Act, Rules and these by-laws.

32.0 THE BOARD OF DIRECTORS

The Board of Directors shall be the governing body of the Society elected from the general membership and shall consist of 9 (nine) Members.

It shall include the Chairperson, Vice Chairperson, Treasurer and Secretary, all of whom shall be elected by the Board of Directors from amongst the members of the Board of Directors.

a) Members of the Board of Directors shall hold office for a period of three years provided that, one-third of the Board of Directors members shall retire every year but will be eligible for re-election to a limit of three years except the Chairperson and the vice Chairperson who shall retire at the end of the third year but be eligible for re-election.

b) Where the membership of the Board of Directors falls below nine, the Board of Directors shall co-opt qualified member(s) into the Board of Directors until the next General Meeting.

32.1 ELIGIBILITY FOR MEMBERSHIP TO THE BOARD OF DIRECTORS

No person shall be eligible for membership in the Board of Directors of the Society if he/she: -

a) Is not a member of the Society.

b) Is under eighteen years of age.

c) Is unable to read and write.

d) Receives any remuneration, salary or other payments from the Society save as in accordance with the Act.

e) Is a committee member in two other societies.

f) Lends money on own account.

g) Is an un-discharged bankruptcy.

h) Is of unsound mind.

i) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months.

j) Has been convicted of any offence under the Act or rules.

k) Has any uncleared debt owing to the Society at the end of its financial year other than in respect of a loan granted under the provision of any regulations made under the Act.

l) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the Act.

m) Has not been a member of the SACCO for at least three (3) years prior to the Annual General Meeting.

Is not a fully paid-up member of the SACCO for the last three (3) years in terms of monthly deposits contribution and has not attained the minimum number of Share Capital required of each member.

Has not attained a minimum Member Deposit contribution of Kenya Shillings Seven Hundred Thousand (KSh 700,000)

32.2 BOARD OF DIRECTORS MEETINGS

a) Meetings of the Board of Directors shall be held at least once a month subject to a maximum of 15 meetings in a year. At least 5(five) of the total number of committee members shall form a quorum for the disposal of business.

b) If a member of the Board of Directors fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his/her duties, the position may be declared vacant and filled as provided for in these by-laws.

32.3 RECORD OF BUSINESS OF THE MANAGEMENT COMMITTEE

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

At the next meeting, after approving any alterations or variations, which shall be written

immediately below the above signatures and not as alterations to the original record, the meeting shall, by resolution, authorize its Chairperson to sign and date the final record.

32.4 DUTIES AND POWERS OF THE BOARD OF DIRECTORS

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

a) Observe in all its transactions the Act, the Rules and these by-laws and prudent business practices.

b) Act upon all applications for membership.

c) Make provision for sufficient funds for loans to members.

d) Ensure that true and accurate records and accounts of the Society's money, properties, capital reserves, liabilities, income, and expenditure are kept and maintained.

e) Prepare and develop long term management plans and budgets for presentation at the general meeting.

f) Propose to the General meeting the amount and kind of surety bond, or other security, which shall be given by the member of the Board of Directors or employee having custody of or handling funds or property of the Society.

g) Determine and recommend to the General Meeting the interest rates on loans, the maximum maturities and terms of payment or amortization of loans from time to time and the maximum amounts that may be loaned with or without security to any member.

h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting.

i) Lay before the General Meeting audited accounts, together with proposals for the disposal of net surplus, if any.

j) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on deposits.

k) Fill through co-option, vacancies occurring in the Board of Directors between meetings.

l) Recommend investments for the Society.

m) Authorize the conveyance of properties.

n) Authorize borrowing and lending operations of the Society in accordance with the Act and the Rules.

o) Designate a depository or depositories for the funds of the Society.

p) Employ and fix the remuneration of the employees in accordance with the terms and conditions of service as approved by the Commissioner.

q) Impose fines as provided for under these by-laws.

r) Approve transfer of shares.

s) Supervise the recovery and collection of loans from members and recommend to the General Meeting the write off of bad debts.

t) Perform or authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the General Meeting.

u) To provide adequate budget for education and training of members, the Board of Directors, and staff; and

v) Perform such other duties as the General meeting may from time to time direct.

33.0 EXPENDITURE

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

33.1 ANNUAL ESTIMATES AND EXPENDITURES

The Board of Directors shall prepare and submit to the General Meeting of the SACCO for review, with or without amendments, the proposed estimates of income and expenditure together with the Capital Expenditure Budget for the ensuing financial year, at least three (3) months before the commencement of the ensuing financial year.

34.0 DELEGATION TO EMPLOYEES

a) The Board of Directors may delegate to any employee of the Society such duties as it deems fit.

b) Nothing in (a) above shall absolve The Board of Directors from its responsibility of running the affairs of the Society in a proper and business-like manner.

35.0 INDEMNITY

All Committee Members shall each provide an indemnity for an amount of Kenya shillings one hundred thousand (Ksh 100,000). A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner 14 days upon election to The Board of Directors.

36.0 DECLARATION OF WEALTH

Every committee member shall, within 30 days of being elected, declare wealth to the Commissioner in the prescribed manner.

37.0 LEGAL STANDARD OF CARE

In the conduct of the affairs of the Society, the members of Committee shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, the Rules, the By-law or the directions of the General Meeting.

38.0 SUSPENSION FROM THE BOARD OF DIRECTORS

a) The Commissioner may suspend from duty any Board Director charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.

b) The majority of the Board of Directors Members may suspend a Board Director for:

   i) Failure to disclose vested interests.

   ii) Any other good cause.

Subject to ratification by the General meeting.

39.0 REMOVAL FROM THE BOARD OF DIRECTORS

A member of the Board of Directors shall cease to hold office if he/she

a) Ceases to hold qualifications of a Committee Member as specified in the Act, Rules and these By-laws.

b) Is removed by the Commissioner under the provisions of the Act.

c) Is voted by a majority of the Society members present and voting at the General Meeting.

40.0 EXECUTIVE OFFICERS

The Chairperson, the Vice-Chairperson, the Treasurer, and the Honorary Secretary shall be termed as the "Executive Officers of the Society" and shall be elected at a meeting of the Board of Directors held within seven days after election at the General Meeting.

41.0 THE CHAIRPERSON

The Chairperson shall:

a) Preside at general meetings, committee meetings and joint meetings with the Supervisory committee.

b) Perform such other duties as directed by the Board of Directors, not inconsistent with the provisions of the Act, the Rules and these By-laws.

42.0 THE VICE-CHAIRPERSON

The Vice-Chairperson shall perform: -

a) The duties of the Chairperson during his/her absence.

b) Such other duties as directed by the Board of Directors.

43.0 SECRETARY

The duties of the Honorary Secretary are to:

a) Cause minutes of the General Meeting, Committee Meetings, and joint meetings with the Supervisory Committee to be recorded.

b) Ensure that notices of the meetings are prepared and sent out.

c) Ensure that the Society's correspondence is promptly and correctly attended to.

44.0 TREASURER

The duties of the Treasurer shall be to:

a) Perform such other Generally, manage or cause to be managed the financial affairs of the Society in a competent manner.

b) Ensure that a proper record is kept of all monies received and paid out by the Society, its assets, liabilities, capital reserve and its income and expenses.

c) Ensure the safekeeping of the Society money, securities and books of accounts.

d) Ensure that all payments and expenditures are duly authorized.

e) Ensure that within ten days after the closure of each month, a financial statement showing the condition of the Society's finances at the end of the preceding month is prepared and submitted to the Board of Directors for discussion.

f) Ensure compliance with all directions of the Board of Directors, the Act, the Rules and these by-laws on all financial matters.

g) Cause to be presented a statement of the ensuing month's cash flow.

h) Ensure sufficient funds are available for loans.

i) Perform such other duties as may be directed by the Board of Directors.

j) duties as may be directed by the Board of Directors.

45.0 SUB-COMMITTEES

a) Sub-committee shall consist of persons drawn from the Board of Directors.

b) The Board of Directors may delegate to the sub-committee some of its duties under these by-laws as it deems fit.

c) These sub-committees shall convene as directed by the Board of Directors.

45.1 EDUCATION SUB-COMMITTEE

The Education Sub-Committee shall consist of three members including the Vice-Chairperson who shall serve as its Chairperson. Its duties shall be too.

a) Organize education programs for members, committee members, staff and the general public.

b) Ensure that both the Board of Directors members and the staff are well trained and prepared for the tasks they are entrusted with at the Society.

c) Create Co-operative awareness to the general public.

45.2 TENDER SUB-COMMITTEE

The tender sub- committee shall consist of all the members of the management committee.

45.3 CREDIT SUB-COMMITTEE

The Credit Sub- committee shall consist of three members of the Board of Directors, none of whom shall be an Executive officer. Its duties shall be to:

a) Hold regular meetings as the business of the Society may require, but at least once a month.

b) Vet loan applicants and their guarantors and their ability to service their Credit requirements.

c) Advise members on the available investment opportunities.

d) Maintain records of their deliberations on loans.

e) Forward its loan recommendations to the Board of Directors for approval.

45.4 INVESTMENT SUB- COMMITTEE

The Duties and Responsibilities of The Investment Sub-Committee Include:

i. Review and make recommendations to the Board on the financial plans of the SACCO ensuring its adequacy and soundness in providing for the SACCO current operations and long-term stability.

ii. Review, discuss and make recommendations to the Board concerning significant financial planning, Management issues of the SACCO.

iii. Review periodic financial statements of the SACCO.

iv. Consider and advise the Board on investments and borrowings.

v. Make recommendations to the Board on capital expenditure projects.

vi. Ensure all expenditure of the SACCO is within the approved budgets.

vii. Review and make recommendations on finance related policies including investments, capital adequacy and financial performance monitoring.

viii. Ensure the SACCO liquidity is managed in good sound.

ix. Ensure establishment of Management succession plan in the SACCO.

x. Ensure the Management adheres to approved human resource and related policies when spending SACCO funds.

xi. Will be drawn from the Management Committee.

46.0 SUPERVISORY COMMITTEE

a) The Society shall have a supervisory committee consisting of three members each elected at the General Meeting for a period of three years and one member of the supervisory committee shall retire annually but be eligible for re-election.

b) No person who has been in the management committee within two (2) years preceding the date of the anticipated election shall be eligible for membership of the supervisory committee.

c) The supervisory committee shall:

i. Hold quarterly meetings save for joint meetings with the Board of Directors.

ii. Have qualifications similar to those of committee members.

iii. Be removed by a resolution of the general meeting.

46.1 DUTIES OF THE SUPERVISORY COMMITTEE

The duties of the supervisory committee shall include:

a) Counterchecking, the effectiveness of the Society's internal control systems through:

i. Carrying out investigations as may be necessary for the well-being of Society and members in general and verifying the accuracy of the transactions of the Society.

ii. Checking if cash and bank accounts are reconciled in good time.

iii. Establishing whether the management of the Society use managerial tools i.e., budgets, trial balances, economic reports, long term plans and others and thereafter making necessary recommendations to the Board of Directors.

b) Preparation and presentation of periodic reports to the Board of Directors during joint meetings.

c) Presentation of Annual Report to the General Meeting.

d) Submission of its reports to the Commissioner.

e) *The supervisory committee shall not perform the duties or exercise any of the powers of the Board of Directors*.

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

47.0 VETTING COMMITTEE

47.1 COMPOSITION OF THE VETTING COMMITTEE

a) The vetting committee is an Ad hoc committee consisting of five (5) members:

i. A representative from the commissioner's office who shall be the Chairperson of the vetting committee,

ii. The Sacco Operations Manager who shall be the Secretary of the vetting committee and

iii. Three (3) members shall be elected from the general membership at a members general meeting.

b) The Elections and Vetting Policy shall be reviewed and approved by members at a general meeting.

47.2 RESPONSIBILITIES OF THE VETTING COMMITTEE

i. To ensure that elections are held as stipulated in the K-NADS By-laws.

ii. To thoroughly vet members of the Board, and other committees as stipulated by the K- NADS By-laws, or/and as voted by the Members.

iii. To ensure that only members that have the best interest of K-NADS and will abide by the Code of Ethics are selected to the Board and other committees.

iv. To report the vetted results of each nominee with reasons as to why each did not meet the requirements per listed criteria for the vetting members.

v. To report the evaluation of each nominee with recommendations for those who meet the criteria.

vi. To ensure only the most qualified and competent nominees are elected to the Boars, the Supervisory and all other Committees per the criteria set forth.

vii. To report to the Board in a timely manner the elected members of the board and other committees so as to enable a timely reporting to the Cooperative Society/Commissioners as required by the by- laws.

48.0 THE MANAGER

The Manager shall conduct the business of the Society subject to the overall direction of the Board of Directors.

48.1 DUTIES OF THE MANAGER

The manager shall:

i. Advise the Board of Directors and other Committee in formulating. Preparing and implementing long term policies and programs of the Society.

ii. Supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner.

iii. Ensure that proper books of accounts, records and returns are kept, and that monthly financial, statistical, and operational information is prepared and submitted to the Board of Directors and other Committees and also to the Commissioner.

iv. Be responsible for the security of the funds and assets of the Society.

v. Ensure that all statutory deductions such as National Social Security Fund (NSSF), Pay as You Earn (P.A.Y.E.) are correctly calculated and that all the amounts due and the necessary returns are submitted by the due date.

vi. Ensure that rent, rates levies and debts due from and to the Society are paid by the due date.

vii. Recommend to the Board of Directors the filling of any vacant position or dismissal of any staff member who is not performing his/her duties properly.

viii. Countersign the Society's cheques, contracts, and other documents.

ix. Attend general and committee meetings as an ex-official.

x. Perform such other duties as may be assigned to him by the Board of Directors.

49.0 BOOKS OF ACCOUNTS AND RECORDS

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

a) A register of members showing in respect of each member's:

i. Name, age, date of application for membership, address and occupation,

ii. Date of admission to membership,

iii. Date of cessation of membership,

iv. Name and particulars of nominees, and

v. Any other information may be required by the Society from time to time.

b) Minute books giving details of proceedings of Committee, joint Management and Supervisory Committee, Supervisory committee meeting and all other committee meetings held in accordance with these by-laws.

c) Minute book giving details of proceedings at the General Meetings.

d) A cash book showing the details of all monies received or paid out by the Society monthly including receipts of the petty cash expenditures, there should be no line item as miscellaneous expenditures in the books of accounts and records cashbook to show all receipts.

e) A general ledger containing such accounts as is necessary to reflect the business of the Society.

f) A personal ledger for each member showing his/her transactions with the Society.

g) A register of assets and property.

h) A register of loans showing in respect of each loan; the number, name of the borrower, the amount borrowed, the purpose of the loan, the due date of repayments and the date repayments were completed.

i) Such other books and records as the Board of Directors may decide or that the Commissioner may prescribe.

50.0 REGULATIONS

a) The Board of Directors may make such regulations, not inconsistent with these by-laws, as they deem necessary for the conduct of Society's web site and shall come into force when and as determined by the Board of Directors.

b) The Society shall formulate a code of conduct for good governance.

51.0 AUTHORIZATION TO SIGN DOCUMENTS

a) All documents, contracts and cheques shall be signed on behalf of the Society by any three of the following:

1. Chairperson
2. Vice Chairperson
3. Secretary
4. Treasurer

b) The manager shall countersign all the documents.

c) The Board of Directors may authorize any other officer to sign the Society's documents.

51.1 FORMAL CHARGING OF COLLATERAL AND UNDERTAKING

In accordance with the provisions of Section ***51.0 sub-section (c)*** of the Sacco's by-laws the board appoints Sacco credit officer or Chief executive officer to be the agent with authority of the Sacco to do the following acts on behalf of the Sacco:

a) To execute the formal charges on behalf of the Sacco.

b) To execute the financier's terms of undertaking in transactions, the Sacco will be required to issue the same.

52.0 FINANCIAL YEAR

The financial year of the Society shall be from 1st January to 31st December.

53.0 DISPOSAL OF SURPLUS FUNDS

Subject to the Act and Rules, the net surplus resulting from operations of the Society during any financial year shall be disposed-off as follows:

a) 20% shall be Credited to the Reserve Fund.

b) The balance may be disposed-off as decided by the General Meeting for:

i. Paying dividends and interest on shares and deposits. All members must claim their dividends by December 1st of each year. Any unclaimed dividends after this date shall be transferred to member's deposit for active members and to share capital for members with closed SACCO accounts.

ii. Being forwarded to the Education Fund or any other funds of the Society including the appropriations.

iii. Paying honorarium to Committee Members.

iv. In any other way approved by the General Meeting.

54.0 LOANS

a) The Society shall have a loan policy approved by the General meeting.

b) The Board of Directors shall bear responsibility for all loans approved.

c) Loans shall only be given for worthy purposes that benefit the borrower.

d) The rate of interest on loans shall be determined by the General Meeting on recommendation by the Board of Directors.

54.1 APPLICATION FOR LOANS

a) All loans shall be applied for in a manner prescribed by the Society.

b) The loan application 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, such other information the Board of Directors may require.

c) All applications for loans and reports thereon shall be filed as permanent records of the Society.

54.2 LOAN GRANTING

a) Loans shall be granted by the Board of Directors subject to the Credit limit approved by the general meeting.

b) No loan shall be granted except for a specified and approved purpose, for a definite period and at a fixed rate of interest.

c) No loan shall be made to any member in excess of 30% of the society's share capital and reserves.

d) Loans may be granted to Executive Officers, employees of the Society who are members only if:

   i. The loan is in accordance with these by-laws and is not on terms more favorable than those extended to another borrower.

ii. The loan is approved by the Credit committee and thereafter by the Board of Directors.

iii. The applicant takes no part in the consideration of his application at either the Credit or Committee Meeting

54.3 SECURITY FOR LOANS

The Credit Committee shall require the member to give the following securities for loans:

a) The shares and deposits of a member

b) The shares and deposits of guarantor(s)

c) Any other as it may consider necessary. Provided that:

i. The Board of Directors shall not accept as guarantor a member who has taken a loan and has already guaranteed three loans.

ii. No member acts as endorser or guarantor for borrowers from the Society.

iii. A borrower may apply to the Board of Directors for change of guarantor.

54.4 REPAYMENT OF LOANS

a) Loans shall be repaid according to the terms in the loan application form.

However, a borrower may, on any day on which the Society is open for business, repay his loan in whole or in part prior to its maturity, subject to approval of the Board of Directors.

b) Any request for an extension of time in which to pay, shall be accepted by the Board of Directors only in exceptional circumstances; provided such extension shall not result in financial losses to the Society.

Any extension so granted shall be treated as a new loan and an extension agreement shall be executed and signed.

54.5 RE-FINANCING OF LOANS

a) Notice shall be given to all members when the Society intends to re- finance loans.

b) The re-financing of a loan shall be allowed by the Board of Directors only when the Society has satisfied all loan demands and has sufficient funds.

c) The re-financed loan shall be treated as a new - loan and subjected to the normal loan approval procedures.

54.6 LOANS AS AN ITEM OF THE AGENDA

a) At every committee meeting the item "loans" shall appear on the agenda and the Credit Committee shall present a list of loans recommended for approval.

b) In the meeting, the Treasurer will present an up- to – date list of delinquent borrowers showing; -

i. Name of borrower.

ii. Account number

iii. Date of loan

iv. Unpaid loan balance

v. Borrower's share balance

vi. Number of months the loan has been defaulted

vii. Security and guarantor/s

c) The Board of Directors shall take action to collect the overdue loans as follows:

1. Any loan overdue for payment for more than three months shall be referred to the guarantor/ guarantors provided that the Society shall give notice of such intention to the borrower and guarantor/s.

2. Any disputed loan shall be referred to the Tribunal provided that the Society gives a written notice of its intention to do so.

3. Where the parties opt for arbitration other than the Cooperatives tribunal, the decision of the arbitrator shall be binding.

4. The Board of Directors shall make a full report on loans to the General Meeting.

55.0 CASH RESERVE

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

56.0 COMMON SEAL

a) The Society shall adopt and use a common seal.

The seal shall have an imprint bearing the words "of KENYA NORTH AMERICA DIASPORA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED", which seal shall be different from the ordinary name-stamp of Society.

b) The seal shall be kept securely under key and lock by the Manager and be used only in the presence of the officers authorized to sign documents on behalf of the Society.

57.0 FINES

For any breach of these by-laws or lawful instructions issued by the Board of Directors and General Meeting, or his obligations on time, the member shall be fined an amount not exceeding Kshs. 20,000.00 or equivalent in United states dollars.

58.0 DISPUTES

If any dispute concerning the business of the Society arises: -

a) Among members, past members and persons claiming through members, past members, and deceased members; or

b) Between members, past members or deceased members, and the Society, its committee, or any officer of the Society; or

c) Between the Society and other Co-operative Society;

Which cannot be determined by the Board of Directors or the General Meeting shall be referred to Alternative Dispute Resolution (ADR), if that fails then it shall be referred to the Tribunal or a commonly accepted arbitrator.

Appeals shall be taken to the High Court of Kenya.

59.0 MISCELLANEOUS

a) No Board Director or supervisory Committee member shall receive from the Society any payment apart from sitting allowance, and travelling and subsistence allowance, except an honorarium from the net surplus as allowed in these by- laws.

b) Confidentiality

i) The Board of Directors and supervisory committee members, and employees of Society shall hold in the strictest confidence all transactions of the Society with its members.

ii) In cases of breach of confidentiality, besides the resulting action for damages, the responsible party shall be removed from the office, or their employment terminated.

c) When any Board Director is disqualified or unable to perform his duties, the Board of Directors may co-opt a member or members of the Society to serve on the Board of Directors until the next general meeting.

d) The Society shall pay an audit and supervision fee of such sums as may be required by the Commissioner.

e) No member of the Board of Directors or supervisory committee shall in any manner participate in the deliberations and determination of any question affecting his financial interest.

f) In the event of any disqualification, the remaining qualified committee members present at the meeting, if constituting a quorum may exercise, with respect to the matter, all powers of the Board of Directors.

g) An electronic copy of these by-laws shall be furnished to every member who joins the Society or on request of a hard copy upon payment of a fee not exceeding its actual cost to the Society.

h) The Procurement Policy shall be reviewed and approved by members at a general meeting.

60.0 INSPECTIONS OF DOCUMENTS

a) All books of accounts and other records shall at times be available for inspection by all members of the management and supervisory committee of the Society, and to the commissioner.

b) The by-laws of Society and the registration certificate shall always be available for inspection by the Commissioner and the members.

c) A list of members excluding details of nominees and shareholdings or loans shall be available for inspection by any member and any other stakeholder upon payment of the prescribed fee.

61.0 DISSOLUTION

The Society shall be dissolved in accordance with the procedures set forth in the Act and Rules.

62.0 AMENDMENT OF BY-LAWS

These by-laws shall 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.

63.0 ACCEPTANCE

We, the undersigned Board Members of KNAD DIASPORA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED *(Regulated* Non-WDT-SACCO} named herein do hereby accept these by laws for and on behalf of the SACCO.

Title	Name	Passport/I.D No.	Signature
Chairlady	Hellen Khakasa Gwayumba	6674876	
Vice/Chairlady	Ruth Njambi Kiragu	14489805	
Treasurer	Priska Nyatich Ouko	24532934	
Secretary	Cynthia Indombo Mulamula	9029955	

OFFICIAL CERTIFICATION

I CERTIFY that the foregoing by-laws of the KNAD DIASPORA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED *(Regulated Non-WDT-SACCO)* have been approved and duly registered.

GIVEN UNDER MY HAND AT NAIROBI

Given under my hand at Nairobi this ---12th--- Day of----------June---------- 2026

DAVID K. OBONYO

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT